

Grey District Council Annual Report



For the year
01 July 2014 – 30 June 2015



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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	10
PART B: INDEPENDENT AUDITOR'S REPORT	11
PART C: FINANCIAL STATEMENTS AND NOTES	17
1 STATEMENT OF COMPLIANCE AND RESPONSIBILITY	18
2 STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE	19
4 STATEMENT OF FINANCIAL POSITION	20
5 STATEMENT OF CHANGES IN EQUITY	21
6 STATEMENT OF CASHFLOWS.....	22
7 NOTES TO THE FINANCIAL STATEMENTS	23
8 FUNDING IMPACT STATEMENT FOR WHOLE OF COUNCIL	76
9 FINANCIAL REPORTING AND PRUDENCE DISCLOSURES.....	78
10 RATING BASE INFORMATION	85
PART D: GROUP OF ACTIVITY STATEMENTS	86
1 LAND TRANSPORT.....	87
2 STORMWATER	92
3 WASTEWATER (SEWERAGE)	97
4 WATER SUPPLY	102
5 SOLID WASTE (REFUSE AND RECYCLING).....	107
6 EMERGENCY MANAGEMENT	113
7 ENVIRONMENTAL SERVICES.....	118
8 OTHER TRANSPORT	124
9 PROPERTY AND HOUSING	129
10 COMMUNITY FACILITIES AND EVENTS.....	134
11 DEMOCRACY AND ADMINISTRATION.....	142
PART E: CONSULTATION WITH MAORI	146
PART F: COUNCIL CONTROLLED ORGANISATIONS	147
1 TOURISM WEST COAST AND WEST COAST RURAL FIRE AUTHORITY	147
2 WEST COAST RECREATION TRUST	147

PART A: Introduction

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

Welcome to the 2014/2015 Annual Report. It represents Council's report-back to our community and, as such represents a very important document. Thank you for taking the time to read it.

As before the report covers Council's financial performance over the past year and also reports on our non-financial performance. On that basis the report is made up of the following distinct sections:

- Financial statements reflecting the overall result as at 30 June 2015. It is important that you also read the notes to these statements.
- Group Activity Statements. These statements not only reports on the financial performance at an activity level but also reports on our non-financial performance.
- Other matters covered in the report include:
 - Report on consultation with Maori
 - Report on Council-Controlled-Organisations (CCOs)

Even though the report is to a large extent a statutory requirement, Council gladly issues this report. It sees it as part of openness and transparency which form part of its accountability commitments to its constituents.

We are proud of the fact that Council maintains a high standard of performance. We remain strongly focused on best practice and have even led the way on a number of initiatives.

The financial report indicates a surplus of \$3.8 million which is healthy. Like before, a number of unspent subsidies on different longer term infrastructural projects are included. Notwithstanding it is proof that Council is prudent and responsible in managing our District's finances.

Looking ahead, we are confident that our local economy is continuing to strengthen, following the significant setbacks in the coal industry. The economic recovery is still slow, but we are moving in the right direction. Council remains committed to making our District an attractive place to live, work and play in and our investment in better infrastructure in our different communities continues unabated. We have over the past 10 years invested in excess of \$100 million in infrastructural services and still maintain the lowest rates on the Coast and a debt of only \$30.4 million. Council is in the process of launching two other projects which further signals its absolute confidence in our District and its future. These are:

- The Westland Recreation Centre. This project will provide for the need for a quality indoor recreational facility. The fact that we are doing it solely from external funding sources is a major achievement. We are borrowing for the new Gymnasium but the loan costs will be fully paid for by the facility's revenue. The facility should be completed by July 2016.

- The Central Business District Redevelopment, with an in-principle commitment to undertake the town square/shared street/floodwall development as a first phase. This project has proved a significant success for local democracy with large numbers of residents having taken part in the development of the planning and identification of priorities. It is also significant that Mawhera Incorporated, as owner of the land is fully behind the project and is actively working to make it happen. If all goes well, we may see the launch of the project by mid-2016.

Council notes that the Local Government Commission will launch an investigation to determine the public appetite for a Unitary Authority for the Coast. Should the public indicate informed support for such an arrangement, Council will participate fully. In the meantime, we continue to work with our neighbouring local authorities on shared services as part of our commitment to greater efficiency.

The next year will be both busy and challenging but Council remains committed to maintaining efficient and accountable local government and, in the process, quality service delivery to its residents. We will maintain constructive consultation with our communities thereby confirming our partnership in maintaining a healthy District.

Should there be any questions about the report, please feel free to contact us.



A F Kokshoorn
MAYOR



P G Pretorius
CHIEF EXECUTIVE OFFICER

2 Councillors and their portfolios

1 Council

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	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 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

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

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 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 2015

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 statement of financial position as at 30 June 2015 on page 20;
 - the statement of comprehensive revenue and expense, statement of changes in equity and statement of cashflows for the year ended 30 June 2015 on 19 and 21 to 22;
 - the funding impact statement of the District Council on page 76;
 - the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 86 to 145; and
 - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 23 to 75;
- 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 86 to 145; and
- the disclosures of the District Council that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 78 to 84.

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 58 to 63;
 - each group of activities carried out by the District Council on pages 86 to 145;
 - remuneration paid to the elected members and certain employees of the District Council on page 69;
 - employee staffing levels and remuneration on pages 69 to 70;

- severance payments on page 70;
- rating base units on page 85; and
- insurance of assets on page 50;
- 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 146; and
- a statement of compliance signed by the mayor of Council, and by the District Council's chief executive on page 18.

Opinion

Audited information

In our opinion:

- the financial statements of the District Council on pages 19 to 75:
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2015;
 - the results of its operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand.
- the funding impact statement of the District Council on page 76, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan.
- the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 86 to 145, present fairly, in all material respects, 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 86 to 145:
 - present fairly, in all material respects, the District Council's levels of service for the year ended 30 June 2015, including:
 - the levels of service as measured against the intended levels of service adopted in the long-term plan;
 - the reasons for any significant variances between the actual service and the expected service; and
 - comply with generally accepted accounting practice in New Zealand.

- the funding impact statements in relation to each group of activities of the District Council on pages 86 to 145, present fairly, in all material respects, 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 78 to 84 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

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 12 October 2015. 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 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 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 District Council;
- the adequacy of the disclosures in the information we audited;
- determining the appropriateness of the reported performance measurement statements within the District 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 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;
 - present fairly the District Council's financial position, financial performance and cash flows; and
 - present fairly its service performance, including achievements compared to forecast;
- a funding impact statement that presents fairly 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 presents fairly 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 presents fairly 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; and
- the other information in accordance with the requirements of schedule 10 of the Local Government Act 2002.

The Council's responsibilities arise under 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.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the information we are required to audit, and whether the District 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.

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 and the audit of the District Council's 2015-25 Long Term Plan 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 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, as outlined in the Local Government Act 2002, have been complied with which includes the requirement to comply with generally accepted accounting practice.

2 Responsibility

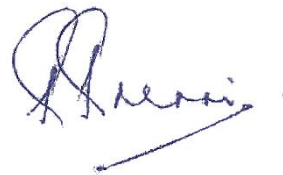
Council and management of Grey District Council accept responsibility for the preparation of the annual Financial Statements and the judgements used in them.

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 2015 fairly reflect the financial position and operations of Grey District Council.



A F Kokshoorn
MAYOR



P G Pretorius
CHIEF EXECUTIVE OFFICER

Dated this 12th day of October 2015.

2 Statement of comprehensive revenue and expense

For the year ended 30 June 2015

	Note	Actual 2014 \$000	Annual Plan 2015 \$000	Actual 2015 \$000
REVENUE				
Rates, excluding targeted water supply rates	3	12,237	12,511	12,797
Subsidies and grants	4	6,430	11,851	8,839
Development and financial contributions		37	58	171
Fees, charges, and targeted rates for water supply	5	6,999	5,764	6,063
Interest revenue	6	540	446	748
Other revenue	7	4,982	682	1,179
Total revenue		31,225	31,312	29,797
EXPENDITURE				
Personnel costs	8	(4,526)	(4,425)	(4,483)
Depreciation and amortisation expense	18	(7,563)	(8,683)	(7,624)
Finance costs	6	(1,008)	(2,033)	(1,881)
Other expenses	9	(10,485)	(10,966)	(11,961)
Total expenses		(23,582)	(26,107)	(25,949)
Net surplus/(deficit) before tax		7,643	5,205	3,848
Income tax expense	10	-	-	-
Surplus/(deficit) after tax attributable to Grey District Council		7,643	5,205	3,848
OTHER COMPREHENSIVE REVENUE AND EXPENSE				
Movement in asset revaluation reserve		59,327	-	-
Total other comprehensive revenue and expense		59,327	-	-
Total comprehensive revenue and expense		66,970	5,205	3,848

The accompanying notes form part of these financial statements.

4 Statement of financial position

As at 30 June 2015

	Note	Actual 2014 \$000	Annual Plan 2015 \$000	Actual 2015 \$000
ASSETS				
Current assets				
Cash and cash equivalents	11	12,869	5,180	7,237
Receivables	12	5,897	4,108	8,625
Other financial assets	13	5,705	5,808	10,463
Inventory	14	624	273	422
Non-current assets held for sale	15	-	685	-
		25,095	16,054	26,747
Non-current assets				
Receivables	12	153	236	42
Property, plant and equipment	16	383,949	376,873	388,417
Intangible assets	17	327	281	328
Other financial assets	13	877	815	360
Investment property	19	3,772	-	3,263
		389,078	378,205	392,410
TOTAL ASSETS		414,173	394,259	419,157
LIABILITIES				
Current liabilities				
Bank overdraft		-	-	-
Payables	21	3,576	4,195	4,043
Employee entitlements	22	533	503	402
Deferred revenue		212	142	183
Borrowings	23	189	1,634	4,789
Derivative financial instruments	24	-	-	11
		4,510	6,474	9,428
Non-current liabilities				
Provisions	25	2,203	2,386	2,203
Employee entitlements	22	474	424	532
Borrowings	23	29,675	31,036	25,631
Derivative financial instruments	24	322	-	526
		32,674	33,846	28,892
TOTAL LIABILITIES		37,184	40,320	38,320
EQUITY				
Retained earnings	26	222,087	236,024	225,877
Special funds	26	12,601	8,727	12,995
Trusts bequests and other reserves	26	505	520	169
Revaluation reserve	26	141,796	108,668	141,796
Total equity attributable to the Council		376,989	353,939	380,837
TOTAL EQUITY AND LIABILITIES		414,173	394,259	419,157

The accompanying notes form part of these financial statements.

5 Statement of changes in equity

For the year ended 30 June 2015

	Actual 2014 \$000	Annual Plan 2015 \$000	Actual 2015 \$000
Balance at 01 July	310,019	348,734	376,989
Total comprehensive revenue and expense	66,970	5,205	3,848
Balance at 30 June	376,989	353,939	380,837

The accompanying notes form part of these financial statements.

6 Statement of cashflows

For the year ended 30 June 2015

	Note	Actual 2014 \$000	Annual Plan 2015 \$000	Actual 2015 \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from rates revenue		15,191	14,636	14,822
Subsidies and grants received		6,142	11,851	6,774
Development and financial contributions received		63	58	175
Interest received		540	413	748
Dividends received		-	-	-
Receipts from other revenue		6,611	3,798	5,130
Payments to suppliers		(10,576)	(10,776)	(11,121)
Payments to employees		(4,456)	(4,425)	(4,556)
Interest paid		(1,506)	(2,033)	(1,899)
Income tax paid (refund)		-	-	-
Goods and services tax (net)		(529)	248	(197)
Net cash from operating activities	27	11,480	13,770	9,876
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of property, plant and equipment		489	190	262
Proceeds from sale of investment property		-	-	208
Receipts from sale of investments		8,550	29,652	40,947
Purchase of property, plant and equipment		(14,182)	(18,577)	(12,337)
Purchase of intangible assets		(20)	(10)	(50)
Acquisition of investments		(14,250)	(28,917)	(45,188)
Net cash from investing activities		(19,413)	(17,662)	(16,158)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings		4,853	3,529	5,839
Repayment of borrowings		(4,191)	-	(5,189)
Dividends paid		-	-	-
Net cash from financing activities		662	3,529	650
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		(7,271)	(363)	(5,632)
Cash, cash equivalents and bank overdrafts at the beginning of the year		20,140	5,543	12,869
Cash, cash equivalents and bank overdrafts at the end of the year	11	12,869	5,180	7,237

The accompanying notes form part of these financial statements.

7 Notes to the financial statements

1 Statement of accounting policies

[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 the subsidiary 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 as a public benefit entity 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 2015. The financial statements were authorised for issue by Council on 12 October 2015.

[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 Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with Public Benefit Entity Standards (PBE Standards) and authoritative notices that are applicable to entities that apply PBE Standards.

Council is classified as a Tier 2 reporting entity but has elected to report under Tier 1 and it applies full PBE Standards. These standards are based on International Public Sector Accounting Standards.

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.

New standards first applied in the period

Council has adopted XRB A1 FP Entities + PS PBEs Update (XRB A1). XRB A1 establishes a PBE tier structure and outlines which suite of accounting standards entities in different tiers must follow. Council has elected to report as a Tier 1 public sector PBE.

This is the first set of financial statements of the Council that is presented in accordance with PBE standards. Council has previously reported in accordance with NZ IFRS (PBE).

The accounting policies adopted in these financial statements are consistent with those of the previous financial year, except for instances when the accounting or reporting requirements of a PBE standard are different to requirements under NZ IFRS (PBE) as outlined below.

The changes to accounting policies and disclosures caused by first time application of PBE accounting standards are as follows:

PBE IPSAS 1: Presentation of Financial Statements

There are minor differences between PBE IPSAS 1 and the equivalent NZ IFRS (PBE) standard. These differences have an effect on disclosure only. The main changes in disclosure resulting from the application of PBE IPSAS 1 are the following:

PBE IPSAS 23: Receivables from Exchange and Non-Exchange Transactions:

In the financial statements of the previous financial year, receivables were presented as a single total in the statement of financial position. However, PBE IPSAS 1 requires receivables from non-exchange transactions and

receivables from exchange transactions to be presented separately in the statement of financial position. This requirement affected the presentation of both current and comparative receivables figures.

PBE IPSAS 32: Service Concession Arrangements: Grantor

PBE IPSAS 32 prescribes the accounting for service concession arrangements by the grantor. A service concession arrangement is a binding arrangement between a grantor and an operator, in which:

- the operator uses the service concession asset to provide a public service on behalf of the grantor for a specified period of time; and
- the operator is compensated for its services over the period of the service concession arrangement

The Council is a grantor in a service concession arrangement for the Civic Centre. The Council has entered into this arrangement in 2010. The Civic Centre has previously been recognised under Buildings within Property, Plant and Equipment as it was a pre-existing asset but this year has been re-classified as a Service Concession Asset within Property, Plant and Equipment. For more details please refer to Accounting Policy below and Note 20.

[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 in accordance with PBE IPSAS 7.19(c).

[4] Joint ventures

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

[5] Accounting policies

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

Revenue

Revenue comprises of the items below and is measured at the fair value of consideration received or receivable.

Revenue may be derived from either exchange or non-exchange transactions.

Revenue from exchange and non-exchange transactions

Revenue from exchange transactions arises where the Council provides goods or services to another entity and directly receives approximately equal value (primarily in the form of cash in exchange).

Revenue from non-exchange transactions arises from transactions that are not exchange transactions. Revenue from non-exchange transaction arises when the Council receives value from another party without giving approximately equal value directly in exchange for the value received.

Approximately equal value is considered to reflect a fair or market value, which is normally commensurate with an arm's length commercial transaction between a willing buyer and willing seller. Many of the services that the Council provides for a fee are charged at below market value as they are subsidised by rates. Other services operate on a cost recovery or breakeven basis and are not considered to reflect a market return. Most of the Council's revenue is therefore categorised as non-exchange.

Specific accounting policies for major categories of revenue are outlined below. The Council undertakes various activities as part of its normal operations, some of which generate revenue, but generally at below market rates. The following categories (except where noted) are classified as transfers, which are non-exchange transactions other than taxes.

Rates

Rates Revenue is recognised by Council as being revenue on the due date of each instalment. Rates are a tax as they are payable under the Local Government (Rating) Act 2002 and are therefore defined as non-exchange.

Water billing revenue is recognised on an accrual basis and are taxes that use a specific charging mechanism to collect the rate and are non-exchange revenue.

Subsidies and grants

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 subsidies are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

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

Development and financial contributions

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.

Finance revenue

Interest revenue is included in finance revenue in the statement of comprehensive revenue and expense and recognised using the effective interest method.

Other revenue

Dividends are recognised when the right to receive payment has been established and are classified as exchange revenue.

Revenue from fines and penalties (e.g. traffic and parking infringements, library overdue book fines, rates penalties) is recognised when infringement notices are issued or when the fines/penalties are otherwise imposed.

Revenue from the rendering of services where the service provided is non-exchange is recognised when the transaction occurs to the extent that a liability is not also recognised. Within rendering of services the only revenues considered to be exchange revenue are from Parking services (meter fees and permits) and commercial leases of some building assets. For these transactions the revenue is recognised by reference to the stage of completion of the transaction at the reporting date.

The sale of goods is classified as exchange revenue. Sale of goods is recognised when products are sold to the customer and all risks and rewards of ownership have transferred to the customer.

Investment property lease rentals (net of any incentives given) are classified as exchange revenue and recognised on a straight line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which benefits derived from the leased asset is diminished.

Other gains and losses

Gains include additional earnings on the disposal of property, plant and equipment and movements in the fair value of financial assets and liabilities and are recognised as exchange revenue.

Vested Asset Revenue is recognised as non-exchange revenue 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.

Borrowing costs

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

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/revenue through the surplus/deficit.

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.

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.

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 statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The 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.

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 statement of financial position.

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 statement of financial position.

- **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 revenue and expense 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 revenue and expense except for impairment losses, which are recognised in the surplus/deficit. In the event of impairment, any cumulative losses previously recognised in other comprehensive revenue and expense 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 revenue and expense is reclassified from equity to the surplus or deficit.

Impairment of financial assets

At each balance 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.

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.

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.

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.

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.

Service Concession Assets - is an asset used to provide public services in a service concession arrangement.

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

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to 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 in a non-exchange transaction 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
- Service Concession Asset (Civic Centre)	Straight line	15 – 50	2.0 – 6.67
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:			

Asset Class	Depreciation Method	Life (years)	%
- Formation	Not depreciated		
- Pavement structure – sealed	Straight line	40 – 50	2 – 2.5
- Pavement structure – unsealed	Straight line	3 – 22	4.5 – 33
- Pavement surfacing	Straight line	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 revenue and expense.

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.

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.

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.

Service Concession Arrangement

A service concession arrangement is a binding arrangement between a grantor and an operator, in which:

- the operator uses the service concession asset to provide a public service on behalf of the grantor for a specified period of time; and
- the operator is compensated for its services over the period of the service concession arrangement

Council is a grantor in a service concession arrangement concerning the Civic centre. The building is recognised and measured as a separate class within property plant and equipment – please refer to accounting policy in above.

Council analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. Council recognises that asset when, and only when:

- Council controls or regulates the services that the operator must provide using the asset, to whom the operator must provide these services, and at what price; and
- In the case of assets other than 'whole-of-life' assets, Council controls – through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement.

Any assets so recognised are measured initially at their fair value and are recognised as a separate asset class within property, plant and equipment or intangible assets, as appropriate. Subsequent to initial recognition, service concession assets are measured using either the cost model or the revaluation model, as per PBE IPSAS 17 or PBE IPSAS 31.

PBE IPSAS 32 requires the grantor (public entity) to recognise the service concession asset and a corresponding liability on its statement of financial position. The liability can be a financial or other liability or a combination of the two depending on the nature of the compensation of the operator. A financial liability is recognised if the grantor compensates the operator by the delivery of cash or another financial asset. A non-financial liability is recognised if a right is granted to the operator to charge the users of the public service related to the service concession asset (liability for unearned revenue).

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 asset's 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.

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.

Trade and other payables

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

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.

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.

Borrowings

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

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.

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 statement of financial position.

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

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by Council 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.

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.

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 16 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 25 discloses an analysis of the exposure of Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision.

Financial guarantees

Note 29 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 2015:

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 revenue for the Council and is not directly related to service delivery.

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.

Statement of cashflows

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

"Operating Activities" include cash received from all revenue 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.

New standards and interpretations issued and not yet adopted

There are no other standards that have been issued that are not yet effective.

2 Summary revenue and expenditure for groups of activities

	Actual 2014 \$000	Annual Plan 2015 \$000	Actual 2015 \$000
REVENUE			
Land transport	6,026	7,117	6,948
Stormwater	802	753	760
Wastewater	5,861	2,326	3,080
Water Supply	2,105	3,213	2,638
Solid waste management	1,913	2,023	2,039
Emergency management	180	192	180
Environmental services	2,012	1,892	2,050
Other transport	1,144	826	721
Property and housing	4,242	1,204	1,985
Community facilities and events	4,695	9,862	7,038
Democracy and administration	7,164	7,541	7,847
Total activity revenue	36,144	36,949	35,286
Less internal recoveries	(4,919)	(5,637)	(5,489)
Total revenue	31,225	31,312	29,797
EXPENDITURE			
Land transport	6,835	7,002	6,547
Stormwater	949	1,125	1,228
Wastewater	2,139	3,017	2,728
Water Supply	1,592	2,107	1,965
Solid waste management	1,713	1,975	1,702
Emergency management	200	192	248
Environmental services	1,830	1,865	1,890
Other transport	1,148	1,221	1,236
Property and housing	1,229	1,276	2,117
Community facilities and events	4,437	4,478	4,819
Democracy and administration	6,429	7,486	6,958
Total activity expenditure	28,501	31,744	31,438
Less internal recoveries	(4,919)	(5,637)	(5,489)
Total Expenditure	23,582	26,107	25,949

Each significant activity is stated gross of internal costs and revenues. In order to fairly reflect the total external operations for the Council in the statement of comprehensive revenue and expense, these transactions are eliminated as shown above.

3 Rates, excluding targeted water supply rates

	Actual 2014 \$000	Annual Plan 2015 \$000	Actual 2015 \$000
GENERAL RATES			
General Rate	5,808	5,798	5,997
Uniform Annual General Charge	2,705	2,839	2,874
Total general rates	8,513	8,637	8,871
TARGETED RATES ATTRIBUTABLE TO ACTIVITIES:			
District Promotion	258	263	266
Refuse Collection	1,214	1,251	1,272
Sewerage Collection	2,075	2,217	2,202
PENALTIES			
Rate Penalties	177	143	186
Total rates, excluding targeted water supply rates	12,237	12,511	12,797

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 2014 \$000	Annual Plan 2015 \$000	Actual 2015 \$000
Rates, excluding targeted water supply rates	12,237	12,511	12,797
Water Supplies	1,648	1,881	1,756
Water Meter Rates	235	226	219
Lump sum contributions	1,323	-	-
Total annual rates revenue	15,443	14,618	14,772

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 2014 \$000	Annual Plan 2015 \$000	Actual 2015 \$000
Rates on land where GDC is the ratepayer	352	366	368
Rate discounts	26	35	37
Rates remitted per Council policy	44	34	34
Total rates remitted	422	435	439

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.

4 Subsidies and grants

	Actual 2014	Annual Plan 2015	Actual 2015
	\$000	\$000	\$000
New Zealand Transport Agency subsidies	2,804	4,128	3,805
Ministry of Health drinking water related subsidies	215	1,092	648
Ministry of Health wastewater related subsidies	2,251	-	688
NZ Lottery grants	-	-	-
Other grants and subsidies	1,160	6,631	3,698
Total subsidies and grants	6,430	11,851	8,839

There are no unfulfilled conditions and other contingencies attached to subsidies and grants recognised (2014 nil).

5 Fees and charges and targeted rates for water supply

	Actual 2014	Annual Plan 2015	Actual 2015
	\$000	\$000	\$000
Targeted rates for water supplies	1,648	1,881	1,756
Water meter rates	235	226	219
Lump sum contributions	1,323	-	-
Wastewater - trade waste user charges	82	82	89
Building and resource consent charges	666	639	573
Dog registration and other user charges	206	181	190
Liquor licencing fees	45	21	76
Landfill charges	543	630	612
Swimming pool user charges	421	506	482
Parking fees	71	67	60
Lease revenue	462	432	399
Retirement housing rental revenue	568	598	572
Port berthage and user access fees	136	146	129
Other fees and charges	593	355	906
Total fees, charges, and targeted rates for water supply	6,999	5,764	6,063

6 Interest revenue and finance costs

	Actual 2014	Annual Plan 2015	Actual 2015
	\$000	\$000	\$000
INTEREST REVENUE			
Interest Revenue:			
- term deposits	540	446	748
- local authority and government bonds	-	-	-
Total interest revenue	540	446	748
FINANCE COSTS			
Interest expense:			
- interest on borrowings	1,405	2,033	1,665
Interest derivatives (presented net):			
- held for trading interest rate swaps	(397)	-	216
Total finance costs	1,008	2,033	1,881
Net finance costs	468	1,587	1,133

7 Other revenue

	Actual 2014	Annual Plan 2015	Actual 2015
	\$000	\$000	\$000
Traffic and parking infringements	39	31	25
Freedom camping infringements	99	24	72
Petrol tax	168	201	181
Vested land and infrastructure from property development	158	89	-
Insurance recoveries	251	-	474
Non-current assets held for sale gains on disposal	-	45	-
Property plant & equipment gains on disposal	486	98	32
Investment property gains on disposal	-	-	-
Investment property revaluation gains	3,007	-	-
Other	774	194	395
Total other revenue	4,982	682	1,179

8 Personnel costs

	Actual 2014	Annual Plan 2015	Actual 2015
	\$000	\$000	\$000
Wages and salaries	4,287	4,266	4,367
Contributions to defined contribution plans	169	159	189
Increase/(decrease) in employee benefit liabilities	70	-	(73)
Total employee expenses	4,526	4,425	4,483

9 Other expenses

	Note	Actual 2014 \$000	Annual Plan 2015 \$000	Actual 2015 \$000
Fees to principal auditor				
Audit of financial statements		89	107	90
Long Term Plan (LTP) audit		-	36	65
Audit fee paid on behalf of West Coast Recreation Trust		2	2	2
Insurance expenses		493	477	576
Consultants		618	392	748
Legal fees		271	78	314
Electricity		875	917	985
Grants & Donations		583	503	801
Remuneration of elected members	34	237	249	243
Directors' fees		-	-	-
Minimum lease payments under operating leases		313	284	314
Assets written off		-	-	-
Impairment of asset expense		-	-	-
Bad debt expense		5	-	33
Movement in impairment of receivables	12	24	-	9
Movement in provision for financial guarantee		-	-	(29)
Loss on sale of property, plant and equipment		57	-	33
Loss on sale of Investment Property		-	-	6
Investment property revaluation losses		-	-	301
Other operating expenses		6,918	7,921	7,470
Total other expenses		10,485	10,966	11,961

10 Income tax expense in the statement of comprehensive revenue and expense

	Actual 2014 \$000	Actual 2015 \$000
Net Surplus/(Deficit) before Tax	7,643	3,848
Tax at 28%	2,140	1,077
Plus (less) tax effect of:		
Non-deductible expenditure		
Non-taxable revenue	(2,246)	(1,174)
Tax losses not recognised	106	97
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 \$11,961,193 (2014: \$11,616,361). Utilisation of these tax losses is dependent upon earning future assessable revenue. 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 2014	Actual 2015
	\$000	\$000
Cash at bank and on hand	137	129
Call deposits	12,732	6,024
Term deposits with maturities of less than 3 months at acquisition	-	1,084
Total cash and cash equivalents	12,869	7,237

The carrying value of cash at bank, call deposits, and short-term deposits with maturities less than three months approximates their fair value.

The effective interest rate on deposits in 2015 was 4.3 percent (2014: 4.0 percent). The deposits had an average maturity of 126 days (2014: 161 days).

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

	Actual 2014	Actual 2015
	\$000	\$000
Cash at bank and in hand	137	129
Call deposits	12,732	6,024
Term deposits with maturities of less than 3 months at acquisition	-	1,084
Bank overdrafts	-	-
Total cash and cash equivalents	12,869	7,237

12 Trade and other receivables

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

	Actual 2014 \$000	Actual 2015 \$000
Receivables		
Rates receivables	1,200	1,126
Water rate receivables	115	132
New Zealand Transport Agency receivable	487	1,145
Port receivables	-	60
Lease receivables	376	420
Sundry receivables	4,179	5,826
Community loans	56	42
Prepayments	-	-
Loans to related parties	-	-
GST receivable	234	146
Receivables prior to impairment	6,271	8,897
Less provision for impairment of receivables	(221)	(230)
Total receivables	6,050	8,667
Total receivables comprise:		
Receivables from non-exchange transactions – (this includes outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates)	5,666	8,245
Receivables from exchange transactions – (this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates)	384	422

Fair value

Receivables are generally short-term and non-interest bearing. Therefore, the carrying value of receivables approximates their fair value.

Impairment

The 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. These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid 4 months after the due date for payment. If payment has not been made within 3 months of the Court's judgment, then the Council can apply to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit.

Ratepayers can apply for payment plan options in special circumstances. Where such repayment plans are in place, debts are discounted to their present value of future payments if the effect of discounting is material.

The ageing profile of receivables at year end is detailed below:

	2014			2015		
	Gross	Impairment	Net	Gross	Impairment	Net
	\$000	\$000	\$000	\$000	\$000	\$000
Not past due	2,975	-	2,975	3,041	-	3,041
Past due 1 - 30 days	44	-	44	1,371	-	1,371
Past due 31 - 90 days	398	-	398	2,884	-	2,884
Past due > 90 days	2,721	(221)	2,500	1,601	(230)	1,371
Total	6,138	(221)	5,917	8,897	(230)	8,667

All receivables greater than 30 days in age are considered to be past due.

The impairment provision has been calculated based on a review of specific overdue receivables. Individually impaired receivables have been determined to be impaired because of the significant financial difficulties being experienced by the debtor.

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

	Actual 2014 \$000	Actual 2015 \$000
At 1 July	197	221
Provisions reversed during the year	(85)	(7)
Additional provisions made during the year	104	49
Receivables written off during period	5	(33)
At 30 June	221	230

13 Other financial assets

	Actual 2014 \$000	Actual 2015 \$000
CURRENT PORTION		
Term deposits with original maturities greater than 3 months and remaining maturities less than 12 months	5,705	9,960
Borrower notes	-	-
Local authority stock	-	503
Available-for-sale financial assets	-	-
Total current investments	5,705	10,463
NON-CURRENT PORTION		
Borrower notes	330	320
Local authority stock	507	-
Unlisted shares	40	40
Total non-current investments	877	360

Fair value

Term deposits

The carrying amount of term deposits approximates their fair value.

Borrower notes

The carrying amount of term deposits approximates their fair value.

Local authority stock

The fair value of local authority stock is \$503,000 (2014 \$507,000). Fair value has been determined by discounting cash flows from the stocks using a discount rate derived from relevant market inputs.

Unlisted shares

Unlisted shares are recognised at fair value. Due to the immaterial size and nature of the Council's investment in The New Zealand Local Government Insurance Corporation Limited (Civic Assurance), the Council has estimated the fair value of this investment based on the LGFA's net asset backing as at 30 June

Impairment

There were no impairment expenses or provisions for other financial assets. At balance date, none of these financial assets are either past due or impaired.

14 Inventory

	Actual 2014	Actual 2015
	\$000	\$000
Land being developed for sale	509	307
Materials held for repair of Aquatic Centre	115	115
Total inventory	624	422

The land relates to surplus land (commonly referred to as the *Koromiko* Block) that Council is in the processing of subdividing. Council sold a part of the land in 2015 and expects to sell the remaining lots over the next 1 - 3 years.

15 Non-current assets held for sale

	Actual 2014	Actual 2015
	\$000	\$000
Balance 01 July	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	(57)	-
Balance at 30 June	-	-
Non-current assets held for sale are:		
Buildings	-	-
Land	-	-
Total non-current asset held for sale	-	-

In 2014 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 revenue for the Council.

16 Property, plant and equipment

COUNCIL 2015

	Cost/ valuation 01-Jul-14	Accumulated depreciation & impairment charges 01-Jul-14	Carrying amount 01-Jul-14	Current year additions	Current year disposals at cost	Accumulated depreciation on disposals	Current year impairment charges	Current year depreciation	Revaluation surplus / (deficit)	Cost/ valuation 30-Jun-15	Accumulated depreciation & impairment charges 30-Jun-15	Carrying amount 30-Jun-15
INFRASTRUCTURAL ASSETS												
Roading Network	161,835	-	161,835	3,797	-	-	-	(3,693)	-	165,632	(3,693)	161,939
Land Under Roads	68,733	-	68,733	-	-	-	-	-	-	68,733	-	68,733
Stormwater	28,753	-	28,753	151	-	-	-	(726)	-	28,904	(726)	28,178
Flood Protection System	8,596	(1,404)	7,192	9	-	-	-	(85)	-	8,605	(1,489)	7,116
Sewerage	35,630	-	35,630	21,540	-	-	-	(676)	-	57,170	(676)	56,494
Water Supply Systems	19,654	-	19,654	2,139	-	-	-	(505)	-	21,793	(505)	21,288
Landfill Site	3,347	(2,510)	837	-	(1)	1	-	(33)	-	3,346	(2,543)	803
Work in progress	18,197	-	18,197	581	(18,190)	-	-	-	-	588	-	588
TOTAL INFRASTRUCTURAL ASSETS	344,745	(3,914)	340,831	28,217	(18,191)	1	-	(5,718)	-	354,771	(9,632)	345,139

COUNCIL 2015

	Cost/ valuation 01-Jul-14	Accumulated depreciation & impairment charges 01-Jul-14	Carrying amount 01-Jul-14	Current year additions	Current year disposals at cost	Accumulated depreciation on disposals	Current year impairment charges	Current year depreciation	Revaluation surplus / (deficit)	Cost/ valuation 30-Jun-15	Accumulated depreciation & impairment charges 30-Jun-15	Carrying amount 30-Jun-15
OTHER FIXED ASSETS												
General Land	4,740	-	4,740	-	-	-	-	-	-	4,740	-	4,740
Other Land	2,857	-	2,857	-	(95)	-	-	-	-	2,762	-	2,762
Buildings	25,310	-	25,310	105	(140)	140	-	(1,190)	-	25,415	(1,190)	24,225
Service concession asset - Civic Centre	475	-	475	2	-	-	-	(80)	-	477	(80)	397
Plant & Machinery	1,110	(697)	413	166	(35)	35	-	(109)	-	1,276	(806)	470
Furniture & Fittings	386	(361)	25	10	-	-	-	(7)	-	396	(368)	28
Computer Equipment	1,466	(1,282)	184	46	(95)	95	-	(71)	-	1,512	(1,353)	159
Library Stocks	1,855	(1,705)	150	52	-	-	-	(39)	-	1,907	(1,744)	163
Breakwaters & Wharves	4,839	(3,202)	1,637	-	-	-	-	(148)	-	4,839	(3,350)	1,489
Aerodrome	2,470	-	2,470	27	-	-	-	(88)	-	2,497	(88)	2,409
Parking Developments	441	(125)	316	1	-	-	-	(10)	-	442	(135)	307
Reserve Board Assets	290	-	290	-	-	-	-	-	-	290	-	290
Sports fields and Parks	2,124	(455)	1,669	454	-	-	-	(95)	-	2,578	(550)	2,028
Heritage Assets	1,052	(200)	852	-	-	-	-	(20)	-	1,052	(220)	832
Work in progress	1,730	-	1,730	1,616	(367)	-	-	-	-	2,979	-	2,979
TOTAL OTHER FIXED ASSETS	51,145	(8,027)	43,118	2,479	(732)	270	-	(1,857)	-	53,162	(9,884)	43,278
TOTAL PROPERTY, PLANT AND EQUIPMENT	395,890	(11,941)	383,949	30,696	(18,923)	271	-	(7,575)	-	407,933	(19,516)	388,417

COUNCIL 2014

	Cost/ valuation 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/ valuation 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

COUNCIL 2014

	Cost/ valuation 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/ valuation 30-Jun-14	Accumulated depreciation & 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	22,831	(3,987)	18,844	181	-	-	-	(803)	7,088	25,310	-	25,310
Service concession asset - Civic Centre	451	(70)	381	-	-	-	-	(36)	130	475	-	475
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

Core assets

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

	Closing book value	Additions constructed by Council	Additions transferred to Council	Most recent replacement cost estimate for revalued assets
	\$000	\$000	\$000	\$000
2015				
Water Supply Systems				
- treatment plants and facilities	1,956	1,269	-	3,642
- other assets (such as reticulation systems)	19,332	870	-	34,555
Sewerage				
- treatment plants and facilities	4,764	10,537	-	6,839
- other assets (such as reticulation systems)	51,730	11,003	-	42,729
Stormwater	28,178	151	-	66,814
Roads and footpaths	161,939	3,797	-	256,671
Flood Protection System	7,116	-	-	n/a
	275,015	27,627	-	411,250
2014				
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. 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. Whilst the cost of any eventual remedy has not been quantified, Council has applied an impairment based on an assessment of the replacement cost of the roof.

Work in progress

Property, plant, and equipment in the course of construction by class of asset is detailed below:

	Actual 2014 \$000	Actual 2015 \$000
INFRASTRUCTURAL ASSETS		
Sewerage		
- Taylorville, Dobson, Kaiata scheme	5,429	-
- Greymouth scheme	12,257	-
Water supply systems		
- Greymouth treatment upgrade	163	-
- Taylorville Dobson supply	5	583
- Stillwater supply	341	-
- Runanga supply	2	5
	18,197	588
OTHER FIXED ASSETS		
Buildings		
- Westland Recreation Centre	1,363	2,980
- Northern breakwater - ecocluster	127	-
- Southern Breakwater - viewing platform	240	-
	1,730	2,980

Insurance of Assets

	Carrying value of assets covered by insurance contracts \$000	Maximum amount to which assets are insured \$000
Buildings	24,622	73,972
Contents	350	10,630
Stormwater plant	887	2,061
Sewerage plant	17,220	22,632
Water supply plant	4,492	7,447
Work in progress	2,980	8,316
Vehicles	470	568
	51,021	125,626

	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	27,291	17,813
Sewerage network	39,274	17,694
Water supply network	16,796	5,617
Landfill	803	1,819
Flood Protection System	7,116	3,721
Breakwaters & Wharves	1,489	13,388
	92,769	60,052

ASSET VALUES FROM STATEMENT OF FINANCIAL POSITION

Property, plant and equipment 388,417

Less carrying value of those assets disclosed above:

Carrying value of assets covered by insurance contracts 51,021

Carrying value of assets covered by financial risk sharing arrangements. 92,769

Less uninsured asset classes

	\$000
Roading Network	161,939
Land Under Roads	68,733
General Land	4,740
Other Land	2,762
Aerodrome	2,409
Parking Developments	307
Reserve Board Assets	290
Sports fields and Parks	2,028
Heritage Assets	832
Work in progress	587

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17 Intangible Assets

Movements in the carrying value for each class of intangible asset are as follows

	Council Computer software
	\$000
COST	
Balance at 1 July 2013	376
Additions	20
Disposals	-
Balance at 30 June 2014	396
Balance at 1 July 2014	396
Additions	50
Disposals	-
Balance at 30 June 2015	446
ACCUMULATED AMORTISATION AND IMPAIRMENT	
Balance at 1 July 2013	(25)
Amortisation charge	(44)
Disposals	-
Balance at 30 June 2014	(69)
Balance at 1 July 2014	(69)
Amortisation charge	(49)
Disposals	-
Balance at 30 June 2015	(118)
CARRYING AMOUNTS	
Balance at 1 July 2013	351
Balance at 30 June and 1 July 2014	327
Balance at 30 June 2015	328

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

18 Depreciation and amortisation expense by group of activity

	Actual 2014	Annual Plan 2015	Actual 2015
	\$000	\$000	\$000
Land transport	4,376	4,455	3,693
Stormwater	562	677	811
Wastewater	706	1,021	676
Water Supply	390	588	505
Solid waste management	165	115	42
Emergency management	4	15	5
Environmental services	12	39	1
Other transport	230	281	258
Property and housing	200	227	367
Community facilities and events	758	861	1,042
Democracy and administration	160	404	224
Total finance costs	7,563	8,683	7,624

19 Investment property

	Actual 2014 \$000	Actual 2015 \$000
Balance 01 July	-	3,772
Transfer from <i>Assets held for sale</i>	645	-
Transfer from <i>Property, plant and equipment</i>	130	-
Disposals	(10)	(208)
Fair value gains/(losses) on valuation	3,007	(301)
Balance at 30 June	3,772	3,263

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 Preston Rowe Paterson and the valuation is effective as at 30 June 2015.

20 Service Concession Agreements

The Civic Centre has been reclassified as a Service Concession Assets under PBE IPSAS 32.

Council entered into a service concession arrangement with a trust manage the Civic Centre in order to improve the performance of the Civic Centre as an indoor sporting facility in October 2010. Under the service concession arrangement, the facility manager is required to operate the civic centre until 30 June 2015. The ownership of the building will be retained by Council. During the period, the operator will earn an annual fee for operating the Civic Centre. Council will regulate the services to be provided by the operator to members of the public at the Civic Centre, as well as the prices charged to the public for these services.

There is no liability for the Civic Centre service concession after 30 June 2015

21 Payables

	Note	Actual 2014 \$000	Actual 2015 \$000
Payables under exchange transactions			
Trade payables and accrued expenses		2,187	2,349
Sundry Creditors		1,244	1,104
Directors fee payable		-	-
Accrued expenses		-	-
Amounts due to related parties	32	10	31
Interest Payable		135	211
Total		3,576	3,695
Payables under non-exchange transactions			
Grants payable		-	348
GST payable		-	-
Total		-	348
Total trade and other payables		3,576	4,043

Payables are generally non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying value of payables approximates their fair value.

22 Employee entitlements

	Actual 2014 \$000	Actual 2015 \$000
Accrued pay	161	56
Annual leave	577	624
Long service leave	66	46
Retirement gratuities	203	208
	1,007	934
COMPRISING:		
Current	533	402
Non-current	474	532
Total employee benefit liabilities	1,007	934

Key assumptions in measuring retirement and long service leave obligations

The present value of retirement and long service leave obligations depend on a number of factors that are determined on an actuarial basis. Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will affect the carrying amount of the liability.

Expected future payments are discounted using forward discount rates derived from the yield curve of New Zealand government bonds. The discount rates used have maturities that match, as closely as possible, the estimated future cash outflows. The salary inflation factor has been determined after considering historical salary inflation patterns. A weighted average discount rate of 4.0% (2014 4.0%) and an inflation factor of 2.5% (2014 2.5%) were used.

23 Borrowings

	Actual 2014 \$000	Actual 2015 \$000
CURRENT		
Secured loans	189	4,789
Total current borrowings	189	4,789
NON-CURRENT		
Secured loans	29,675	25,631
Total non-current borrowings	29,675	25,631
Total borrowings	29,864	30,420

External borrowings	Maturity date	Interest rate (as at 30 Jun 15)	Balance at 01 Jul 2014	Loans uplifted	Amortisation of fair value	Loans repaid	Balance at 31 October 2014
			\$	\$		\$	\$
LOAN NAME							
Westpac Multi Option Cash Loan	22 Sep 15	4.50%	1,265,000	-	-	-	1,265,000
Westpac Multi Option Cash Loan	22 Sep 15	4.50%	275,000	-	-	-	275,000
Westpac Multi Option Cash Loan	22 Sep 15	4.50%	4,500,000	-	-	(4,500,000)	-
Westpac Multi Option Cash Loan	22 Sep 15	4.50%	2,910,000	-	-	(500,000)	2,410,000
Westpac Multi Option Cash Loan	22 Sep 15	4.50%	189,000	-	-	(189,000)	-
Westpac Multi Option Cash Loan	23 Jul 15	4.35%	-	839,000	-	-	839,000
Westpac floating rate note	24 Oct 17	4.12%	-	5,000,000	-	-	5,000,000
Local Government Funding Agency	15 Mar 19	4.20%	3,000,000	-	-	-	3,000,000
Local Government Funding Agency	15 Mar 19	5.00%	2,062,080	-	(11,988)	-	2,050,092
Local Government Funding Agency	15 May 21	6.00%	5,394,427	-	(47,731)	-	5,346,696
Local Government Funding Agency	15 May 21	6.00%	5,325,273	-	(39,363)	-	5,285,910
Local Government Funding Agency	15 Apr 23	5.50%	2,943,002	-	5,179	-	2,948,181
Local Government Funding Agency	15 Apr 23	4.56%	2,000,000	-	-	-	2,000,000
			29,863,782	5,839,000	(93,903)	(5,189,000)	30,419,879
Portion of Term Debt repayable within One year			189,000	-	-	-	4,789,000
Portion of Term Debt repayable in One to Two years			8,950,000	-	-	-	-
Portion of Term Debt repayable in Two to Five years			5,062,080	-	-	-	10,050,092
Portion of Term Debt repayable in Five years or more			15,662,702	-	-	-	15,580,786
Total Term Debt repayable			29,863,782	-	-	-	30,419,878

The Council's secured loans are secured over either separate or general rates of the Council.

Carrying values are approximately equal to fair value.

24 Derivative financial instruments

	Actual 2014 \$000	Actual 2015 \$000
Interest rate swaps - fair value	322	537
	322	537
COMPRISING:		
Current	-	11
Non-current	322	526
Total derivative financial instruments	322	537

The notional principal amounts of the outstanding interest rate swap contracts for the Council were \$12,500,000 (2014 \$12,500,000). At 30 June 2015, the fixed interest rates of cash flow interest rate swaps vary from 4.44% to 7.71% (2014 4.44% to 7.71%).

25 Provisions

	Actual 2014 \$000	Actual 2015 \$000
Landfill aftercare provision	1,001	1,030
Financial guarantees	1,202	1,173
Total provisions	2,203	2,203

Movements for each class of provision are as follows:

Landfill aftercare provision

	Actual 2014 \$000	Actual 2015 \$000
Balance 01 July	886	1,001
Additional provisions made in the year	140	46
Amounts used in the year	(25)	(17)
Unused amounts reversed	-	-
Balance at 30 June	1,001	1,030

Landfill 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 2015 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% (2014 6%).

Financial guarantees

	Actual 2014 \$000	Actual 2015 \$000
Balance 01 July	1,231	1,202
Additional provisions made in the year	-	-
Amounts used in the year	(29)	(29)
Unused amounts reversed	-	-
Balance at 30 June	1,202	1,173

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	\$479,634
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. This funding was confirmed to continue in the 2015 – 2025 Long Term Plan.

26 Equity

	Actual 2014 \$000	Actual 2015 \$000
RATEPAYERS EQUITY		
Opening balance	209,673	222,087
Plus net surplus/(deficit) for the year	7,643	3,848
Net transfer from/(to) Special Funds	4,774	(394)
Net transfer from/(to) Trusts & Bequests	(3)	336
Net Transfer from revaluation reserves on disposal	-	-
Closing balance	222,087	225,877
SPECIAL FUNDS		
Opening balance	17,375	12,601
Plus interest (transfer from ratepayer equity)	440	-
Other transfers from ratepayers equity	1,030	5,263
Transfer to ratepayers equity	(6,244)	(4,869)
Closing balance	12,601	12,995
TRUSTS, BEQUESTS & OTHER RESERVES		
Opening balance	502	505
Transfer from ratepayers equity	6	-
Transfer to ratepayers equity	(3)	(336)
Closing balance	505	169
REVALUATION RESERVES		
Opening balance	82,469	141,796
Reclassification to surplus or deficit on disposal	-	-
Net revaluation gains / (losses)	59,327	-
Impairment losses recognised in the revaluation reserve	-	-
Closing balance	141,796	141,796
TOTAL EQUITY	376,989	380,837
REVALUATION RESERVES ARE MADE UP OF THE FOLLOWING		
Land & Building Revaluation Reserve	18,683	18,683
Aerodrome revaluation reserve	647	647
Roading Revaluation Reserve	79,968	79,968
Water Revaluation Reserve	8,109	8,109
Investment Revaluation Reserve	52	52
Drainage & Sewerage Revaluation Reserve	34,337	34,337
	141,796	141,796

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

2015: Special Funds

Reserve	Activities to which the reserve relates	Balance 01 July \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance 30 June \$000
Special funds					
Special Fund Interest Suspense		-	-	-	-
Greymouth Sewerage Fund	Wastewater	3,677	71	(2,368)	1,380
Te Kinga Infra Upgrade Reserve	All activities	79	5	-	84
Rural Sewerage Capital Works Reserve	Wastewater	245	14	-	259
Cobden Stormwater Mitigation Reserve	Stormwater	45	2	-	47
Barrytown Area Infra Reserve	All activities	86	5	-	91
Atarau Area Infra Reserve	All activities	4	-	-	4
Ahaura Area Infra Reserve	All activities	157	8	(10)	155
Hauptiri Area Infra Reserve	All activities	161	8	(40)	129
Nelson Creek Infrastructure Reserve	All activities	15	1	-	16
Ngahere Infrastructure Reserve	All activities	169	9	-	178
Blackball Area Infra Reserve	All activities	1	-	-	1
Runanga Area Infra Reserve	All activities	560	48	-	608
Kaiata Stillwater Area Infra Reserve	All activities	201	10	(25)	186
Karoro Infrastructure Development Reserve	All activities	545	49	(19)	575
South Beach/Paroa Infrastructure Reserve	All activities	363	20	-	383
Camerons Infrastructure Reserve	All activities	108	6	-	114
Gladstone Infrastructure Reserve	All activities	217	2	(10)	209
Arnold Valley Area Infra Reserve	All activities	91	5	-	96
Lake Brunner Area Infra Reserve	All activities	181	10	-	191
Hohonu Area Infra Reserve	All activities	42	2	-	44
Infra Renewal Reserve	All activities	129	6	(41)	94
Moana Water Supply	Water supply	8	-	-	8
Flood Protection Reserve	Stormwater/Flood protection	101	6	-	107
Cemetery Extension Reserve	Cemeteries	43	2	-	45
Cemetery Maintenance Reserve	Cemeteries	280	15	-	295
Footpath Reserve	Land transport	54	3	-	57
Roading Reserve - Exp Committed	Land transport	216	160	(375)	1
Land Fill Reserve	Solid waste management	161	20	-	181
Airport Maintenance Reserve	Airport	98	62	-	160
Disaster Recovery Reserve	All activities	1,817	98	-	1,915
Civil Defence Reserve	Emergency management	30	1	-	31
Rural Fire Authority Reserve	Rural fire authority	103	6	-	109
Economic Development Reserve	All activities	247	10	(256)	1
Harbour Endowment LS Reserves	Port	-	213	(213)	-
Land Sale Reserve	All activities	(294)	805	(505)	6
Reserves Subdivision Contributions	Community facilities and parks	-	170	(169)	1
Maori Land Compensation Reserve	Council property	199	10	(15)	194
TDS Reserve	Economic development	54	3	-	57
Town Clock Reserve	Community facilities and parks	20	1	-	21
Gas Management Plan Reserve	Council property	15	1	-	16
District Planning Reserve	District planning	55	3	-	58
Plant and Machinery Reserve	All activities	735	163	(339)	559
Building & Property Gen Reserve	Council property	26	2	-	28
Corp Equip and Furniture Reserve	Council administration	545	216	(150)	611
Staff Costs Reserve	Council administration	18	1	(12)	7
Sunshine Coach Reserve	Council administration	6	-	-	6
Rental Housing Reserve	Retirement housing	156	9	-	165
Miners Rec Centre Reserve	Proposed Miners' Rec Centre	473	1,560	-	2,033
Library Reserve	Libraries	37	2	-	39
SPECIAL FUNDS - Committed Expenditure	All activities	322	1,440	(322)	1,440
Total special funds		12,601	5,263	(4,869)	12,995

2015: Trusts and bequests

Reserve	Activities to which the reserve relates	Balance 01 July \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance 30 June \$000
Trusts and bequests					
McGlashan Trust	Community facilities and parks	9	1	(10)	-
E White Bequest	Community facilities and parks	35	2	-	37
Mayoral Flood Relief Fund	Democracy	7	-	-	7
Grey United Tennis Resurfacing Reserve	Community facilities and parks	-	-	-	-
Citizens Emergency Relief Fund	Democracy	60	3	-	63
Perotti Bequest	Community facilities and parks	12	1	-	13
Peters Bequest - Talking Books	Libraries	20	1	(2)	19
Vera Corbett Bequest	Libraries	28	2	-	30
Reserve Board Equity	Community facilities and parks	334	-	(334)	-
Total trusts and bequests		505	10	(346)	169
TOTAL SPECIAL FUNDS, TRUSTS, AND BEQUESTS		13,106	5,273	(5,215)	13,164

2014: Special Funds

Reserve	Activities to which the reserve relates	Balance 01 July \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance 30 June \$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
Hauptiri 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 \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance 30 June \$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
TOTAL SPECIAL FUNDS, TRUSTS, AND BEQUESTS		17,877	1,475	(6,246)	13,106

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.
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.

Special funds	
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.
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'

Special funds	
Rental Housing Reserve	To maintain in perpetuity, Council's retirement housing stock.
Miners Rec Centre Reserve	To fund the proposed Miners' 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.

27 Reconciliation of operating surplus to net cash inflows from operating activities

	Actual 2014 \$000	Actual 2015 \$000
Surplus from operations	7,643	3,848
ADD/(LESS) NON CASH ITEMS		
Depreciation	7,563	7,624
Impairment in value of Property, Plant and Equipment	-	-
Impairment in value of Available for sale financial assets	-	-
Vested assets	(158)	-
Unrealised landfill aftercare costs	115	29
Movement in provision for financial guarantee	(29)	(29)
Movement in employee entitlements (non current)	29	58
Debt forgiven	-	-
Assets written off	-	-
	7,520	7,682
MOVEMENTS IN WORKING CAPITAL		
(Increase)/decrease in accounts receivable	949	(2,617)
(Increase)/decrease in interest receivable	-	-
(Increase)/decrease in inventory	(115)	202
Increase/(decrease) in accounts payable	(537)	391
Increase/(decrease) in interest payable	(8)	76
Increase/(decrease) in revenue in advance	(30)	(29)
Increase/(decrease) in employee entitlements	41	(131)
	300	(2,108)
LESS ITEM CLASSIFIED AS INVESTING ACTIVITY		
Net gain(loss) on sale of property, plant & equipment and non-current assets held for sale	(486)	32
Fair value (gains)/losses on valuation of investment property	(3,007)	301
less amortisation of fair value of term loans	(93)	(94)
Change in fair value of interest swap	(397)	215
	(3,983)	454
	11,480	9,876
Net cash flow from operations		

28 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 2014 \$000	Actual 2015 \$000
OFFICE EQUIPMENT		
Not later than one year	42	53
Later than one year and not later than two years	39	52
Later than two years but not later than five years	46	14
Later than five years	-	-
	127	119
LAND LEASES		
Not later than one year	281	235
Later than one year and not later than two years	237	127
Later than two years but not later than five years	328	298
Later than five years	579	482
	1,425	1,142
Total non-cancellable operating leases	1,552	1,261

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 30 June 2016
Roading Maintenance Works	To 30 June 2016

Subloos New Zealand Limited

Solid Waste Operation Contract	To 30 June 2020
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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 2015/2016 financial year, Council approved \$15,357,000 to be spent on Capital Works (2014/2015 - \$18,042,000) associated with Council's various assets and functions. A detail of the works to be carried out is included in the 2015 - 2025 Long Term Plan which was adopted by Council on 8 June 2015 and released to the public.

Council has also approved budget carry-forwards for work not completed during 2014/2015 of \$4,789,424.

29 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 31). 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 (2014: Nil).

30 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 2015, the payments to be made to Council in the future totalled \$116,359 (2014 \$124,143).

31 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 2015, as 111.4% (108% as at 31 March 2014). 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 2015.

Each year 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 2012, the Actuary recommended the employer contributions to the Scheme be suspended with effect from 1 April 2012.

32 Related party transactions

There have been no transactions with related parties that did not occur within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those which it is reasonable to expect the entity would have adopted if dealing with that individual or entity at arm's length in the same circumstances.

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 2014	Amount payable 2014 (incl. GST)	Amount paid to the business 2015 (incl. GST)	Amount payable 2015 (incl. GST)
			\$	\$	\$	\$
Gibson	A.J Muffler Shop West Coast Ltd	Vehicle repairs	-	173	173	-
Haddock	P.R Westland Engineering	Engineering Services	2,593	210	9,580	3,573
Haddock	P.R E-Quip Engineering	Engineering Services	10,349	-	664	-
Haddock	P.R Greymouth Equipment Centre	Engineering Services	4,842	-	157	-
Hay	M Hay Brothers Painters	Painting Contractors	-	-	-	-
Kokshoorn	A.F Greymouth Car Centre	Vehicle repairs	1,277	-	322	-
Kokshoorn	A.F Greymouth Evening Star	Printing and advertising	60,600	5,095	66,624	5,256
Sandrey	C.R Cliff Sandrey Contracting	General Contracting	1,088	-	-	-
Sandrey	C.R West Coast Coaches Ltd	Transport	-	-	-	-
Truman	D.J Central Paper Plus	Office supplies	4,817	293	4,804	369
			85,566	5,598	82,151	9,199

Tourism West Coast

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 revenue, expenses or assets are recognised in respect of these investments.

Amounts paid to the organisation 2014 (excl. GST) \$	Amount payable 30-Jun-14 (excl. GST) \$	Amounts paid to the organisation 2015 (excl. GST) \$	Amount payable 30-Jun-15 (excl. GST) \$
107,400	-	114,265	21,500

West Coast Rural Fire Authority

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 revenue, expenses or assets are recognised in respect of these investments.

Amounts paid to the organisation 2014 (excl. GST) \$	Amount payable 30-Jun-14 (excl. GST) \$	Amounts paid to the organisation 2015 (excl. GST) \$	Amount payable 30-Jun-15 (excl. GST) \$
13,112	-	116,778	-

West Coast Theatre Trust

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 revenue, expenses or assets are recognised in respect of these investments.

Amounts paid to the organisation 2014 (excl. GST) \$	Amount payable 30-Jun-14 (excl. GST) \$	Amounts paid to the organisation 2015 (excl. GST) \$	Amount payable 30-Jun-15 (excl. GST) \$
163,418	4,000	4,656	565

Key management personnel

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

No debts involving a related party have been written off or forgiven during the year. (2014 – 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 2014	Actual 2015
	\$	\$
<i>Councillors</i>		
Remuneration	237,286	242,654
Full-time equivalent members	9	9
<i>Senior Management Team, including the Chief Executive Officer</i>		
Remuneration	710,834	747,810
Full-time equivalent members	5	5
Total key management personnel remuneration	948,120	990,464
Total full-time equivalent personnel	14	14

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

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors.

33 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 revenue in 'Other gains/ (losses)'. The value was also added to the appropriate asset category in Property Plant and Equipment.

34 Elected members remuneration

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

		Honarium 2015 \$	Travel Allowance 2015 \$	Total 2015 \$	Total 2014 \$
MAYOR					
Kokshoorn	A.F	73,199	-	73,199	72,199
COUNCILLOR					
Becker	A.D	20,101	608	20,709	14,609
Berry	P.F	-	-	-	5,923
Brown	K.R	20,101	-	20,101	19,589
Coll	A.P	20,101	-	20,101	19,895
Gibson	A.J	20,101	-	20,101	14,155
Haddock	P.R	20,101	-	20,101	19,210
Hamilton	K.F	-	-	-	5,890
Hay	M	20,101	-	20,101	14,134
Osborne	A.E	-	-	-	5,199
Sandrey	C.R	20,101	-	20,101	19,210
Truman	D.J	28,140	-	28,140	27,272
Total elected members remuneration		242,046	608	242,654	237,286

35 Chief Executive Officer's remuneration

	Actual 2014 \$	Actual 2015 \$
Salary	182,952	177,622
Employer Superannuation Contributions	9,619	18,798
Telephone rental	609	610
Car - Full Use	9,041	8,704
Professional Allowances/Fees	523	500
Total Chief Executive Officer's remuneration	202,744	206,235

36 Council employees

2015	Actual 2015 \$
<\$60,000	58
\$60,000 - \$79,999	20
\$80,000 - \$119,999	6
\$120,000 - \$219,999	6
Total Employees	90

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

Total remuneration includes non-financial benefits provided to employees.

At balance date, the Council employed 50 (2014 48) full-time employees, with the balance of staff representing 14 (2014 14) full-time equivalent employees. A full-time employee is determined on the basis of a 40-hour working week.

37 Severance payments

There were no severance payments during the 2014/2015 year that meets the definition of a severance payment as in clause 33 of schedule 10 of the Local Government Act 2002. (Nil payments 2014).

38 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 statement of financial position 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 2014 \$000	Actual 2015 \$000
Revenue	26	22
Expenditure	(29)	(27)
Net surplus (deficit) for the year	(3)	(5)

39 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 statement of financial position as an asset or liability.

40 Events subsequent to balance date

In September 2015 Council settled on the insurance claim for the Runanga Miners' hall, which incurred storm damage in April 2014 (Cyclone Ita). The balance of the claim paid by the insurer has been recognised as revenue in the 2014/2015 accounts. As Council has already agreed to pay the funds received for this claim to the Runanga Miners Hall Trust (as they are to take ownership and repair/restore the hall) the same amount has been recognised as a grant payable in the 2014/2015 accounts.

In October 2015 Council agreed to settle on a claim associated with tiling (spa tiling and tiling of the changing rooms) at the Grey District Aquatic Centre. The claim related to costs Council was pursuing to recover from several parties associated with the aquatic centre's construction. The amount Council agreed to accept as settlement has been recognised as revenue in the 2014/2015 accounts.

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 2014 \$000	Actual 2015 \$000
FINANCIAL ASSETS		
Loans and receivables		
Cash and cash equivalents (net)	12,869	7,237
Short term investments > 3 -12 months	5,705	10,463
Trade and other receivables	6,050	8,667
	24,624	26,367
Held to maturity investments		
Term investments	-	-
Borrower notes (Local Government Funding Agency)	320	320
Local authority stock	507	-
	827	320
Available for sale		
Unlisted shares (Civic Assurance)	40	40
	40	40
FINANCIAL LIABILITIES		
Financial liabilities at amortised cost		
Trade and other payables	3,576	4,043
Secured loans	29,864	30,420
	33,440	34,463
Fair value through statement of comprehensive revenue and expense		
Derivative financial instruments (interest rate swap)	322	537
	322	537

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 and other financial assets at 30 June 2015 had fluctuated by plus or minus 0.5%, the effect would have been to decrease/increase the surplus/deficit by \$90,000 (2014:\$104,000).

Based on financial instrument disclosures at the balance date and with other variables held constant; if interest rates on borrowings at 30 June 2015 had fluctuated by plus or minus 0.5%, the effect would have been to decrease/increase the surplus after tax by \$152,000 (2014: \$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 \$10,000,000 (2014: \$15,000,000) plus available credit on a credit line facility with Westpac of \$5,211,000 (2014 \$5,861,000). 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 13 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 2014/2015 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 revenue and expense

Significant variations from budget are:

Subsidies and grants \$3,012,000 less than budget. The budget included \$6,000,000 to be received towards the proposed Westland Recreation Centre. Due to project delays in confirming/commencing this project, actual grants received were \$3,050,000

Interest revenue \$302,000 greater than budget, associated with a higher level of interest earning investments held compared with budget

Other revenue \$497,000 greater than budget which is largely due to insurance recoveries of \$474,000 associated with Cyclone Ita (Easter 2014) storm that were not budgeted for.

Depreciation and amortisation expense \$1,059,000 less than budget.. As part of the asset revaluation for infrastructure assets carried out as at 30 June 2014, Council critically reviewed the useful lives of the various components and types of assets. With a greater useful life expected across a number of such components there has been an associated reduction in the annual depreciation expense. This was not anticipated when drafting the 2015 budgets.

Other expenses \$995,000 higher than budget due largely to:

- Legal fees \$236,000 higher than budget associated with a District Plan review challenge (plan change 9) and on-going land lease litigation.
- Decrease in fair value of investment property of \$301,000. Annual valuation movements in investment property are not factored into the budget.
- Distribution of insurance proceeds relating to repair works on Runanga Miners' Hall

Statement of movements in equity

Significant variations from budgeted changes in equity relate to the \$1,487,000 lower surplus in the current year.

Total equity is \$26,768,000 higher than budgeted primarily due to the opening balance being \$28,255,000 higher than budgeted. This is associated with the actual 2013/2014 movement in asset revaluation reserve being higher than forecast figures used at the time of preparing 2014/2015 budgets.

Statement of financial position

Significant variations from budget are as follows:

Current assets are \$9,733,000 higher than budget primarily due to:

- Cash and cash equivalents/Other financial assets overall \$6,712,000 greater than budget. This is due largely to significant capital expenditure (such as Greymouth Sewerage scheme, Taylorville/Dobson/Kaiata Sewerage Scheme and Westland Recreation Centre) 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 \$4,060,000 greater than budget due to a number of large receivables were billed as at 30 June 2015 for work relating to 2014/2015.
- Non-current assets held for sale \$685,000 less than budget due to these being reclassified as investment property in 2013/2014, however this occurred after 2014/2015 budgets were adopted.

Non-current assets are \$14,708,000 higher than budget primarily due to:

- An increase in asset value of \$35,567,000 greater than forecast as a result of the revaluation movement in 2013/2014, that wasn't factored into the budgets.
- 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, the Taylorville, Dobson, Kaiata Sewerage scheme and Westland Recreation Centre. 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 \$11,544,000
- Investment property has increased above budget by \$3,263,000 as the transfer in 2013/2014 of "non-current assets held for sale" into this category wasn't factored in to the budgets.

Total liabilities are \$2,327,000 less than budget largely due to total borrowings \$2,250,000 less than budget due to capital projects that require part debt funding not being as far advanced as planned (notably wastewater projects, water supply projects and the Westland Recreation Centre).

Total equity is \$26,768,000 higher than budgeted as referred to above. In addition to this overall difference Council's Special funds balance is \$4,268,000 higher than budget due to capital projects that require part funding from special funds not being as far advanced as planned (notably wastewater projects, water supply projects and the Westland Recreation Centre).

Statement of cashflows

Significant variations from budget are as follows:

- Net cash flows from operating activities is \$3,894,000 less than budget largely due to the lower subsidies and grants received as discussed above.
- Net cash flow from investing activities is \$1,504,000 less than budget due to \$6,204,000 less being spent on purchase of property plant and equipment, offset by \$4,976,000 less being drawn down from investments.
- Net cash from financing activities is \$2,879,000 less than budget due to less borrowings being required due to the reduced capital expenditure brought about by various project delays.

44 Adjustments to the comparative year financial statements

Reclassification adjustments

- Fair value gains on held for trading interest rate swaps have been netted off from finance costs which were previously classified as other gains and losses (revenue). For the 2014 comparative this has reduced both revenue and expenditure by \$397,000 and no affect on total comprehensive revenue and expense
- Service concession assets have been separately disclosed in the property plant and equipment note.

8 Funding impact statement for whole of Council

	2014 Annual Plan	2014 Actual	2015 Annual Plan	2015 Actual
	\$000	\$000	\$000	\$000
[A] SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	8,458	8,690	8,781	9,057
Targeted rates (other than a metered rate for water supply)	5,184	5,195	5,612	5,496
Subsidies and grants for operating purposes	1,884	1,509	1,525	1,726
Fees, charges, and metered rates for water supply	4,150	4,038	3,907	3,806
Interest and dividends from investments	437	540	446	748
Local authorities fuel tax, fines, infringement fees, & other receipts	348	515	320	471
Total operating funding [A]	20,461	20,487	20,591	21,304
[B] APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	15,581	14,839	15,391	16,109
Finance costs	2,004	1,405	2,033	1,881
Other operating funding applications	-	115	-	-
Total applications of operating funding [B]	17,585	16,359	17,424	17,990
Surplus (deficit) of operating funding [A - B]	2,876	4,128	3,167	3,314
[C] SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	15,734	4,925	10,363	7,156
Development and financial contributions	57	79	58	171
Increase (decrease) in debt	959	(1,216)	3,529	1,253
Gross proceeds from sale of assets	399	932	190	1,042
Lump sum contributions	-	1,323	-	-
Other dedicated capital funding	-	816	-	604
Total sources of capital funding [C]	17,149	6,859	14,140	10,226
[D] APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
—to meet additional demand	-	-	-	-
—to improve the level of service	15,037	10,918	12,936	8,243
—to replace existing assets	5,101	3,216	5,106	3,946
Increase (decrease) in reserves	(111)	(4,771)	(735)	392
Increase (decrease) of investments	-	1,624	-	959
Total applications of capital funding [D]	20,027	10,987	17,307	13,540
Surplus (deficit) of capital funding [C - D]	(2,878)	(4,128)	(3,167)	(3,314)
Funding balance: [A - B] + [C - D]	(2)	-	-	-

1 Reconciliation of Operating Funding to statement of Comprehensive Revenue and Expense

	2014 Annual Plan	2014 Actual	2015 Annual Plan	2015 Actual
	\$000	\$000	\$000	\$000
Surplus (deficit) of operating funding	2,876	4,128	3,167	3,314
add sources of capital funding recognised as revenue in Statement of Comprehensive Revenue and Expense				
Subsidies and grants for capital expenditure	15,734	4,925	10,363	7,156
Development and financial contributions	57	79	58	171
Lump sum contributions	-	1,323	-	-
Other dedicated capital funding	-	816	-	604
Adjust for other sources of non cash items excluded from the Funding Impact Statement				
Depreciation and amortisation expense	(8,476)	(7,563)	(8,683)	(7,624)
Net gain (loss) of non current assets held for sale	45	(57)	45	-
Net gain (loss) on sale of property plant & equipment	291	486	98	(1)
Vested assets revenue/Other dedicated capital funding	85	-	89	-
Fair value gain on investment property	-	3,007	-	(301)
Gross profit on sale of land inventory	-	-	-	527
Other non operating revenue/(expenditure)	36	499	68	2
Surplus/(deficit) after tax attributable to Grey District Council	10,648	7,643	5,205	3,848

9 Financial Reporting and Prudence Disclosures

The government has introduced the new Local Government (Financial Reporting and Prudence) Regulations 2014 which has a series of measures and benchmarks, disclosed in the following pages. These measures further highlight the financial performance of Council in a way that is consistent and standardised.

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.

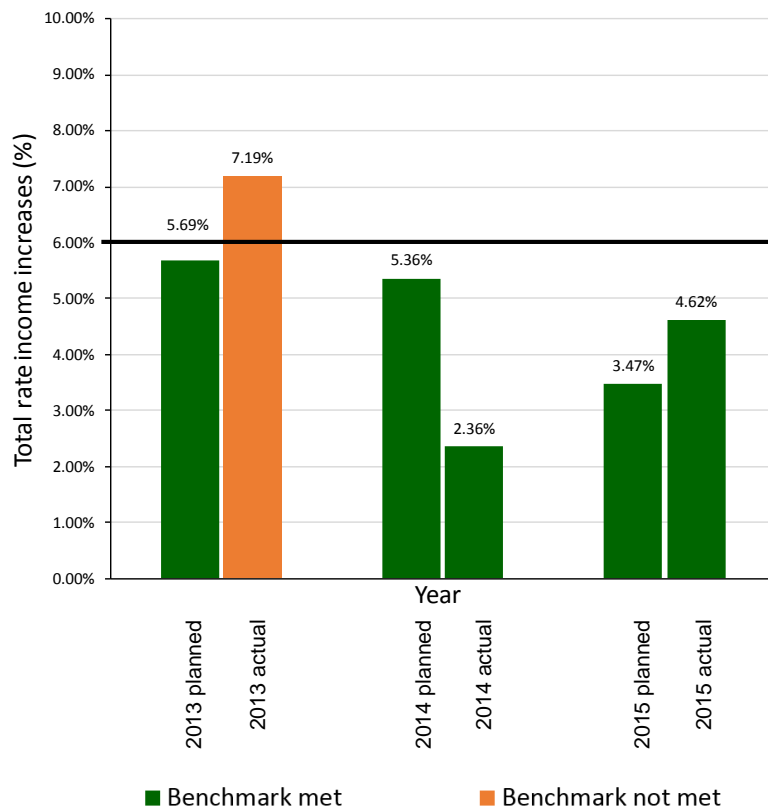
[1] Rate affordability benchmarks

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.

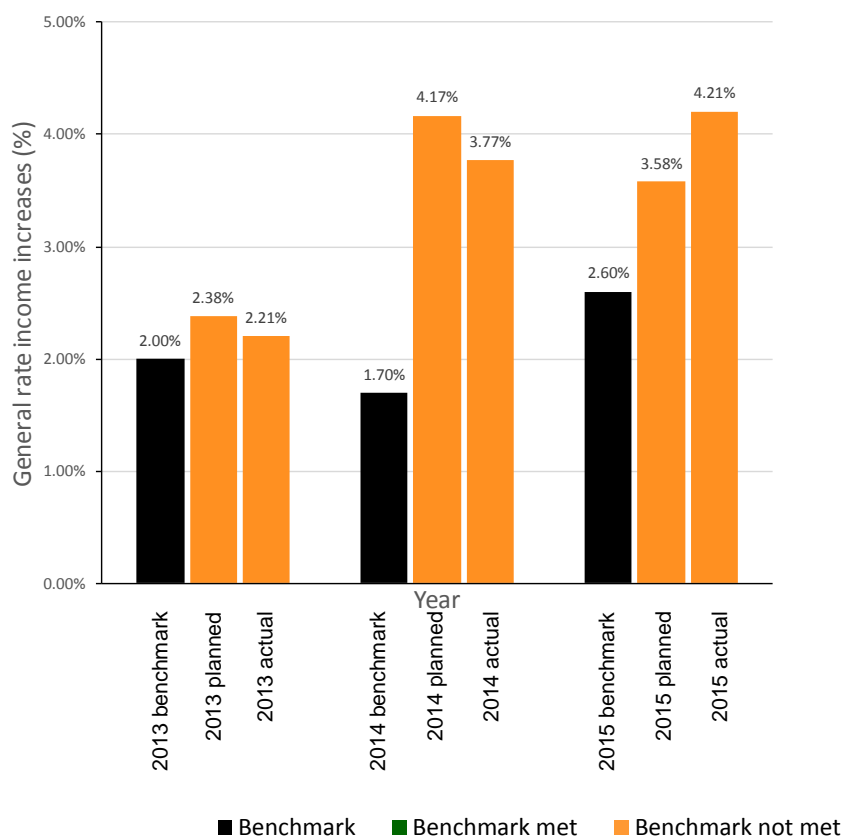
Total actual rate income percentage increases

The limit as contained within Council's financial strategy (per the 2012 – 2022 Long Term Plan) 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 (per the 2012 – 2022 Long term Plan) is for the general rate increase in any year to be limited to within 1% of inflation (CPI + 1% being the benchmark).

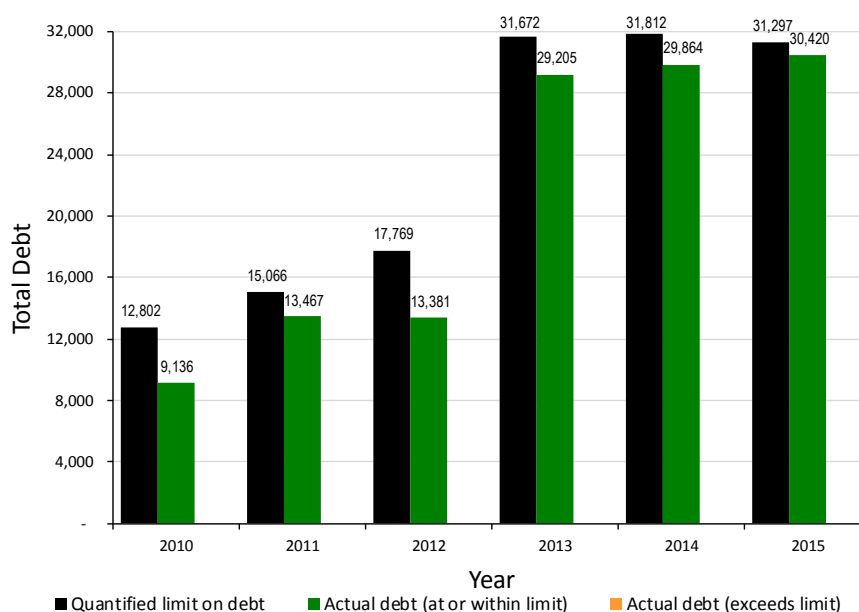


[2] Debt affordability benchmarks

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.

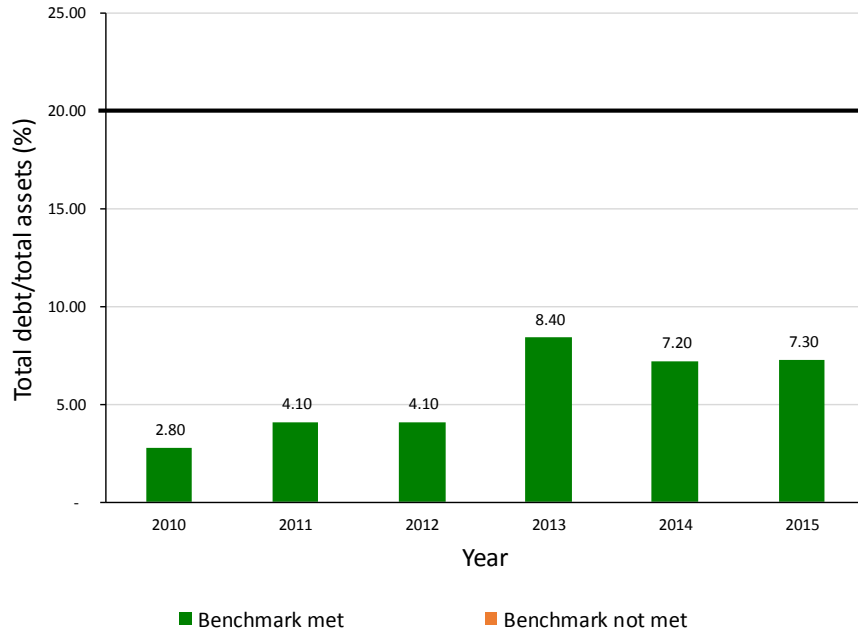
Actual debt compared to forecast debt

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.



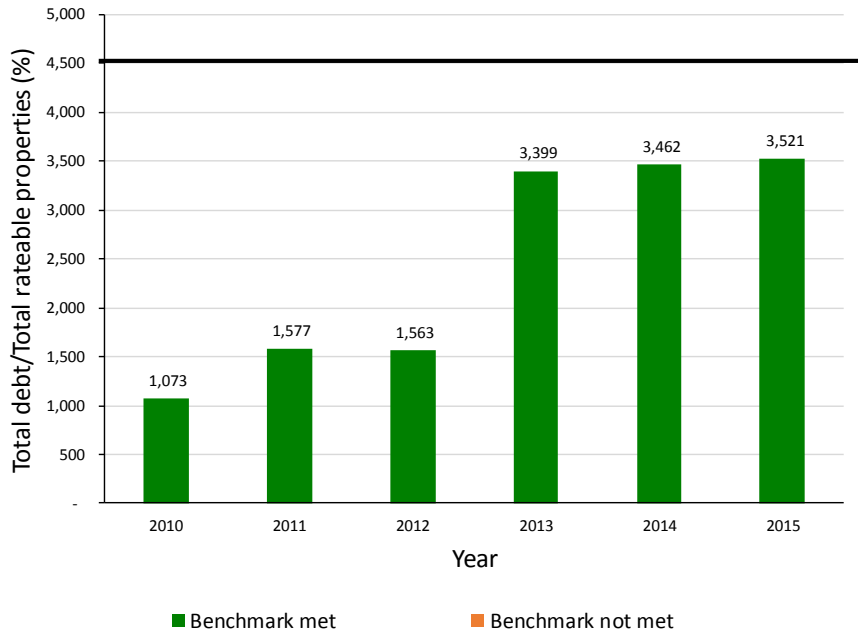
Total actual debt as a percentage of total actual assets

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.



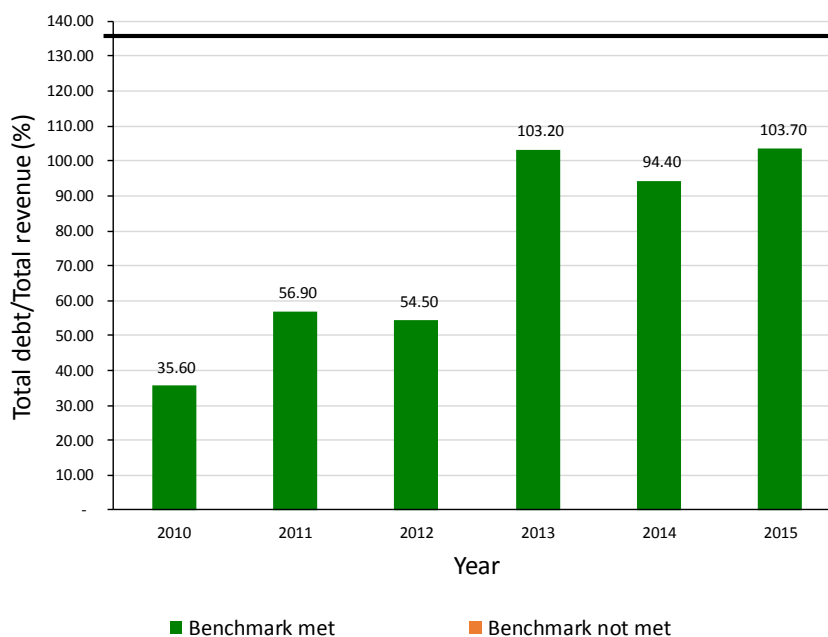
Total actual debt per rateable property

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.



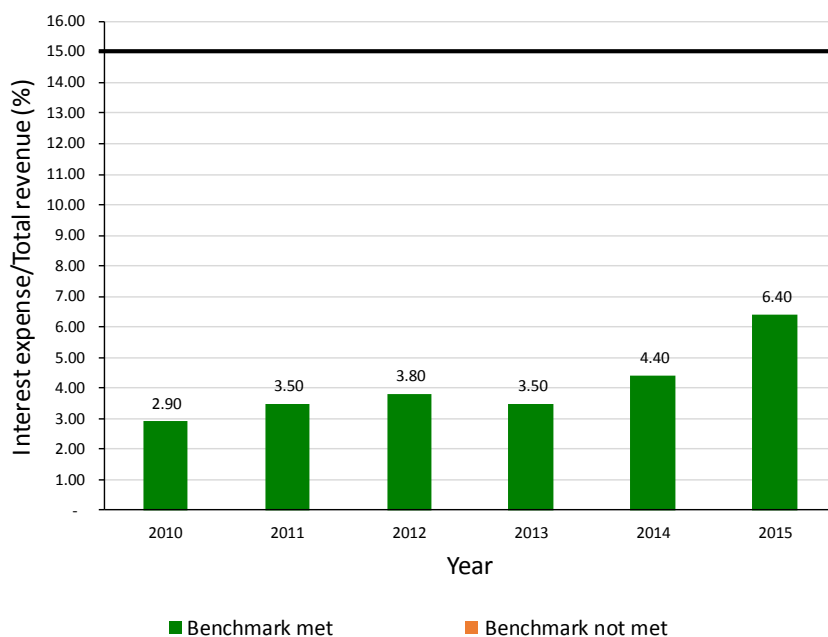
Total actual debt as a percentage of total actual revenue

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.



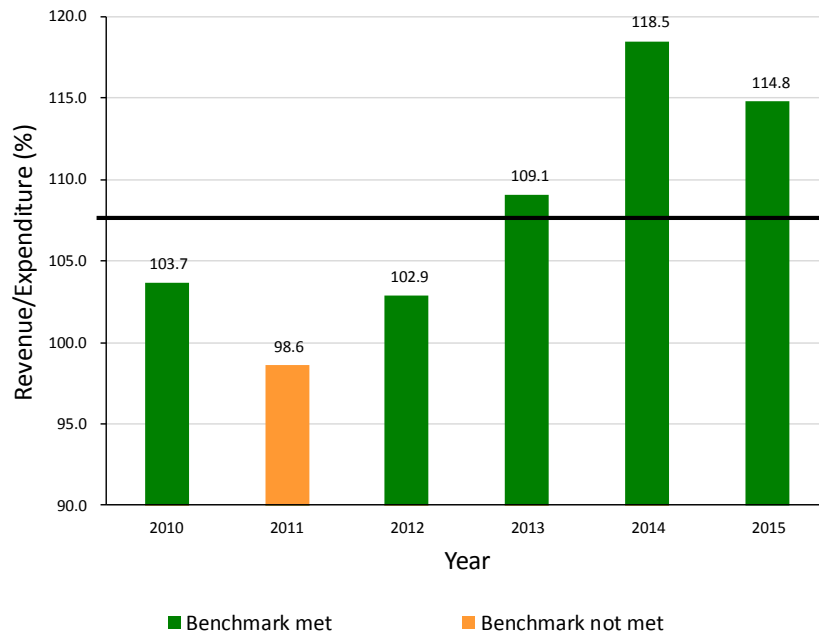
Actual interest expense as a percentage of total actual revenue

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

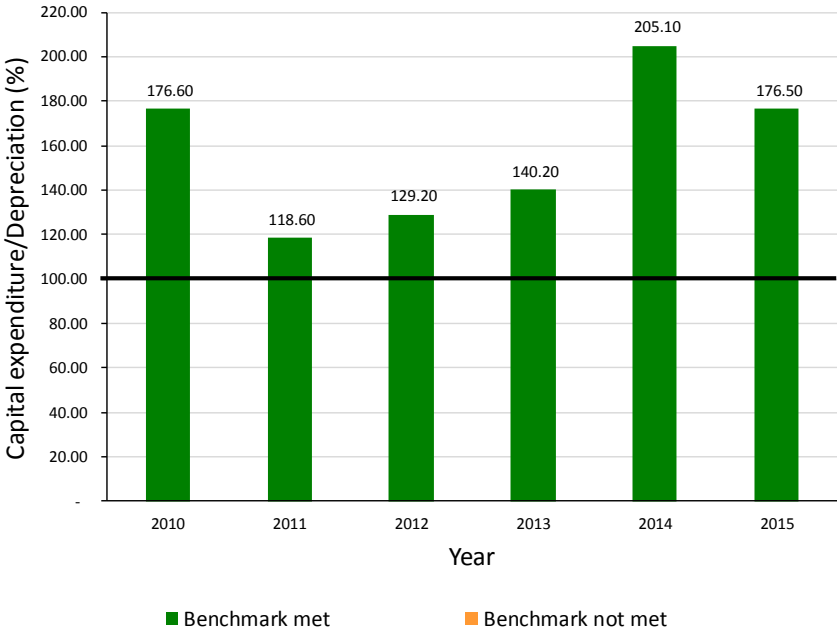
The following graph displays the council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial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

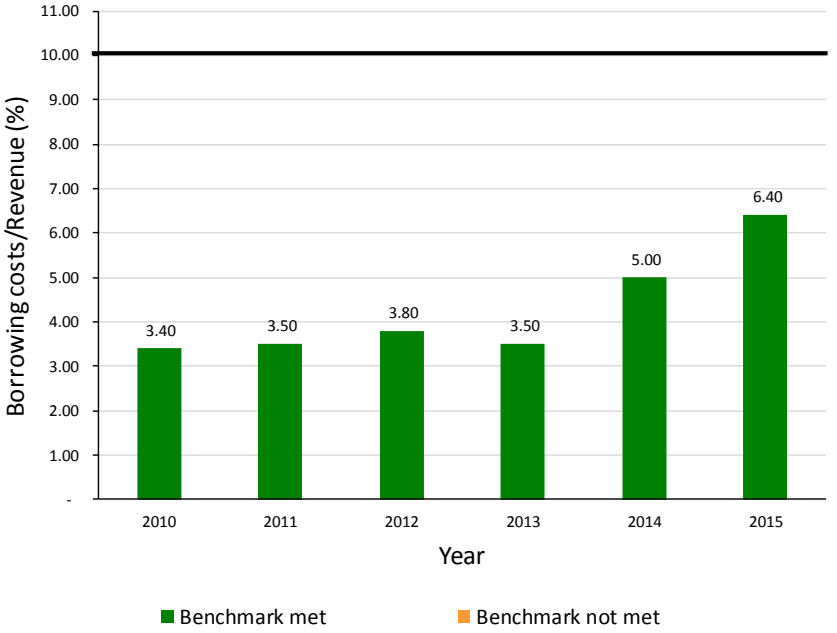
The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



[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).

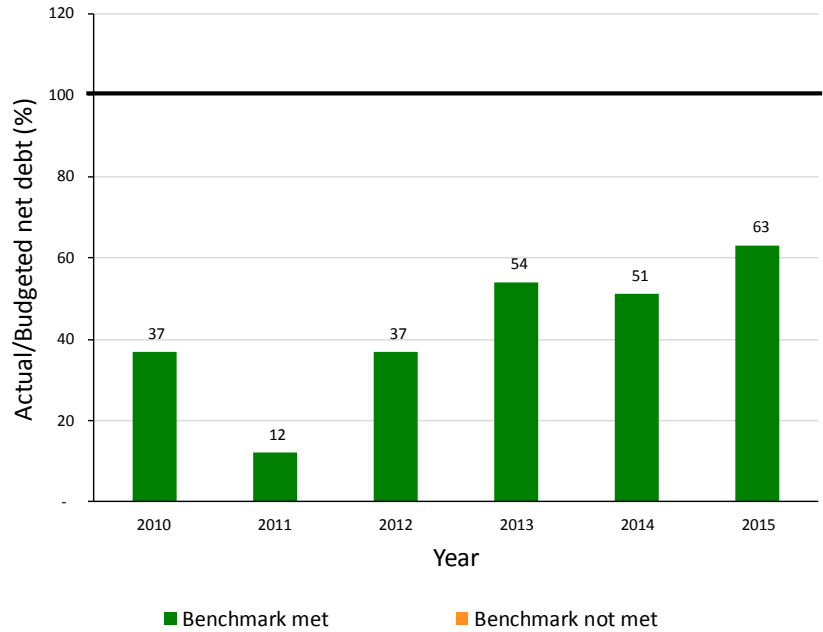
Because Statistics New Zealand projects the council's population will grow no faster than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



[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).

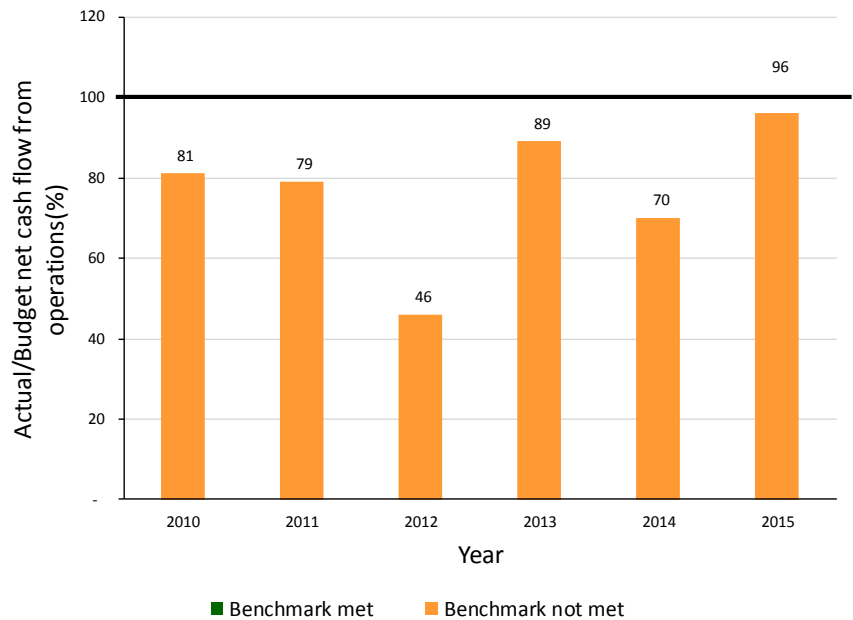
The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



[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	As at 30 June 2014
Total number of rating units	9,116	9,140
Total capital value of rating units	2,944,152,400	2,965,243,400
Total land value of rating units	1,518,213,600	1,521,199.600

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 27 September 2014 and 10 November 2014. 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 2013 Census.

The statistical margin of error for the total sample of 350 is plus/minus 5% at a 95% confidence level.

1 Land transport

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.

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.

3 Performance measurement

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2014	2015	Notes
Quality of service	By providing a safe-roading network	Minimum % of residents who agree that local roads are safe when using them.	75%	88%	91%	The Resident's Satisfaction Survey was conducted in September/October/November 2014. The full report is available on Council's website.
		Maximum percentage road crashes on local roads caused by road factors	30%	Nil	0	Of the 40 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%	68%	The Resident's Satisfaction Survey was conducted in September/October/November 2014. 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%	52%	The Resident's Satisfaction Survey was conducted in September/October/November 2014. The full report is available on Council's website.
		Minimum % satisfied with the way footpaths are maintained.	60%	52%	48%	The Resident's Satisfaction Survey was conducted in September/October/November 2014. 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	20	There was fifteen roads closed during a heavy rain event on the 6 March and five roads closed during flood event on the 19 June 2015.
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	92%	89%	106%	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.

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

4 Activity funding impact statement

	2014 LTP \$000	2015 LTP \$000	2014 Actual \$000	2015 Annual Plan \$000	2015 Actual \$000
[A] SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties	2,627	2,818	2,721	2,716	2,809
Targeted rates (other than a metered rate for water supply)	-	-	-	-	-
Subsidies and grants for operating purposes	1,612	1,671	1,384	1,257	1,435
Fees, charges, and metered rates for water supply	14	14	76	27	96
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	201	207	246	201	201
Total operating funding [A]	4,454	4,710	4,427	4,201	4,541
[B] APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	2,787	2,883	2,004	2,383	2,274
Finance costs	30	30	11	12	13
Internal charges and overheads applied	75	78	447	152	567
Other operating funding applications	-	-	-	-	-
Total applications of operating funding [B]	2,892	2,991	2,462	2,547	2,854
Surplus (deficit) of operating funding [A - B]	1,562	1,719	1,965	1,654	1,687
[C] SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	2,573	2,800	1,536	2,871	2,370
Development and financial contributions	-	-	42	-	20
Increase (decrease) in debt	(5)	(5)	(16)	(3)	(18)
Gross proceeds from sale of assets	-	-	42	-	17
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding [C]	2,568	2,795	1,604	2,868	2,389
[D] APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
—to meet additional demand	-	-	-	-	-
—to improve the level of service	548	873	723	1,100	647
—to replace existing assets	3,724	3,744	2,108	3,300	3,150
Increase (decrease) in reserves	(142)	(103)	19	122	(176)
Increase (decrease) of investments	-	-	719	-	455
Total applications of capital funding [D]	4,130	4,514	3,569	4,522	4,076
Surplus (deficit) of capital funding [C - D]	(1,562)	(1,719)	(1,965)	(1,654)	(1,687)
Funding balance: [A - B] + [C - D]	-	-	-	-	-

5 Activity revenue and expense statement

	2014 LTP	2015 LTP	2014 Actual	2015 Annual Plan	2015 Actual
	\$000	\$000	\$000	\$000	\$000
REVENUE					
General rates, uniform annual general charges, rates penalties	2,627	2,818	2,721	2,716	2,809
Targeted rates (including targeted rates for water supply)	-	-	-	-	-
Subsidies and grants (operating and capital)	4,185	4,471	2,920	4,128	3,805
User charges & regulatory revenue (consent fees, infringements etc)	215	221	76	228	96
Internal charges and overheads recovered	-	-	-	-	-
Other revenue	44	46	309	45	238
Total revenue	7,071	7,556	6,026	7,117	6,948
EXPENDITURE					
Staff costs	-	-	-	-	-
Operating & maintenance costs	2,787	2,883	2,004	2,383	2,274
Finance costs	30	30	8	12	13
Internal charges and overheads applied	75	78	447	152	567
Other expenses	-	-	-	-	-
Depreciation	4,368	4,785	4,376	4,455	3,693
Total expenditure	7,260	7,776	6,835	7,002	6,547
Surplus (deficit) of activities	(189)	(220)	(809)	115	401

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

	2014 LTP	2015 LTP	2014 Actual	2015 Annual Plan	2015 Actual
	\$000	\$000	\$000	\$000	\$000
General renewals and miscellaneous new capital	2,555	2,629	1,938	2,349	2,821
General Bridge component renewals	502	520	177	255	182
Replacement of assets after severe weather	473	490	3	466	-
Rum Creek Bridge Renewal	107	-	-	108	-
Footpath Renewals	102	105	72	122	73
On-going minor safety improvements	266	291	192	371	265
Atarau Rd strengthening and widening	-	307	-	-	-
Taylorville-Blackball Rd strengthening	267	275	-	729	454
Coastal Pathway	-	-	449	-	2
Total capital expenditure	4,272	4,617	2,831	4,400	3,797

7 Variations from budget

1. Subsidies and grants (operating and capital) are less than budget by \$323,000 mainly due to the entire budgeted capital programme not being completed (refer note above). These projects as included in the budget are available for NZTA financial assistance (subsidy).
2. Payments to staff and suppliers/Operating & maintenance costs less than budget by \$109,000, however per number 3 below, the budget includes an amount that is actually 'internal charges and overheads'. Overall Council has spent \$307,000 more than budgeted on operational expenditure (excluding

- depreciation). This is due to some works being carried forward from the previous financial year as well as additional resources being applied for operational items in favour of capital renewal expenditure.
3. Internal charges and overheads applied greater than budget by \$415,000 which relates to this amount being incorrectly classified as a 'payment to staff and suppliers' in the budget
 4. Capital expenditure —to improve the level of service: The decrease from budget of \$453,000 relates largely to a capital project (Taylorville-Blackball Rd strengthening) that was not completed by year end, partly due to a change in contractor. This will be completed in the 2015/2016 year.
 5. Capital expenditure —to replace existing assets less than budget by \$150,000. Less money was spent on some renewal items given additional was spent on operational expenditure.
 6. An additional \$300,000 has been transferred from reserves (decrease in reserves) compared with what was budgeted.
 7. Increase (decrease) of investments is greater than budget by \$455,000. 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. Depreciation is less than budgeted by \$762,000. As part of the asset revaluation for roading assets carried out as at 30 June 2014, Council critically reviewed the useful lives of the various components and types of roading assets. With a greater useful life expected across a number of such components there has been an associated reduction in the annual depreciation expense. This was not anticipated when drafting the 2015 budgets.

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

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 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.

3 Performance measurement

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2014	2015	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 2014-15 (June 2015) and the requirements of the Greymouth Flood Scheme Action Plan were met.
		Minimum % satisfied per survey with overall stormwater service.	65%	69%	75%	The Resident's Satisfaction Survey was conducted in September/October/November 2014. 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%	80%	The Resident's Satisfaction Survey was conducted in September/October/November 2014. 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	20	There was fifteen roads closed during a heavy rain event on the 6 March and five roads closed during flood event on the 19 June 2015.
		Information is readily available on the schemes	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	2014	2015	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	44%	73%	62%	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

4 Activity funding impact statement

	2014 LTP \$000	2015 LTP \$000	2014 Actual \$000	2015 Annual Plan \$000	2015 Actual \$000
[A] SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties	810	853	795	735	758
Targeted rates (other than a metered rate for water supply)	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees, charges, and metered rates for water supply	-	-	7	-	2
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	-	-	-
Total operating funding [A]	810	853	802	735	760
[B] APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	314	320	207	261	200
Finance costs	77	90	34	38	42
Internal charges and overheads applied	139	144	156	149	175
Other operating funding applications	-	-	-	-	-
Total applications of operating funding [B]	530	554	397	448	417
Surplus (deficit) of operating funding [A - B]	280	299	405	287	343
[C] SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(32)	171	(7)	(11)	(8)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding [C]	(32)	171	(7)	(11)	(8)
[D] APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
—to meet additional demand	-	-	-	-	-
—to improve the level of service	3	3	4	32	9
—to replace existing assets	245	467	44	259	161
Increase (decrease) in reserves	-	-	-	(15)	-
Increase (decrease) of investments	-	-	350	-	165
Total applications of capital funding [D]	248	470	398	276	335
Surplus (deficit) of capital funding [C - D]	(280)	(299)	(405)	(287)	(343)
Funding balance: [A - B] + [C - D]	-	-	-	-	-

5 Activity revenue and expense statement

	2014 LTP	2015 LTP	2014 Actual	2015 Annual Plan	2015 Actual
	\$000	\$000	\$000	\$000	\$000
REVENUE					
General rates, uniform annual general charges, rates penalties	810	853	795	735	758
Targeted rates (including targeted rates for water supply)	-	-	-	-	-
Subsidies and grants (operating and capital)	-	-	-	-	-
User charges & regulatory revenue (consent fees, infringements etc)	-	-	7	-	2
Internal charges and overheads recovered	-	-	-	-	-
Other revenue	18	18	-	18	-
Total revenue	828	871	802	753	760
EXPENDITURE					
Staff costs	-	-	-	-	-
Operating & maintenance costs	314	320	207	261	200
Finance costs	77	90	24	38	42
Internal charges and overheads applied	139	144	156	149	175
Other expenses	-	-	-	-	-
Depreciation	663	725	562	677	811
Total expenditure	1,193	1,279	949	1,125	1,228
Surplus (deficit) of activities	(365)	(408)	(147)	(372)	(468)

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

	2014 LTP	2015 LTP	2014 Actual	2015 Annual Plan	2015 Actual
	\$000	\$000	\$000	\$000	\$000
General renewals (replacement of assets)	245	253	47	259	163
Replace Johnson St stormwater pump	-	214	-	-	-
Miscellaneous new capital	3	3	1	32	4
Runanga flood mitigation	-	-	-	-	3
Total capital expenditure	248	470	48	291	170

7 Variations from budget

1. Payments to staff and suppliers/operating and maintenance costs is \$61,000 less than budget due to some works being deferred due to a priority being given to other activities, notably wastewater.
2. \$98,000 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.
3. Increase (decrease) of investments is greater than budget by \$165,000. 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.

4. Depreciation is \$134,000 less than budget. As part of the asset revaluation for stormwater assets carried out as at 30 June 2014, Council critically reviewed the useful lives of the various components of stormwater assets. With a greater useful life expected across a number of such components there has been an associated reduction in the annual depreciation expense. There is also a slight variance due to capital expenditure in this year and prior years being deferred.

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)

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)

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 Performance measurement

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2014	2015	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 2014-15.
		Maximum number of overflows affecting properties more than twice a year per 1000 properties.	15	Nil	Nil	There were two properties affected and there was two in the 2013-14 year more than twice from a total of 3,910 connections.
		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 2014-15, and therefore no advertising was required.
	Residents overall satisfaction with the service	Minimum % satisfied per survey.	67%	67%	68%	The Resident's Satisfaction Survey was conducted in September/October/November 2014. 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	71	76	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 2014-15.
	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	2014	2015	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	50%	140%	87%	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	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

4 Activity funding impact statement

	2014 LTP \$000	2015 LTP \$000	2014 Actual \$000	2015 Annual Plan \$000	2015 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)	2,182	2,251	2,075	2,217	2,202
Subsidies and grants for operating purposes	-	-	-	-	-
Fees, charges, and metered rates for water supply	39	40	203	82	145
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	-	-	14
Total operating funding [A]	2,221	2,291	2,278	2,299	2,361
[B] APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	787	830	834	791	953
Finance costs	1,071	1,095	599	1,006	907
Internal charges and overheads applied	184	190	166	199	192
Other operating funding applications	-	-	-	-	-
Total applications of operating funding [B]	2,042	2,115	1,599	1,996	2,052
Surplus (deficit) of operating funding [A - B]	179	176	679	303	309
[C] SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	5,979	-	2,251	-	688
Development and financial contributions	14	40	9	14	31
Increase (decrease) in debt	180	293	(491)	209	522
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	1,323	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding [C]	6,173	333	3,092	223	1,241
[D] APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
—to meet additional demand	-	-	-	-	-
—to improve the level of service	6,216	-	8,637	20	3,746
—to replace existing assets	481	498	176	506	107
Increase (decrease) in reserves	(338)	4	(5,057)	-	(2,372)
Increase (decrease) of investments	(7)	7	15	-	69
Total applications of capital funding [D]	6,352	509	3,771	526	1,550
Surplus (deficit) of capital funding [C - D]	(179)	(176)	(679)	(303)	(309)
Funding balance: [A - B] + [C - D]	-	-	-	-	-

5 Activity revenue and expense statement

	2014 LTP	2015 LTP	2014 Actual	2015 Annual Plan	2015 Actual
	\$000	\$000	\$000	\$000	\$000
REVENUE					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates (including targeted rates for water supply)	2,182	2,251	2,075	2,217	2,202
Subsidies and grants (operating and capital)	5,979	-	2,251	-	688
User charges & regulatory revenue (consent fees, infringements etc)	53	80	203	82	145
Internal charges and overheads recovered	-	-	-	-	-
Other revenue	13	14	1,332	27	45
Total revenue	8,227	2,345	5,861	2,326	3,080
EXPENDITURE					
Staff costs	-	-	-	-	-
Operating & maintenance costs	787	830	834	791	953
Finance costs	1,071	1,095	433	1,006	907
Internal charges and overheads applied	184	190	166	199	192
Other expenses	-	-	-	-	-
Depreciation	1,001	1,104	706	1,021	676
Total expenditure	3,043	3,219	2,139	3,017	2,728
Surplus (deficit) of activities	5,184	(874)	3,722	(691)	352

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

	2014 LTP	2015 LTP	2014 Actual	2015 Annual Plan	2015 Actual
	\$000	\$000	\$000	\$000	\$000
General renewals & miscellaneous new capital	214	223	166	172	109
Runanga system replacement	267	275	10	354	9
Greymouth wastewater upgrade	6,000	-	4,998	-	2,170
Runanga Pond effluent discharge upgrade	216	-	-	-	-
Dobson/Kaiata/Taylorville scheme	-	-	3,639	-	1,565
Total capital expenditure	6,697	498	8,813	526	3,853

7 Variations from budget

1. Payments to staff and suppliers are \$162,000 greater than budget due to the demands required to maintain the network being greater than anticipated in the budget. Council reduced renewal expenditure accordingly to stay within available budgets overall.
2. Finance costs are \$99,000 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 \$688,000 greater than budget due to the Taylorville/Dobson/Kaiata scheme project being carried forward from previous years. Subsidies are paid based on actual expenditure incurred, so given the project delays the payments of subsidies for each milestone has been delayed.

4. Debt has increased by \$313,000 more than budgeted given capital projects have not proceeded as quickly as anticipated. The debt was originally anticipated to be uplifted in prior years but has not been drawn down until actually required.
5. Capital expenditure to improve the level of service: \$3,726,000 more than budget spent which is due to works being carried forward from prior years.
6. Capital expenditure to replace existing assets is \$399,000 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.
7. Increase (decrease) in reserves: Associated reserves (special funds) have decreased by an additional \$2,372,000 compared to budget. This is due to a delay in drawing down these reserves from prior years to project delays. The budget anticipated that these funds would have been exhausted by 2014/2015, however they are not drawn down until the capital expenditure is incurred.
8. Depreciation is \$345,000 less than budget. As part of the asset revaluation for wastewater assets carried out as at 30 June 2014, Council critically reviewed the useful lives of the various components of wastewater assets. With a greater useful life expected across a number of such components there has been an associated reduction in the annual depreciation expense. There is also a slight variance due to capital expenditure in this year and prior years being deferred.

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

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

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 fire fighting)
- Industrial and residential development.

3 Performance measurement

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2014	2015	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 • 1 • Nil • 1 	<ul style="list-style-type: none"> • Nil • Nil • Nil • 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 2014-15.
	Residents are happy with the appearance and taste of water	Minimum % satisfied per survey	90%	76%	74%	The Resident's Satisfaction Survey was conducted in September/October/November 2014. The full report is available on Council's website.
	Residents are happy with the pressure and flow	Minimum % satisfied per survey	80%	89%	88%	The Resident's Satisfaction Survey was conducted in September/October/November 2014. The full report is available on Council's website.
Residents overall satisfaction with the service	Minimum % satisfied per survey	75%	72%	70%	The Resident's Satisfaction Survey was conducted in September/October/November 2014. The full report is available on Council's website.	

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2014	2015	Notes
		All planned shutdowns are notified at least 24 hours prior	Achieved	Achieved	Achieved	There were 4 planned shutdown which was notified at least 24 hours prior.
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	141	120	The number of breaks represents not only the aged asset but also the increased works within the urban area such as the ultra-fast broadband installation.
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%	101%	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 Activity funding impact statement

	2014 LTP \$000	2015 LTP \$000	2014 Actual \$000	2015 Annual Plan \$000	2015 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)	1,658	1,718	1,648	1,881	1,756
Subsidies and grants for operating purposes	-	-	-	-	-
Fees, charges, and metered rates for water supply	350	362	238	226	223
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	-	-	-
Total operating funding [A]	2,008	2,080	1,886	2,107	1,979
[B] APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	1,003	1,085	818	1,043	869
Finance costs	377	382	238	372	332
Internal charges and overheads applied	99	113	215	104	259
Other operating funding applications	-	-	-	-	-
Total applications of operating funding [B]	1,479	1,580	1,271	1,519	1,460
Surplus (deficit) of operating funding [A - B]	529	500	615	588	519
[C] SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	693	484	215	1,092	648
Development and financial contributions	-	-	4	-	11
Increase (decrease) in debt	651	68	(27)	1,508	1,367
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding [C]	1,344	552	192	2,600	2,026
[D] APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
—to meet additional demand	-	-	-	-	-
—to improve the level of service	1,392	605	454	2,517	2,073
—to replace existing assets	482	493	197	695	144
Increase (decrease) in reserves	(1)	(46)	31	(24)	(44)
Increase (decrease) of investments	-	-	125	-	372
Total applications of capital funding [D]	1,873	1,052	807	3,188	2,545
Surplus (deficit) of capital funding [C - D]	(529)	(500)	(615)	(588)	(519)
Funding balance: [A - B] + [C - D]	-	-	-	-	-

5 Activity revenue and expense statement

	2014 LTP \$000	2015 LTP \$000	2014 Actual \$000	2015 Annual Plan \$000	2015 Actual \$000
REVENUE					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates (including targeted rates for water supply)	2,008	2,080	1,883	2,107	1,975
Subsidies and grants (operating and capital)	693	484	215	1,092	648
User charges & regulatory revenue (consent fees, infringements etc)	-	-	3	-	4
Internal charges and overheads recovered	-	-	-	-	-
Other revenue	13	14	4	14	11
Total revenue	2,714	2,578	2,105	3,213	2,638
EXPENDITURE					
Staff costs	-	-	-	-	-
Operating & maintenance costs	1,003	1,085	818	1,043	869
Finance costs	377	382	169	372	332
Internal charges and overheads applied	99	113	215	104	259
Other expenses	-	-	-	-	-
Depreciation	576	642	390	588	505
Total expenditure	2,055	2,222	1,592	2,107	1,965
Surplus (deficit) of activities	659	356	513	1,106	673

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

	2014 LTP \$000	2015 LTP \$000	2014 Actual \$000	2015 Annual Plan \$000	2015 Actual \$000
General renewals & miscellaneous new capital	482	493	303	478	141
Greymouth water supply upgrades	-	-	-	561	1,346
Replacement pipeline - Omoto reservoir	-	-	-	220	-
Runanga Water Supply - Plant upgrade	699	-	2	700	3
Dobson/Taylorville - connect to Greymouth	693	-	5	1,217	578
Stillwater - connect to Greymouth	-	605	341	-	149
Booster pump - Boddytown supply	-	-	-	36	-
Total capital expenditure	1,874	1,098	651	3,212	2,217

7 Variations from budget

1. Targeted rates for water supply are below budget by \$125,000. This relates to a lower number of connections on Council reticulated water supplies than forecast in the budget.
2. Payments to staff and suppliers less than budget by \$174,000 due to some works being deferred due to a priority being given to other activities, notably wastewater.
3. Internal charges and overheads applied higher than budget by \$155,000. 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.

4. Subsidies and grants for capital expenditure are \$444,000 less than budget due to delays in projects that are to receive Ministry of Health subsidies (Dobson/Taylorville supply upgrade and Runanga supply upgrade).
5. Increase (decrease) in debt - \$141,000 less debt uplifted due to a delay in proceeding with water supply upgrades and the required debt funding not yet being required.
6. Capital expenditure to improve the level of service: \$444,000 less than budget spent which is due to major upgrade projects being delayed (Runanga Water Supply and Taylorville/Dobson). Other projects have been carried forward from prior years (e.g. Greymouth supply upgrade) which results in the net difference being the \$444,000.
7. Capital expenditure to replace existing assets is \$551,000 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) of investments is greater than budget by \$372,000. 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.
9. Depreciation is \$83,000 less than budget. As part of the asset revaluation for wastewater assets carried out as at 30 June 2014, Council critically reviewed the useful lives of the various components of wastewater assets. With a greater useful life expected across a number of such components there has been an associated reduction in the annual depreciation expense. There is also a slight variance due to capital expenditure in this year and prior years being deferred.

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 2014/2015. Upgrades have been signalled in the Long Term Plan, and options for this are currently being worked through.
- 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)

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.

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.

3 Performance measurement

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2014	2015	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.	80%	77%	74%	The Resident's Satisfaction Survey was conducted in September/October/November 2014. The full report is available on Council's website.
	Residents overall satisfaction with the service	Minimum % satisfied per survey.	92%	83%	88%	The Resident's Satisfaction Survey was conducted in September/October/November 2014. The full report is available on Council's website.

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2014	2015	Notes
Access to the service	By providing convenient services that our residents are aware of and understand	Minimum % of waste collected, is recycled ⁵	50%	13%	9.26%	This has been calculated measuring the recyclables to market, which is 579,920 kilograms, as a proportion of total waste and recyclables, 6,259,440 kilograms. The quality of both cardboard and paper recyclables currently has a high moisture content and therefore it is not fit for market. Council is working towards resolving this issue with the construction of a storage facility on site. Council has provided funding 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). It should be noted that 9.26% represents the amount of product recycled from the total collected in the 2014-2015 year. It does not represent the reduction in material to landfill when compared to pre-recycling tonnages to the landfill.
	Residents are provided with a reliable service	Minimum % satisfied that waste and recyclables are collected on time, (where services are provided).	90%	91%	92%	The Resident's Satisfaction Survey was conducted in September/October/November 2014. 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%	120%	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.

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

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2014	2015	Notes
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.

4 Activity funding impact statement

	2014 LTP \$000	2015 LTP \$000	2014 Actual \$000	2015 Annual Plan \$000	2015 Actual \$000
[A] SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties	140	55	111	105	108
Targeted rates (other than a metered rate for water supply)	1,139	1,179	1,214	1,251	1,272
Subsidies and grants for operating purposes	36	36	42	37	46
Fees, charges, and metered rates for water supply	720	788	546	630	613
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	36	36	-	-	-
Total operating funding [A]	2,071	2,094	1,913	2,023	2,039
[B] APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	1,739	1,778	1,277	1,661	1,458
Finance costs	64	58	69	87	55
Internal charges and overheads applied	100	104	106	112	116
Other operating funding applications	-	-	115	-	29
Total applications of operating funding [B]	1,903	1,940	1,567	1,860	1,658
Surplus (deficit) of operating funding [A - B]	168	154	346	163	381
[C] SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(85)	(91)	(312)	144	(305)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding [C]	(85)	(91)	(312)	144	(305)
[D] APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
—to meet additional demand	-	-	-	-	-
—to improve the level of service	31	32	17	297	4
—to replace existing assets	39	18	22	-	-
Increase (decrease) in reserves	13	13	-	10	10
Increase (decrease) of investments	-	-	(5)	-	62
Total applications of capital funding [D]	83	63	34	307	76
Surplus (deficit) of capital funding [C - D]	(168)	(154)	(346)	(163)	(381)
Funding balance: [A - B] + [C - D]	-	-	-	-	-

5 Activity revenue and expense statement

	2014 LTP	2015 LTP	2014 Actual	2015 Annual Plan	2015 Actual
	\$000	\$000	\$000	\$000	\$000
REVENUE					
General rates, uniform annual general charges, rates penalties	140	55	111	105	108
Targeted rates (including targeted rates for water supply)	1,139	1,179	1,214	1,251	1,272
Subsidies and grants (operating and capital)	36	36	42	37	46
User charges & regulatory revenue (consent fees, infringements etc)	756	824	546	630	613
Internal charges and overheads recovered	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenue	2,071	2,094	1,913	2,023	2,039
EXPENDITURE					
Staff costs	-	-	-	-	-
Operating & maintenance costs	1,739	1,778	1,277	1,661	1,458
Finance costs	64	58	50	87	55
Internal charges and overheads applied	100	104	106	112	116
Other expenses	-	-	115	-	31
Depreciation	113	115	165	115	42
Total expenditure	2,016	2,055	1,713	1,975	1,702
Surplus (deficit) of activities	55	39	200	48	337

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

	2014 LTP	2015 LTP	2014 Actual	2015 Annual Plan	2015 Actual
	\$000	\$000	\$000	\$000	\$000
Miscellaneous renewals & new capital	44	23	22	-	-
Expand dry storage capacity at McLeans landfill/recycling facility	-	-	-	224	-
Establish cleanfill site at McLeans landfill	-	-	-	46	-
Old Cobden landfill - reinstatement of area	26	27	17	27	4
Total capital expenditure	70	50	39	297	4

7 Variations from budget

1. Payments to staff and suppliers lower than budget by \$203,000 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 2014/2015 than budgeted.
2. The net movement in debt is less than budget by \$449,000. This is due to Council not uplifting a loan required for upgrades at McLeans landfill (270,000) as well as additional debt being repaid on the loan relating to Cell 2 at the landfill.
3. Capital expenditure to improve the level of service: \$293,000 less than budget spent which is due to capital upgrades at McLeans landfill being deferred.
4. Depreciation expense is \$73,000 less than budget as a number of assets have now been fully depreciated.

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

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.

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".

3 Performance measurement

EMERGENCY MANAGEMENT

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2014	2015	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 Walk Through in December 2014 • Ex Shake Out in October 2014
		A minimum percentage of personnel trained to CIMS 4 standard	85%	80%	78%	29 out of 37 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.	90%	53%	60%	9 out of the 15 schools and pre-schools were visited, including Barrytown, Lake Brunner, Cobden, Blaketown, Barnardos Kidstart, Paparoa Range, Runanga, Paroa and Awahono schools.
	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	90%	72%	73%	The Resident's Satisfaction Survey was conducted in September/October/November 2014. The full report is available on Council's website.

RURAL FIRE

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2014	2015	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	533 of 533 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.

4 Activity funding impact statement

	2014 LTP \$000	2015 LTP \$000	2014 Actual \$000	2015 Annual Plan \$000	2015 Actual \$000
[A] SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties	198	192	173	171	175
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	17	7	16	5
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	-	-	-
Total operating funding [A]	219	214	180	192	180
[B] APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	119	126	158	112	196
Finance costs	5	4	-	4	-
Internal charges and overheads applied	68	71	38	61	47
Other operating funding applications	-	-	-	-	-
Total applications of operating funding [B]	192	201	196	177	243
Surplus (deficit) of operating funding [A - B]	27	13	(16)	15	(63)
[C] SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	26	(8)	(3)	21	(3)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding [C]	26	(8)	(3)	21	(3)
[D] APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
—to meet additional demand	-	-	-	-	-
—to improve the level of service	50	2	16	36	12
—to replace existing assets	3	3	-	-	1
Increase (decrease) in reserves	-	-	9	-	-
Increase (decrease) of investments	-	-	(44)	-	(79)
Total applications of capital funding [D]	53	5	(19)	36	(66)
Surplus (deficit) of capital funding [C - D]	(27)	(13)	16	(15)	63
Funding balance: [A - B] + [C - D]	-	-	-	-	-

5 Activity revenue and expense statement

	2014 LTP	2015 LTP	2014 Actual	2015 Annual Plan	2015 Actual
	\$000	\$000	\$000	\$000	\$000
REVENUE					
General rates, uniform annual general charges, rates penalties	198	192	173	171	175
Targeted rates (including targeted rates for water supply)	-	-	-	-	-
Subsidies and grants (operating and capital)	5	5	-	5	-
User charges & regulatory revenue (consent fees, infringements etc)	16	17	7	16	5
Internal charges and overheads recovered	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenue	219	214	180	192	180
EXPENDITURE					
Staff costs	44	45	57	42	42
Operating & maintenance costs	75	81	101	70	154
Finance costs	5	4	-	4	-
Internal charges and overheads applied	68	71	38	61	47
Other expenses	-	-	-	-	-
Depreciation	15	20	4	15	5
Total expenditure	207	221	200	192	248
Surplus (deficit) of activities	12	(7)	(20)	-	(68)

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

	2014 LTP	2015 LTP	2014 Actual	2015 Annual Plan	2015 Actual
	\$000	\$000	\$000	\$000	\$000
Miscellaneous renewals & new capital	19	3	7	-	1
Purchase of Tanker Truck	34	-	-	-	-
New rural fire equipment	-	2	9	36	12
Total capital expenditure	53	5	16	36	13

7 Variations from budget

1. Payments to staff and suppliers \$84,000 higher than budget due to a grant paid to West Coast Rural Fire Authority being carried forward from prior year budgets. Note this was previously budgeted as capital expenditure (for a water tanker upgrade) however was distributed to the Rural Fire Authority as they will own the asset and not Council.
2. Increase (decrease) of investments is greater than budget by \$79,000. 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 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. The Council plus wider network participated in exercise 'ShakeOut' held in September 2014.

7 Environmental services

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.

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.

3 Performance measurement

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2014	2015	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%	86%	98%	158 of 162 Land Information Memoranda (LIMs) issued within 10 working days of application.
		% of non-notified land use consents processed within 20 working days	100%	100%	100%	79 of 79 land use consents were processed within the targeted timeframe.
		% Building consents and Code of Compliance Certificates issued with statutory time limits	100%	100%	100%	385 of 385 building consents and 442 of 442 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%	96%	88%	2,414 of 2,750 total known dogs were registered by September/October/November 2014.
		% food premises inspected each year	100%	100%	100%	89 of 89 food premises were inspected in 2014-15.
		% of premises requesting new and renewed liquor licences that are inspected.	100%	100%	100%	65 of 65 premises requesting new and renewed liquor licences were inspected in 2014-15.
	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%	100%	100%
% complaints about breaches of bylaws and District Plan rules responded to within 5 working days			95%	100%	100%	4 of 4 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%	52%	47%	This has been expressed as the percentage of user fee revenue against total operating expenditure. The recovery from building consenting was 69%, but has been offset by the reduced volume of resource consents being processed, which only had a 16% recovery from user fees

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2014	2015	Notes
	We will recover reasonable and actual costs for enforcement related activities	% recovery of actual and reasonable costs	80%	52%	85%	This has been expressed as the percentage of user fee revenue against total operating expenditure. Recoveries in these activities are inherently difficult.
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	23%	As required	As required	We are unable to measure this target as the monitoring needs of all 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 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	In line with the programme	Programme on hold	Programme commenced	We now have a Senior Planner employed to start Council District Plan rolling review but this role is also consent processing along with other RMA requirements. We will still need external assistance with peer reviewing and any technical support.
		% of residents satisfied with their environment	90%	55%	49%	The Resident's Satisfaction Survey was conducted in September/October/November 2014. 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	The only new Plan Change was the Transmission Line change and this automatically involved <i>iwi</i> as part of the public notice but this activity did not directly impact <i>iwi</i> . Ongoing communication will continue with <i>iwi</i> over future projects.

4 Activity funding impact statement

	2014 LTP \$000	2015 LTP \$000	2014 Actual \$000	2015 Annual Plan \$000	2015 Actual \$000
[A] SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties	911	914	862	862	891
Targeted rates (other than a metered rate for water supply)	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	43
Fees, charges, and metered rates for water supply	1,164	1,268	948	928	873
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	42	44	178	58	134
Total operating funding [A]	2,117	2,226	1,988	1,848	1,941
[B] APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	431	499	362	329	427
Finance costs	-	-	-	-	-
Internal charges and overheads applied	1,722	1,765	1,456	1,497	1,462
Other operating funding applications	-	-	-	-	-
Total applications of operating funding [B]	2,153	2,264	1,818	1,826	1,889
Surplus (deficit) of operating funding [A - B]	(36)	(38)	170	22	52
[C] SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	44	46	24	44	109
Increase (decrease) in debt	-	-	-	-	-
Gross proceeds from sale of assets	-	-	42	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding [C]	44	46	66	44	109
[D] APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
—to meet additional demand	-	-	-	-	-
—to improve the level of service	8	8	-	-	-
—to replace existing assets	-	-	100	6	1
Increase (decrease) in reserves	-	-	(50)	60	131
Increase (decrease) of investments	-	-	186	-	29
Total applications of capital funding [D]	8	8	236	66	161
Surplus (deficit) of capital funding [C - D]	36	38	(170)	(22)	(52)
Funding balance: [A - B] + [C - D]	-	-	-	-	-

5 Activity revenue and expense statement

	2014 LTP	2015 LTP	2014 Actual	2015 Annual Plan	2015 Actual
	\$000	\$000	\$000	\$000	\$000
REVENUE					
General rates, uniform annual general charges, rates penalties	911	914	862	862	891
Targeted rates (including targeted rates for water supply)	-	-	-	-	-
Subsidies and grants (operating and capital)	-	-	-	-	43
User charges & regulatory revenue (consent fees, infringements etc)	1,250	1,358	948	928	873
Internal charges and overheads recovered	-	-	-	-	-
Other revenue	-	-	202	102	243
Total revenue	2,161	2,272	2,012	1,892	2,050
EXPENDITURE					
Staff costs	1	1	10	10	11
Operating & maintenance costs	430	498	352	319	416
Finance costs	-	-	-	-	-
Internal charges and overheads applied	1,722	1,765	1,456	1,497	1,462
Other expenses	-	-	-	-	-
Depreciation	38	40	12	39	1
Total expenditure	2,191	2,304	1,830	1,865	1,890
Surplus (deficit) of activities	(30)	(32)	182	27	160

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

	2014 LTP	2015 LTP	2014 Actual	2015 Annual Plan	2015 Actual
	\$000	\$000	\$000	\$000	\$000
Replacement of operational vehicles	-	-	100	-	-
Miscellaneous renewals & new capital	8	8	-	6	1
Total capital expenditure	8	8	100	6	1

7 Variations from budget

1. Fees, charges, and metered rates for water supply less than budget by \$55,000 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 \$76,000. This is mainly due to additional fines being issued for 'freedom camping' infringements.
3. Payments to staff and suppliers \$98,000 higher than budget. This is related to legal and consultant fees associated with a District Plan change (plan change 9) being \$108,000 more than budgeted.
4. Increase (decrease) of investments is greater than budget by \$29,000. 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 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

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.

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.

3 Performance measurement

AIRPORT

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2014	2015	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.	60%	48%	42%	The Resident's Satisfaction Survey was conducted in September/October/November 2014. 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	2014	2015	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%	97%	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	2014	2015	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 no remedial action was required in 2014-15.
		Public satisfied with the availability of public parking	80%	79%	79%	The Resident's Satisfaction Survey was conducted in September/October/November 2014. The full report is available on Council's website.
Access to the service	Through forward planning	Development of and implementation of a parking strategy for the CBD and environs with key stakeholders	Implementation of Plan goals	To be investigated as part the CBD Renewal Project.	Planned for 2015-2016	The CBD Renewal Project was completed in 2014-15. A parking strategy will be undertaken in the 2015-16 financial year.

PORT OF GREYMOUTH

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2014	2015	Notes
Quality of service	By providing residents with a service they are happy with	Minimum % satisfied that the port is run efficiently.	60%	35%	33%	The Resident's Satisfaction Survey was conducted in September/October/November 2014. 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

4 Activity funding impact statement

	2014 LTP \$000	2015 LTP \$000	2014 Actual \$000	2015 Annual Plan \$000	2015 Actual \$000
[A] SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties	220	239	222	267	275
Targeted rates (other than a metered rate for water supply)	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees, charges, and metered rates for water supply	415	418	421	440	347
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	69	72	39	31	63
Total operating funding [A]	704	729	682	738	685
[B] APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	620	638	627	594	592
Finance costs	48	57	114	128	136
Internal charges and overheads applied	234	242	210	218	249
Other operating funding applications	-	-	-	-	-
Total applications of operating funding [B]	902	937	951	940	977
Surplus (deficit) of operating funding [A - B]	(198)	(208)	(269)	(202)	(292)
[C] SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	96	160	(80)	(3)	-
Gross proceeds from sale of assets	165	117	548	68	202
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	251	-	36
Total sources of capital funding [C]	261	277	719	65	238
[D] APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
—to meet additional demand	-	-	-	-	-
—to improve the level of service	-	-	-	-	-
—to replace existing assets	3	3	71	33	27
Increase (decrease) in reserves	60	66	215	(170)	38
Increase (decrease) of investments	-	-	164	-	(119)
Total applications of capital funding [D]	63	69	450	(137)	(54)
Surplus (deficit) of capital funding [C - D]	198	208	269	202	292
Funding balance: [A - B] + [C - D]	-	-	-	-	-

5 Activity revenue and expense statement

	2014 LTP	2015 LTP	2014 Actual	2015 Annual Plan	2015 Actual
	\$000	\$000	\$000	\$000	\$000
REVENUE					
General rates, uniform annual general charges, rates penalties	220	239	222	267	275
Targeted rates (including targeted rates for water supply)	-	-	-	-	-
Subsidies and grants (operating and capital)	-	-	-	-	-
User charges & regulatory revenue (consent fees, infringements etc)	484	490	421	440	347
Internal charges and overheads recovered	-	-	-	-	-
Other revenue	132	94	501	119	99
Total revenue	836	823	1,144	826	721
EXPENDITURE					
Staff costs	231	239	196	163	163
Operating & maintenance costs	389	399	431	431	429
Finance costs	48	57	81	128	136
Internal charges and overheads applied	234	242	210	218	249
Other expenses	-	-	-	-	1
Depreciation	276	281	230	281	258
Total expenditure	1,178	1,218	1,148	1,221	1,236
Surplus (deficit) of activities	(342)	(395)	(4)	(395)	(515)

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

	2014 LTP	2015 LTP	2014 Actual	2015 Annual Plan	2015 Actual
	\$000	\$000	\$000	\$000	\$000
Miscellaneous renewals & new capital	3	3	-	2	-
Viewing platform on Southern Breakwater	-	-	71	-	-
Renew aerodrome lighting controller	-	-	-	31	27
Earthquake strengthening - tie down parapets: Harbour Board office	-	-	-	-	-
Breakwater renewals	-	-	-	-	-
Total capital expenditure	3	3	71	33	27

7 Variations from budget

1. Fees, charges, and metered rates for water supply less than budget by \$93,000 due to a number of revenue sources earning less than budgeted (including port user fees, port leases, and aerodrome user fees).
2. Gross proceeds from sale of assets \$134,000 higher than budget relating to the sale of surplus port land, the extent of which wasn't factored into the budget
3. Increase (decrease) in reserves, an additional \$208,000 has been transferred to reserves, which is mainly due to the additional funds received from the land sales being transferred to dedicated reserves.
4. Increase (decrease) of investments is greater than budget by \$119,000. 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 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

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.

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 revenue for the benefit of all residents.

3 Performance measurement

PROPERTY						
Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2014	2015	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)	82%	104%	104%	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.

RETIREMENT HOUSING

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2014	2015	Notes
Quality of service	By providing well maintained and comfortable housing.	A minimum percentage of occupancy rates achieved	95%	98%	97%	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) 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 2014-15.

4 Activity funding impact statement

	2014 LTP \$000	2015 LTP \$000	2014 Actual \$000	2015 Annual Plan \$000	2015 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	768	791	797	813	773
Internal charges and overheads recovered	250	258	256	269	247
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	-	-	-
Total operating funding [A]	1,018	1,049	1,053	1,082	1,020
[B] APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	697	744	800	781	1,203
Finance costs	218	169	59	79	66
Internal charges and overheads applied	202	210	130	189	169
Other operating funding applications	-	-	-	-	-
Total applications of operating funding [B]	1,117	1,123	989	1,049	1,438
Surplus (deficit) of operating funding [A - B]	(99)	(74)	64	33	(418)
[C] SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(536)	(936)	(66)	78	(71)
Gross proceeds from sale of assets	680	1,030	199	122	805
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	438
Total sources of capital funding [C]	144	94	133	200	1,172
[D] APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
—to meet additional demand	-	-	-	-	-
—to improve the level of service	-	-	-	94	3
—to replace existing assets	18	19	41	9	51
Increase (decrease) in reserves	27	1	(41)	130	738
Increase (decrease) of investments	-	-	197	-	(38)
Total applications of capital funding [D]	45	20	197	233	754
Surplus (deficit) of capital funding [C - D]	99	74	(64)	(33)	418
Funding balance: [A - B] + [C - D]	-	-	-	-	-

5 Activity revenue and expense statement

	2014 LTP	2015 LTP	2014 Actual	2015 Annual Plan	2015 Actual
	\$000	\$000	\$000	\$000	\$000
REVENUE					
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 revenue (consent fees, infringements etc)	768	791	797	813	773
Internal charges and overheads recovered	250	258	256	269	247
Other revenue	207	314	3,189	122	965
Total revenue	1,225	1,363	4,242	1,204	1,985
EXPENDITURE					
Staff costs	-	-	-	-	-
Operating & maintenance costs	697	744	800	781	1,203
Finance costs	218	169	42	79	66
Internal charges and overheads applied	202	210	130	189	169
Other expenses	-	-	57	-	312
Depreciation	223	240	200	227	367
Total expenditure	1,340	1,363	1,229	1,276	2,117
Surplus (deficit) of activities	(115)	-	3,013	(72)	(132)

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

	2014 LTP	2015 LTP	2014 Actual	2015 Annual Plan	2015 Actual
	\$000	\$000	\$000	\$000	\$000
Miscellaneous renewals & new capital	18	19	1	9	9
Gresson St Subdivision - development costs	-	-	-	-	-
Increase file and yard storage capacity	-	-	40	94	-
Retirement Housing renewals	-	-	-	-	45
Total capital expenditure	18	19	41	103	54

7 Variations from budget

1. Payments to staff and suppliers \$422,000 higher than budget due:
 - a. to higher than forecast legal fees relating to on-going land leases litigation, and
 - b. distribution of insurance proceeds relating to the storm damaged Runanga Miners' Hall
2. The net movement in debt is less than budget by \$149,000. This is due to Council not uplifting a loan required for upgrades at Council officers as well as additional debt being repaid on other loans.
3. Gross proceeds from sale of assets \$683,000 higher than budget due to sale of surplus land being considerably higher than included in the budget, the majority relates to one sale.
4. Increase (decrease) in reserves, an additional \$608,000 has been transferred to reserves, which is mainly due to the additional funds received from the land sales being transferred to dedicated reserves
5. Other expenses are \$312,000 higher than budget which represents the fair value loss on investment property that wasn't included in budgeting.

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.

10 Community facilities and events

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 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

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.

3 Performance measurement

LIBRARIES

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2014	2015	Notes
Quality of service	By providing quality library service	% of users satisfied with service	85%	79%	81%	The Resident's Satisfaction Survey was conducted in September/October/November 2014. 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 2014-2015.
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	170	185	The Library is very active in with its outreach programme, including story time two times a week and the Summer Reading Challenge. Library staff visit local schools and arrange events such as authors' talks.
		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	2014	2015	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	2014	2015	Notes
	By providing a professional customer service	% of users satisfied with service	80%	78%	75%	The Resident's Satisfaction Survey was conducted in September/October/November 2014. 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	101,000	89,884	96,432	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	1,448	1,213	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	Achieved	Achieved	Achieved	The facility is open seven days a week, except for the 1 week shut down for maintenance period 20th - 27th April 2015 and the Centre was forced to shut for 3 days on the 11th-13th July due to heating issues.
		Admission fees and opening hours are posted on Council's website	Achieved	Achieved	Achieved	Maintained and updated in partnership with Council's Communications Advisor.
		A minimum number of Swimming School registrations per term	190	376	450	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	6.5	7.3	96,432 divided by 13,221 is about 7.3 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	2014	2015	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.	75%	57%	41%	The Resident's Satisfaction Survey was conducted in September/October/November 2014. 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/MINERS' RECREATION CENTRE

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2014	2015	Notes
Quality of facilities	By providing safe, professional services.	% of users surveyed satisfied with service	70%	57%	49%	The Resident's Satisfaction Survey was conducted in September/October/November 2014. 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 Miners 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.	Achieved	Achieved	Achieved	Maintained and updated in partnership with Council's Communications Advisor.

CEMETERIES

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2014	2015	Notes
Quality of service	Land availability in cemeteries relative to the number of people likely to be buried*	Review three yearly	Achieved	Not achieved	Achieved	The three yearly review has resulted in sufficient available land at existing cemetery sites. The next review will be undertaken in three years.
	Providing an updated cemetery record based on available information on-line	On-line register updated with each new interment.	Achieved	Under review	Not achieved	All cemeteries except for Karoro will be completed and live on Council's website by June 2016. Karoro Cemetery being Council's largest cemetery will take slightly longer to complete and will be live June 2017.
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 2014-15.

PARKS AND TRACKS

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2014	2015	Notes
	Residents overall satisfaction with the service	Minimum % satisfied per survey	80%	91%	90%	The Resident's Satisfaction Survey was conducted in September/October/November 2014. The full report is available on Council's website.

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2014	2015	Notes
	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.

4 Activity funding impact statement

	2014 LTP \$000	2015 LTP \$000	2014 Actual \$000	2015 Annual Plan \$000	2015 Actual \$000
[A] SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties	2,477	2,584	2,479	2,675	2,735
Targeted rates (other than a metered rate for water supply)	-	-	-	-	-
Subsidies and grants for operating purposes	367	182	-	112	63
Fees, charges, and metered rates for water supply	613	632	607	661	639
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	18	18	5	14	21
Total operating funding [A]	3,475	3,416	3,091	3,462	3,458
[B] APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	2,973	2,853	3,084	2,847	2,973
Finance costs	336	330	278	298	328
Internal charges and overheads applied	413	428	396	472	485
Other operating funding applications	-	-	-	-	(29)
Total applications of operating funding [B]	3,722	3,611	3,758	3,617	3,757
Surplus (deficit) of operating funding [A - B]	(247)	(195)	(667)	(155)	(299)
[C] SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	5,975	2,650	923	6,400	3,450
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(86)	(92)	(207)	1,606	(223)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	565	-	130
Total sources of capital funding [C]	5,889	2,558	1,281	8,006	3,357
[D] APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
—to meet additional demand	-	-	-	-	-
—to improve the level of service	5,638	2,268	1,053	8,837	1,699
—to replace existing assets	158	137	200	142	151
Increase (decrease) in reserves	(154)	(42)	(423)	(1,128)	1,344
Increase (decrease) of investments	-	-	(216)	-	(136)
Total applications of capital funding [D]	5,642	2,363	614	7,851	3,058
Surplus (deficit) of capital funding [C - D]	247	195	667	155	299
Funding balance: [A - B] + [C - D]	-	-	-	-	-

5 Activity revenue and expense statement

	2014 LTP	2015 LTP	2014 Actual	2015 Annual Plan	2015 Actual
	\$000	\$000	\$000	\$000	\$000
REVENUE					
General rates, uniform annual general charges, rates penalties	2,477	2,584	2,479	2,675	2,735
Targeted rates (including targeted rates for water supply)	-	-	-	-	-
Subsidies and grants (operating and capital)	6,342	2,832	923	6,512	3,513
User charges & regulatory revenue (consent fees, infringements etc)	631	650	607	661	639
Internal charges and overheads recovered	-	-	-	-	-
Other revenue	-	-	686	14	151
Total revenue	9,450	6,066	4,695	9,862	7,038
EXPENDITURE					
Staff costs	1,027	1,059	1,068	987	1,066
Operating & maintenance costs	1,946	1,794	2,016	1,860	1,907
Finance costs	336	330	199	298	328
Internal charges and overheads applied	413	428	396	472	485
Other expenses	-	-	-	-	(9)
Depreciation	847	1,029	758	861	1,042
Total expenditure	4,569	4,640	4,437	4,478	4,819
Surplus (deficit) of activities	4,881	1,426	258	5,384	2,219

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

	2014 LTP	2015 LTP	2014 Actual	2015 Annual Plan	2015 Actual
	\$000	\$000	\$000	\$000	\$000
Miscellaneous renewals & new capital	162	94	162	72	44
Vehicle/plant replacement	-	-	3	31	39
Northern Breakwater recreation area	75	-	88	18	72
Miners' Recreation Centre	5,500	2,250	910	8,800	1,618
Library collection purchases	59	61	52	58	52
Memorial areas	-	-	13	-	-
Earthquake strengthening: Left Bank Art Gallery - tie down parapets	-	-	25	-	25
Total capital expenditure	5,796	2,405	1,253	8,979	1,850

7 Variations from budget

1. Payments to staff and suppliers \$126,000 higher than budget, mainly related to unbudgeted expenditure incurred advancing proceedings associated with the spa and tiling issues at the Aquatic Centre.
2. Subsidies and grants for capital expenditure - The budget included \$6,000,000 to be received towards the proposed Westland Recreation Centre. Due to project delays in confirming/commencing this project, actual grants received were \$3,050,000
3. Increase (decrease) in debt overall is less than budget by \$1,829,000 . The budget included an amount of \$1,800,000 to be used as funding of the Westland Recreation Centre, and due to project delays this loan has not be drawn down as yet.

4. Other dedicated capital funding \$130,000 higher than budget which relates to funds recovered that have been used on repairing the spa at the Aquatic Centre.
5. Increase (decrease) in reserves – an additional \$2,472,000 transferred to reserves as funds received towards the Westland Recreation Centre and not as yet spent have been transferred to a dedicated reserve
6. Increase (decrease) of investments is greater than budget by \$266,000. 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. Increase (decrease) of investments is greater than budget by \$136,000. 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. Depreciation is \$181,000 greater than budget, due to a higher depreciation expense on the Aquatic Centre and Libraries. This is an outcome of the revaluation of these assets as at 30 June 2014 that wasn't factored into the budget.

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.
- Issues with the roof of the Greymouth Aquatic Centre remain unresolved in 2014/2015 as Council continued with the legal process to have the situation remedied. Later in the year issues were identified with the tiling of the spa, which meant the spa has been unavailable for public use. The spa issues have been resolved and accounted for.

11 Democracy and administration

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

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.

3 Performance measurement

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	2014	2015	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%	84%	The Resident's Satisfaction Survey was conducted in September/October/November 2014. 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%	62%	The Resident's Satisfaction Survey was conducted in September/October/November 2014. 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 2014-15 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	2014	2015	Notes
	Our community representatives will demonstrate strong Leadership	Public satisfaction with performance of Mayor and Councillors	85%	83%	83%	The Resident's Satisfaction Survey was conducted in September/October/November 2014. The full report is available on Council's website.

4 Activity funding impact statement

	2014 LTP \$000	2015 LTP \$000	2014 Actual \$000	2015 Annual Plan \$000	2015 Actual \$000
[A] SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties	1,259	1,295	1,327	1,250	1,306
Targeted rates (other than a metered rate for water supply)	229	233	258	263	266
Subsidies and grants for operating purposes	59	29	83	114	139
Fees, charges, and metered rates for water supply	191	107	188	84	90
Internal charges and overheads recovered	5,508	5,686	4,663	5,368	5,242
Local authorities fuel tax, fines, infringement fees, & other receipts	478	621	587	462	786
Total operating funding [A]	7,724	7,971	7,106	7,541	7,829
[B] APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	5,619	5,676	4,875	5,423	5,157
Finance costs	102	97	3	9	2
Internal charges and overheads applied	1,366	1,421	1,392	1,650	1,575
Other operating funding applications	-	-	-	-	-
Total applications of operating funding [B]	7,087	7,194	6,270	7,082	6,734
Surplus (deficit) of operating funding [A - B]	637	777	836	459	1,095
[C] SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(69)	(74)	(7)	(20)	(8)
Gross proceeds from sale of assets	-	-	101	-	18
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding [C]	(69)	(74)	94	(20)	10
[D] APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
—to meet additional demand	-	-	-	-	-
—to improve the level of service	8	8	14	3	50
—to replace existing assets	311	141	257	156	153
Increase (decrease) in reserves	249	554	526	280	723
Increase (decrease) of investments	-	-	133	-	179
Total applications of capital funding [D]	568	703	930	439	1,105
Surplus (deficit) of capital funding [C - D]	(637)	(777)	(836)	(459)	(1,095)
Funding balance: [A - B] + [C - D]	-	-	-	-	-

5 Activity revenue and expense statement

	2014 LTP	2015 LTP	2014 Actual	2015 Annual Plan	2015 Actual
	\$000	\$000	\$000	\$000	\$000
REVENUE					
General rates, uniform annual general charges, rates penalties	1,259	1,295	1,327	1,250	1,306
Targeted rates (including targeted rates for water supply)	229	233	258	263	266
Subsidies and grants (operating and capital)	59	29	83	114	139
User charges & regulatory revenue (consent fees, infringements etc)	669	728	188	546	90
Internal charges and overheads recovered	5,508	5,686	4,663	5,368	5,242
Other revenue	-	-	645	-	804
Total revenue	7,724	7,971	7,164	7,541	7,847
EXPENDITURE					
Staff costs	3,317	3,421	3,195	3,223	3,201
Operating & maintenance costs	2,302	2,255	1,680	2,200	1,956
Finance costs	102	97	2	9	2
Internal charges and overheads applied	1,366	1,421	1,392	1,650	1,575
Other expenses	-	-	-	-	-
Depreciation	400	406	160	404	224
Total expenditure	7,487	7,600	6,429	7,486	6,958
Surplus (deficit) of activities	237	371	735	55	889

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

	2014 LTP	2015 LTP	2014 Actual	2015 Annual Plan	2015 Actual
	\$000	\$000	\$000	\$000	\$000
Miscellaneous renewals & new capital	26	15	19	19	25
Vehicle replacements	207	45	123	36	-
Office equipment (including IT)	86	89	109	104	178
Upgrade of core computer system	-	-	20	-	-
Total capital expenditure	319	149	271	159	203

7 Variations from budget

1. Internal charges and overheads recovered \$126,000 less than budget. Given expenditure reductions discussed below, the was a reduced requirement to recover overheads from other activities given these recoveries are based on actual expenditure.
2. Local authorities fuel tax, fines, infringement fees, & other receipts \$324,000 more than budget. This includes interest revenue with the actual being approximately \$302,000 higher than budget.
3. Payments to staff and suppliers \$266,000 less than budget. Cost reductions were delivered in various areas to account for less revenue being received in other areas (such as resource consenting)
4. Increase (decrease) in reserves - \$443,000 more transferred to reserves compared to budget. This includes the additional interest earned on investments of \$302,000 which is transferred to special funds. There was also less transferred from the Corporate Equipment Reserve for IT expenditure than budgeted due to cost efficiencies across the board being realised.

5. Increase (decrease) of investments is greater than budget by \$179,000. 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 \$180,000 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.

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. This strategy continues to act as the basis for subsequent Council projects, such as the CBD renewal.

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 113.

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 Miners' Recreation Centre.

The Trust has received no revenue nor made any payments for the financial year ending 30 June 2015 (2014 nil)