

Grey District Council Annual Report



For the year
01 July 2015 – 30 June 2016



ISSN: 1171-2252

Contents

PART A: INTRODUCTION	7
1 FOREWORD FROM HIS WORSHIP THE MAYOR AND THE CHIEF EXECUTIVE OFFICER	8
2 COUNCILLORS AND THEIR PORTFOLIOS	9
3 SENIOR STAFF AND CONTACT DETAILS	11
PART B: INDEPENDENT AUDITOR'S REPORT	12
PART C: FINANCIAL STATEMENTS AND NOTES	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.....	21
7 NOTES TO THE FINANCIAL STATEMENTS	22
8 FUNDING IMPACT STATEMENT FOR WHOLE OF COUNCIL	73
9 FINANCIAL REPORTING AND PRUDENCE DISCLOSURES.....	75
10 RATING BASE INFORMATION	81
PART D: GROUP OF ACTIVITY STATEMENTS	82
1 LAND TRANSPORT.....	83
2 STORMWATER	88
3 WASTEWATER (SEWERAGE)	93
4 WATER SUPPLY	98
5 SOLID WASTE (REFUSE AND RECYCLING).....	104
6 EMERGENCY MANAGEMENT	109
7 ENVIRONMENTAL SERVICES.....	112
8 OTHER TRANSPORT	117
9 PROPERTY AND HOUSING	122
10 COMMUNITY FACILITIES AND EVENTS.....	126
11 DEMOCRACY AND ADMINISTRATION.....	133
PART E: CONSULTATION WITH MAORI	137
PART F: COUNCIL CONTROLLED ORGANISATIONS	138
1 TOURISM WEST COAST AND WEST COAST RURAL FIRE AUTHORITY	138
2 WEST COAST RECREATION TRUST	138

PART A: Introduction

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

Welcome to the 2015/2016 Annual Report. This is the last Annual Report reflecting the results of the 2013 – 2016 Council and we are proud of the many achievements made in 2015/16 and overall in the last three years. In our Annual Report we present:

- What we spent – disclosed for the whole of Council in the financial statements (and notes to the financial statements) as well as at a 'group of activity' level.
- What we delivered for the money that we spent – as outlined in our performance reporting under each group of activity statement.

To meet our statutory requirements and report on all aspects of our performance does result in this report being reasonably long and detailed. This is a part of our commitment to be open, honest, accountable, and transparent. We also produce a summary version of this report that focuses on the key performance areas and items of interest to the community. This will be published by the end of November.

This document reports a surplus of \$699,000 which when taking into account a number of:

- non-operational losses (asset impairment expense and loss on revaluation of investment property); and
- One of capital subsidies for projects such as the new Westland Recreation Centre

indicates that Council continues to act in a prudent and responsible manner in managing our District's finances. Nonetheless we fully acknowledge the challenges we face in continuing to maintain our assets now and into the future to provide the levels of service the community expects. 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.

Looking ahead, we are confident that our local economy is continuing to strengthen, following the negative impact of the downturn in the coal mining and dairy industries. The third pillar of our economy, tourism, has shown positive signs with recent increases in both international and domestic visitors. Identifying and supporting initiatives to diversify and strengthen our economy remains a priority of our Council. We also support the district as a viable investment opportunity by investing in local infrastructure and community facilities. We have over the past 10 years spent in excess of \$120 million in infrastructural services as well as community assets such as the Grey District Aquatic Centre, Spring Creek Pool, and new Westland Recreation Centre.

Looking forward a key project is the Central Business District Redevelopment, with a decision 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 Incorporation as owner of the land is fully behind the project and is actively working to make it happen.

The next year will again 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: October 2013 – October 2016

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: Elected 8 October 2016

Result declared 12 October 2016

Position	Name	Ward	Portfolio Responsibilities
Mayor	Tony Kokshoorn		<ul style="list-style-type: none"> ▪ Finance ▪ Economic Development ▪ Port ▪ Public Relations ▪ Tourism
Deputy Mayor	Murray Hay	Central	<ul style="list-style-type: none"> ▪ Arts, Culture, and Heritage ▪ Civil Defence ▪ Regulatory Functions
Councillors	Tony Coll	Central	<ul style="list-style-type: none"> ▪ Property ▪ Liquor Licensing ▪ Sport & Recreation
	Tania Gibson	Central	<ul style="list-style-type: none"> ▪ Maori Affairs ▪ Pensioner Housing ▪ Youth
	Patrick McBride	Central	<ul style="list-style-type: none"> ▪ Animal Control ▪ Library ▪ Safety & Security
	Anton Becker	Eastern	<ul style="list-style-type: none"> ▪ Sewerage ▪ Resource Management ▪ Staff
	Allan Gibson	Eastern	<ul style="list-style-type: none"> ▪ Airport ▪ Cemeteries ▪ Health & Disability
	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 ▪ Parks & Reserves

3 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
Westland Recreation Centre	High St, Greymouth Tel: +64 3 768 9076 Email: wrc@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 2016

The Auditor-General is the auditor of Grey District Council (the District Council). The Auditor-General has appointed me, Bede Kearney, using the staff and resources of Audit New Zealand, on her behalf, to:

- audit the information included in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the audited information); and
- report on whether the District Council has complied with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report and the Local Government (Financial Reporting and Prudence) Regulations 2014.

Opinion on the audited information

In our opinion:

- the financial statements on pages 19 to 72:
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2016;
 - 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 and have been prepared in accordance with the Public Benefit Entity Reporting Standards;
- the funding impact statement on page 73, 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 Long-term plan;
- the Group of Activity Statements on pages 82 to 136
 - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2016, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and

- complies with generally accepted accounting practice in New Zealand;
- the statement about capital expenditure for each group of activities on pages 85 to 134, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's Long-term plan; and
- the funding impact statement for each group of activities on pages 85 to 134, 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 Long-term plan.

Compliance with requirements

The District Council has:

- complied with the requirements of schedule 10 of the Local Government Act 2002 that apply to the annual report; and
- made the disclosures on pages 19 to 134 which are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information.

Our audit was completed on 27 October 2016. This is the date at which our opinion is expressed.

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

Basis of opinion

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

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the audited information. 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 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 District Council complied with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report, we limited our procedures to making sure the annual report included the required information and identifying material inconsistencies, if any, with the information we audited. We carried out this work in accordance with International Standard on Auditing (New Zealand) 720; The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements.

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 audit evidence to provide a basis for our audit opinion.

Responsibilities of the Council

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

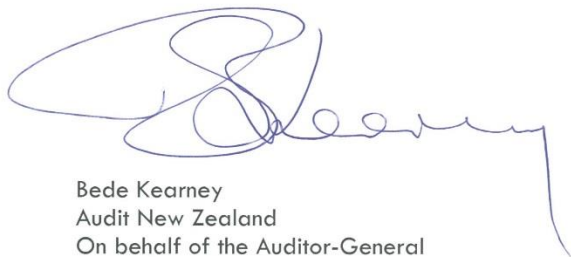
The Council is responsible for such internal control as it determines is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The Council is also responsible for the publication of the annual report, whether in printed or electronic form.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the annual report in accordance with the reporting requirements of the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014. Our responsibility arises from the Public Audit Act 2001.

Independence

When carrying out our audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. Other than this audit, an independent assurance review under the District Council's Debenture Trust Deed, we have no relationship with or interests in the District Council.



Bede Kearney
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 2016 fairly reflect the financial position and operations of Grey District Council.



A F Kokshoorn
MAYOR



P G Pretorius
CHIEF EXECUTIVE OFFICER

Dated this 27th day of October 2016.

2 Statement of comprehensive revenue and expense

For the year ended 30 June 2016

	Note	Actual 2015 \$000	LTP 2016 \$000	Actual 2016 \$000
REVENUE				
Rates, including targeted water supply rates	3	14,772	15,162	15,531
Subsidies and grants	4	8,839	10,844	7,252
Development and financial contributions		171	58	64
Fees and charges	5	4,088	3,709	3,768
Interest revenue	6	748	579	616
Other revenue	7	1,179	520	532
Total revenue		29,797	30,872	27,763
EXPENDITURE				
Personnel costs	8	(4,483)	(4,545)	(4,784)
Depreciation and amortisation expense	17	(7,624)	(7,795)	(7,834)
Finance costs	6	(1,881)	(1,930)	(1,869)
Other expenses	9	(11,961)	(11,233)	(12,577)
Total expenses		(25,949)	(25,503)	(27,064)
Net surplus/(deficit) before tax		3,848	5,369	699
Income tax expense	10	-	-	-
Surplus/(deficit) after tax attributable to Grey District Council		3,848	5,369	699
OTHER COMPREHENSIVE REVENUE AND EXPENSE				
Movement in asset revaluation reserve		-	-	-
Total other comprehensive revenue and expense		-	-	-
Total comprehensive revenue and expense		3,848	5,369	699

The accompanying notes form part of these financial statements.

4 Statement of financial position

As at 30 June 2016

	Note	Actual 2015 \$000	LTP 2016 \$000	Actual 2016 \$000
ASSETS				
Current assets				
Cash and cash equivalents	11	7,237	7,670	2,006
Receivables	12	8,625	3,578	4,594
Other financial assets	13	10,463	4,668	13,467
Inventory	14	422	305	422
Non-current assets held for sale		-	-	-
		26,747	16,221	20,489
Non-current assets				
Receivables	12	42	224	35
Property, plant and equipment	15	388,417	401,292	396,082
Intangible assets	16	328	287	274
Other financial assets	13	360	584	368
Investment property	18	3,263	3,531	2,900
		392,410	405,918	399,659
TOTAL ASSETS		419,157	422,139	420,148
LIABILITIES				
Current liabilities				
Bank overdraft		-	-	-
Payables	20	4,043	4,171	3,770
Employee entitlements	21	402	510	381
Deferred revenue		183	212	214
Borrowings	22	4,789	5,000	-
Derivative financial instruments	23	11	-	-
		9,428	9,893	4,365
Non-current liabilities				
Provisions	24	2,203	2,155	2,466
Employee entitlements	21	532	428	586
Borrowings	22	25,631	26,857	30,320
Derivative financial instruments	23	526	-	875
		28,892	29,440	34,247
TOTAL LIABILITIES		38,320	39,333	38,612
EQUITY				
Retained earnings	25	225,877	232,768	230,104
Special funds	25	12,995	7,705	9,469
Trusts bequests and other reserves	25	169	536	167
Revaluation reserve	25	141,796	141,797	141,796
Total equity attributable to the Council		380,837	382,806	381,536
TOTAL EQUITY AND LIABILITIES		419,157	422,139	420,148

The accompanying notes form part of these financial statements.

5 Statement of changes in equity

For the year ended 30 June 2016

	Actual 2015 \$000	LTP 2016 \$000	Actual 2016 \$000
Balance at 01 July	376,989	377,437	380,837
Total comprehensive revenue and expense	3,848	5,369	699
Balance at 30 June	380,837	382,806	381,536

The accompanying notes form part of these financial statements.

6 Statement of cashflows

For the year ended 30 June 2016

	Note	Actual 2015 \$000	LTP 2016 \$000	Actual 2016 \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from rates revenue		14,822	15,129	15,361
Subsidies and grants received		6,774	10,844	8,951
Development and financial contributions received		175	58	68
Interest received		748	552	535
Dividends received		-	-	-
Receipts from other revenue		5,130	4,807	6,716
Payments to suppliers		(11,121)	(11,859)	(12,182)
Payments to employees		(4,556)	(4,545)	(4,751)
Interest paid		(1,899)	(1,930)	(1,648)
Income tax paid (refund)		-	-	-
Goods and services tax (net)		(197)	41	497
Net cash from operating activities	26	9,876	13,097	13,547
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of property, plant and equipment		262	121	19
Proceeds from sale of investment property		208	-	130
Receipts from sale of investments		40,947	16,809	52,874
Purchase of property, plant and equipment		(12,337)	(16,805)	(15,915)
Purchase of intangible assets		(50)	(10)	-
Acquisition of investments		(45,188)	(12,780)	(55,886)
Net cash from investing activities		(16,158)	(12,665)	(18,778)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings		5,839	3,420	-
Repayment of borrowings		(5,189)	(1,362)	-
Dividends paid		-	-	-
Net cash from financing activities		650	2,058	-
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		(5,632)	2,490	(5,231)
Cash, cash equivalents and bank overdrafts at the beginning of the year		12,869	5,180	7,237
Cash, cash equivalents and bank overdrafts at the end of the year	11	7,237	7,670	2,006

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 2016. The financial statements were authorised for issue by Council on 27 October 2016.

[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.

[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

Asset Class	Depreciation Method	Life (years)	%
Plant and machinery	Straight line	3 – 30	3 – 33
Furniture and fittings	Straight line	10	10
Computer equipment	Straight line	3 – 8	12.5 – 33
Library stocks	Straight line	8	12.5
Breakwaters and wharves	Straight line	40 – 50	2 – 2.5
Reserve board assets	Not depreciated		
Landfill sites	Straight line	10 – 50	2 – 10
Landfill capitalised aftercare costs	Straight line	8	12.5
Water supply systems:			
- Pipe network	Straight line	50 – 80	1.25 – 2
- Pumps and electrical	Straight line	10 – 60	1.67 – 10
- Reservoirs	Straight line	60 – 80	1.25 – 1.67
Drainage and sewerage			
- Pipe network	Straight line	50 – 80	1.25 – 2
- Pumps and electrical	Straight line	10 – 80	1.25 – 10
- Ponds	Straight line	60	1.67
Heritage assets	Straight line	40	2.5
Roading networks:			
- Formation	Not depreciated		
- 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 assets ability to generate net cash inflows and where the Council would, if deprived of the asset, replace its remaining future economic benefits or service potential.

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 4.5%.

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

Landfill aftercare provision

Note 24 discloses an analysis of the exposure of Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision.

Financial guarantees

Note 28 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 2016:

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 2015 \$000	LTP 2016 \$000	Actual 2016 \$000
REVENUE			
Land transport	6,948	6,928	6,800
Stormwater	760	940	987
Wastewater	3,080	2,509	2,752
Water Supply	2,638	2,398	2,005
Solid waste management	2,039	2,088	2,289
Emergency management	180	209	212
Environmental services	2,050	1,885	1,890
Other transport	721	804	797
Property and housing	1,985	1,172	1,111
Community facilities and events	7,038	9,875	6,676
Democracy and administration	7,847	7,711	7,957
Total activity revenue	35,286	36,519	33,476
Less internal recoveries	(5,489)	(5,647)	(5,713)
Total revenue	29,797	30,872	27,763
EXPENDITURE			
Land transport	6,547	6,535	6,835
Stormwater	1,228	1,329	1,435
Wastewater	2,728	2,975	2,919
Water Supply	1,965	2,108	2,076
Solid waste management	1,702	1,911	2,016
Emergency management	248	211	145
Environmental services	1,890	1,848	1,909
Other transport	1,236	1,245	1,232
Property and housing	2,117	1,288	1,903
Community facilities and events	4,819	4,178	4,784
Democracy and administration	6,958	7,522	7,523
Total activity expenditure	31,438	31,150	32,777
Less internal recoveries	(5,489)	(5,647)	(5,713)
Total Expenditure	25,949	25,503	27,064

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 revenue

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 2015 \$000	LTP 2016 \$000	Actual 2016 \$000
GENERAL RATES			
General Rate	5,997	6,042	6,250
Uniform Annual General Charge	2,874	2,946	3,062
Total general rates	8,871	8,988	9,312
TARGETED RATES ATTRIBUTABLE TO ACTIVITIES:			
District Promotion	266	266	278
Refuse Collection	1,272	1,263	1,324
Sewerage Collection	2,202	2,385	2,422
Water Supplies	1,756	1,889	1,756
Water Meter Rates	219	228	239
Lump sum contributions	-	-	-
PENALTIES			
Rate Penalties	186	143	200
Total rates	14,772	15,162	15,531

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 2015 \$000	LTP 2016 \$000	Actual 2016 \$000
Rates on land where GDC is the ratepayer	368	380	370
Rate discounts	37	36	38
Rates remitted per Council policy	34	35	68
Total rates remitted	439	451	476

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 2015 \$000	LTP 2016 \$000	Actual 2016 \$000
New Zealand Transport Agency subsidies	3,805	3,951	3,680
Ministry of Health drinking water related subsidies	648	267	-
Ministry of Health wastewater related subsidies	688	-	235
NZ Lottery grants	-	750	750
Other grants and subsidies	3,698	5,876	2,587
Total subsidies and grants	8,839	10,844	7,252

There are no unfulfilled conditions and other contingencies attached to subsidies and grants recognised (2015 nil).

5 Fees and charges

	Actual 2015 \$000	LTP 2016 \$000	Actual 2016 \$000
Wastewater - trade waste user charges	89	84	74
Building and resource consent charges	573	655	522
Dog registration and other user charges	190	199	201
Liquor licencing fees	76	21	52
Landfill charges	612	657	784
Swimming pool user charges	482	503	507
Parking fees	60	68	45
Lease revenue	399	432	372
Retirement housing rental revenue	572	586	589
Port berthage and user access fees	129	153	162
Other fees and charges	906	351	460
Total fees, charges, and targeted rates for water supply	4,088	3,709	3,768

6 Interest revenue and finance costs

	Actual 2015 \$000	LTP 2016 \$000	Actual 2016 \$000
INTEREST REVENUE			
Interest Revenue:			
- term deposits	748	579	616
- local authority and government bonds	-	-	-
Total interest revenue	748	579	616
FINANCE COSTS			
Interest expense:			
- interest on borrowings	1,665	1,930	1,531
Interest derivatives (presented net):			
- held for trading interest rate swaps	216	-	338
Total finance costs	1,881	1,930	1,869
Net finance costs	1,133	1,351	1,253

7 Other revenue

	Actual 2015 \$000	LTP 2016 \$000	Actual 2016 \$000
Traffic and parking infringements	25	31	23
Freedom camping infringements	72	25	69
Petrol tax	181	172	155
Vested land and infrastructure from property development	-	90	-
Insurance recoveries	474	-	-
Non-current assets held for sale gains on disposal	-	-	-
Property plant & equipment gains on disposal	32	121	19
Investment property gains on disposal	-	-	-
Investment property revaluation gains	-	-	-
Other	395	81	266
Total other revenue	1,179	520	532

8 Personnel costs

	Actual 2015 \$000	LTP 2016 \$000	Actual 2016 \$000
Wages and salaries	4,367	4,318	4,527
Contributions to defined contribution plans	189	182	224
Increase/(decrease) in employee benefit liabilities	(73)	45	33
Total employee expenses	4,483	4,545	4,784

9 Other expenses

	Note	Actual 2015 \$000	LTP 2016 \$000	Actual 2016 \$000
Fees to principal auditor				
Audit of financial statements		90	108	92
Long Term Plan (LTP) audit		65	-	-
Audit fee paid on behalf of West Coast Recreation Trust		2	-	2
Insurance expenses		576	440	469
Consultants		748	594	786
Legal fees		314	151	303
Electricity		985	916	930
Grants & Donations		801	291	262
Remuneration of elected members	33	243	257	259
Directors' fees		-	-	-
Minimum lease payments under operating leases		314	341	427
Assets written off		-	-	17
Impairment of asset expense		-	-	324
Bad debt expense		33	-	-
Movement in impairment of receivables	12	9	-	17
Movement in provision for financial guarantee		(29)	-	(29)
Loss on sale of property, plant and equipment		33	-	14
Loss on sale of Investment Property		6	-	16
Investment property revaluation losses		301	-	233
Other operating expenses		7,470	8,135	8,455
Total other expenses		11,961	11,233	12,577

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

	Actual 2015 \$000	Actual 2016 \$000
Net Surplus/(Deficit) before Tax	3,848	699
Tax at 28%	1,077	196
Plus (less) tax effect of:		
Non-deductible expenditure		
Non-taxable revenue	(1,174)	(268)
Tax losses not recognised	97	72
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 \$12,216,907 (2015: \$11,961,193). 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 2015 \$000	Actual 2016 \$000
Cash at bank and on hand	129	1,202
Call deposits	6,024	804
Term deposits with maturities of less than 3 months at acquisition	1,084	-
Total cash and cash equivalents	7,237	2,006

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 2016 was 3.7 percent (2015: 4.3 percent). The deposits had an average maturity of 152 days (2015: 126 days).

12 Trade and other receivables

	Actual 2015 \$000	Actual 2016 \$000
Receivables		
Rates receivables	1,126	1,321
Water rate receivables	132	156
New Zealand Transport Agency receivable	1,145	217
Port receivables	60	68
Lease receivables	420	400
Sundry receivables	5,826	2,299
Community loans	42	35
Prepayments	-	-
Loans to related parties	-	-
Interest receivable	-	121
GST receivable	146	259
Receivables prior to impairment	8,897	4,876
Less provision for impairment of receivables	(230)	(247)
Total receivables	8,667	4,629
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)	8,245	4,108
Receivables from exchange transactions – (this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates)	422	521

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:

	2015			2016		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
Not past due	3,041	-	3,041	1,842	-	1,842
Past due 1 - 30 days	1,371	-	1,371	36	-	36
Past due 31 - 90 days	2,884	-	2,884	501	-	501
Past due > 90 days	1,601	(230)	1,371	2,497	(247)	2,250
Total	8,897	(230)	8,667	4,876	(247)	4,629

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 2015 \$000	Actual 2016 \$000
At 1 July	221	230
Provisions reversed during the year	(7)	(15)
Additional provisions made during the year	49	34
Receivables written off during period	(33)	(2)
At 30 June	230	247

13 Other financial assets

	Actual 2015 \$000	Actual 2016 \$000
CURRENT PORTION		
Term deposits with original maturities greater than 3 months and remaining maturities less than 12 months	9,960	13,467
Borrower notes	-	-
Local authority stock	503	-
Available-for-sale financial assets	-	-
Total current investments	10,463	13,467
NON-CURRENT PORTION		
Borrower notes	320	320
Local authority stock	-	-
Unlisted shares	40	48
Total non-current investments	360	368

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 nil (2015 \$503,000). 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 2015 \$000	Actual 2016 \$000
Land being developed for sale	307	307
Materials held for repair of Aquatic Centre	115	115
Total inventory	422	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 Property, plant and equipment

COUNCIL 2016

	Cost/ valuation 01-Jul-15	Accumulated depreciation & impairment charges 01-Jul-15	Carrying amount 01-Jul-15	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-16	Accumulated depreciation & impairment charges 30-Jun-16	Carrying amount 30-Jun-16
INFRASTRUCTURAL ASSETS												
Roading Network	165,632	(3,693)	161,939	3,856	-	-	-	(3,730)	-	169,488	(7,423)	162,065
Land Under Roads	68,733	-	68,733	-	-	-	-	-	-	68,733	-	68,733
Stormwater	28,904	(726)	28,178	467	-	-	-	(725)	-	29,371	(1,451)	27,920
Flood Protection System	8,605	(1,489)	7,116	-	-	-	-	(73)	-	8,605	(1,562)	7,043
Sewerage	57,170	(676)	56,494	1,120	-	-	-	(855)	-	58,290	(1,531)	56,759
Water Supply Systems	21,793	(505)	21,288	1,267	-	-	-	(530)	-	23,060	(1,035)	22,025
Landfill Site	3,346	(2,543)	803	10	-	-	-	(33)	-	3,356	(2,576)	780
Work in progress	588	-	588	213	-	-	-	-	-	801	-	801
TOTAL INFRASTRUCTURAL ASSETS	354,771	(9,632)	345,139	6,933	-	-	-	(5,946)	-	361,704	(15,578)	346,126

COUNCIL 2016

	Cost/ valuation 01-Jul-15	Accumulated depreciation & impairment charges 01-Jul-15	Carrying amount 01-Jul-15	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-16	Accumulated depreciation & impairment charges 30-Jun-16	Carrying amount 30-Jun-16
OTHER FIXED ASSETS												
General Land	4,740	-	4,740	-	-	-	-	-	-	4,740	-	4,740
Other Land	2,762	-	2,762	16	-	-	-	-	-	2,778	-	2,778
Buildings	25,415	(1,190)	24,225	626	(20)	3	-	(1,187)	-	26,021	(2,374)	23,647
Service concession asset - Civic Centre	477	(80)	397	-	-	-	(324)	(73)	-	153	(153)	-
Plant & Machinery	1,276	(806)	470	356	(43)	43	-	(151)	-	1,589	(914)	675
Furniture & Fittings	396	(368)	28	16	-	-	-	(8)	-	412	(376)	36
Computer Equipment	1,512	(1,353)	159	86	(19)	19	-	(63)	-	1,579	(1,397)	182
Library Stocks	1,907	(1,744)	163	58	-	-	-	(45)	-	1,965	(1,789)	176
Breakwaters & Wharves	4,839	(3,350)	1,489	-	-	-	-	(121)	-	4,839	(3,471)	1,368
Aerodrome	2,497	(88)	2,409	23	-	-	-	(61)	-	2,520	(149)	2,371
Parking Developments	442	(135)	307	1	-	-	-	(9)	-	443	(144)	299
Reserve Board Assets	290	-	290	-	-	-	-	-	-	290	-	290
Sports fields and Parks	2,578	(550)	2,028	32	-	-	-	(96)	-	2,610	(646)	1,964
Heritage Assets	1,052	(220)	832	10	-	-	-	(20)	-	1,062	(240)	822
Work in progress	2,979	-	2,979	7,629	-	-	-	-	-	10,608	-	10,608
TOTAL OTHER FIXED ASSETS	53,162	(9,884)	43,278	8,853	(82)	65	(324)	(1,834)	-	61,609	(11,653)	49,956
TOTAL PROPERTY, PLANT AND EQUIPMENT	407,933	(19,516)	388,417	15,786	(82)	65	(324)	(7,780)	-	423,313	(27,231)	396,082

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

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
2016				
Water Supply Systems				
- treatment plants and facilities	3,037	146	-	3,642
- other assets (such as reticulation systems)	18,988	1,121	-	34,555
Sewerage				
- treatment plants and facilities	14,995	-	-	6,839
- other assets (such as reticulation systems)	41,764	1,120	-	42,729
Stormwater	27,920	467	-	66,814
Roads and footpaths	162,065	3,856	-	256,671
Flood Protection System	7,043	-	-	n/a
	275,812	6,710	-	411,250
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

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 and Civic 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 fully quantified, Council has applied an impairment based on an assessment of the replacement cost of the roof.

With the opening of the Westland Recreation Centre early in the 2016/2017 financial year Council has signalled its intentions to divest from ownership of the Civic Centre. Council has assessed the likely realisable value of the Civic Centre to be lower than the carrying value and impaired the value accordingly.

Work in progress

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

	Actual 2015 \$000	Actual 2016 \$000
INFRASTRUCTURAL ASSETS		
Sewerage		
- Taylorville, Dobson, Kaiata scheme	-	-
- Greymouth scheme	-	-
Water supply systems		
- Greymouth treatment upgrade	-	-
- Taylorville Dobson supply	583	583
- Stillwater supply	-	-
- Runanga supply	5	5
Landfill		
- Cell 3 design and development	-	46
- Recycling storage shed	-	167
	588	801
OTHER FIXED ASSETS		
Buildings		
- Westland Recreation Centre	2,979	10,557
- Shed - Greymouth Dog Park	-	3
- Greymouth CBD Town Square	-	48
	2,979	10,608

Insurance of Assets

	Carrying value of assets covered by insurance contracts \$000	Maximum amount to which assets are insured* \$000
Buildings	23,647	81,234
Contents	394	10,176
Stormwater plant	887	2,061
Sewerage plant	17,220	23,044
Water supply plant	4,492	7,447
Work in progress	10,557	8,816
Vehicles	675	518
	57,872	133,296

	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	27,033	17,813
Sewerage network	39,539	17,694
Water supply network	17,533	5,617
Landfill	780	1,819
Flood Protection System	7,043	3,721
Breakwaters & Wharves	1,368	13,388
	93,296	60,052

ASSET VALUES FROM STATEMENT OF FINANCIAL POSITION

Property, plant and equipment 396,082

Less carrying value of those assets disclosed above:

Carrying value of assets covered by insurance contracts 57,872

Carrying value of assets covered by financial risk sharing arrangements. 93,296

Less uninsured asset classes

	\$000
Roading Network	162,065
Land Under Roads	68,733
General Land	4,740
Other Land	2,778
Aerodrome	2,371
Parking Developments	299
Reserve Board Assets	290
Sports fields and Parks	1,964
Heritage Assets	822
Work in progress	852

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16 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 2014		396
Additions		50
Disposals		-
Balance at 30 June 2015		446
Balance at 1 July 2015		446
Additions		-
Disposals		-
Balance at 30 June 2016		446
ACCUMULATED AMORTISATION AND IMPAIRMENT		
Balance at 1 July 2014		(69)
Amortisation charge		(49)
Disposals		-
Balance at 30 June 2015		(118)
Balance at 1 July 2015		(118)
Amortisation charge		(54)
Disposals		-
Balance at 30 June 2016		(172)
CARRYING AMOUNTS		
Balance at 1 July 2014		327
Balance at 30 June and 1 July 2015		328
Balance at 30 June 2016		274

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

17 Depreciation and amortisation expense by group of activity

	Actual 2015 \$000	LTP 2016 \$000	Actual 2016 \$000
Land transport	3,693	3,700	3,730
Stormwater	811	803	800
Wastewater	676	959	855
Water Supply	505	546	530
Solid waste management	42	116	39
Emergency management	5	11	5
Environmental services	1	39	2
Other transport	258	283	222
Property and housing	367	380	381
Community facilities and events	1,042	740	1,021
Democracy and administration	224	218	249
Total depreciation and amortisation expense	7,624	7,795	7,834

18 Investment property

	Actual 2015 \$000	Actual 2016 \$000
Balance 01 July	3,772	3,263
Transfer from <i>Assets held for sale</i>	-	-
Transfer from <i>Property, plant and equipment</i>	-	-
Disposals	(208)	(130)
Fair value gains/(losses) on valuation	(301)	(233)
Balance at 30 June	3,263	2,900

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 2016.

19 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. This arrangement has continued on a month by month arrangement until such time that the new Westland Recreation Centre is operational.

There is no liability for the Civic Centre service concession after 30 June 2016

20 Payables

	Note	Actual 2015 \$000	Actual 2016 \$000
Payables under exchange transactions			
Trade payables and accrued expenses		2,349	2,518
Sundry Creditors		1,104	1,043
Directors fee payable		-	-
Accrued expenses		-	-
Amounts due to related parties	31	31	15
Interest Payable		211	194
Total		3,695	3,770
Payables under non-exchange transactions			
Grants payable		348	-
GST payable		-	-
Total		348	-
Total trade and other payables		4,043	3,770

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

21 Employee entitlements

	Actual 2015 \$000	Actual 2016 \$000
Accrued pay	56	52
Annual leave	624	640
Long service leave	46	67
Retirement gratuities	208	208
	934	967
COMPRISING:		
Current	402	381
Non-current	532	586
Total employee benefit liabilities	934	967

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% (2015 4.0%) and an inflation factor of 2.5% (2015 2.5%) were used.

22 Borrowings

	Actual 2015 \$000	Actual 2016 \$000
CURRENT		
Secured loans	4,789	-
Total current borrowings	4,789	-
NON-CURRENT		
Secured loans	25,631	30,320
Total non-current borrowings	25,631	30,320
Total borrowings	30,420	30,320

External borrowings	Maturity date	Interest rate (as at 30 Jun 16)	Balance at 01 Jul 2015 \$	Loans uplifted \$	Amortisation of fair value	Loans repaid \$	Balance at 30 June 2016 \$
LOAN NAME							
Westpac Multi Option Cash Loan	22 Sep 17	4.50%	1,265,000	-	-	-	1,265,000
Westpac Multi Option Cash Loan	22 Sep 17	4.50%	275,000	-	-	-	275,000
Westpac Multi Option Cash Loan	22 Sep 17	4.50%	2,410,000	-	-	-	2,410,000
Westpac Multi Option Cash Loan	23 Jul 16	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%	2,050,092	-	(12,638)	-	2,037,454
Local Government Funding Agency	15 May 21	6.00%	5,346,696	-	(50,826)	-	5,295,870
Local Government Funding Agency	15 May 21	6.00%	5,285,910	-	(41,914)	-	5,243,996
Local Government Funding Agency	15 Apr 23	5.50%	2,948,181	-	5,487	-	2,953,668
Local Government Funding Agency	15 Apr 23	4.56%	2,000,000	-	-	-	2,000,000
			30,419,879	-	(99,892)	-	30,319,987
Portion of Term Debt repayable within One year			4,789,000	-	-	-	-
Portion of Term Debt repayable in One to Two years			-	-	-	-	9,789,000
Portion of Term Debt repayable in Two to Five years			10,050,092	-	-	-	15,577,320
Portion of Term Debt repayable in Five years or more			15,580,787	-	-	-	4,953,667
Total Term Debt repayable			30,419,879	-	-	-	30,319,987

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

Carrying values are approximately equal to fair value.

23 Derivative financial instruments

	Actual 2015 \$000	Actual 2016 \$000
Interest rate swaps - fair value	537	875
	537	875
COMPRISING:		
Current	11	-
Non-current	526	875
Total derivative financial instruments	537	875

The notional principal amounts of the outstanding interest rate swap contracts for the Council were \$7,500,000 (2015 \$12,500,000). At 30 June 2016, the fixed interest rates of cash flow interest rate swaps vary from 4.63% to 4.95% (2015 4.44% to 7.71%).

24 Provisions

	Actual 2015 \$000	Actual 2016 \$000
Landfill aftercare provision	1,030	1,322
Financial guarantees	1,173	1,144
Total provisions	2,203	2,466

Movements for each class of provision are as follows:

Landfill aftercare provision

	Actual 2015 \$000	Actual 2016 \$000
Balance 01 July	1,001	1,030
Additional provisions made in the year	46	325
Amounts used in the year	(17)	(33)
Unused amounts reversed	-	-
Balance at 30 June	1,030	1,322

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 2016 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 4.5% (2015 6%).

Financial guarantees

	Actual 2015 \$000	Actual 2016 \$000
Balance 01 July	1,202	1,173
Additional provisions made in the year	-	-
Amounts used in the year	(29)	(29)
Unused amounts reversed	-	-
Balance at 30 June	1,173	1,144

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	\$451,274
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.

25 Equity

	Actual 2015 \$000	Actual 2016 \$000
RATEPAYERS EQUITY		
Opening balance	222,087	225,877
Plus net surplus/(deficit) for the year	3,848	699
Net transfer from/(to) Special Funds	(394)	3,526
Net transfer from/(to) Trusts & Bequests	336	2
Net Transfer from revaluation reserves on disposal	-	-
Closing balance	225,877	230,104
SPECIAL FUNDS		
Opening balance	12,601	12,995
Plus interest (transfer from ratepayer equity)	-	424
Other transfers from ratepayers equity	5,263	786
Transfer to ratepayers equity	(4,869)	(4,736)
Closing balance	12,995	9,469
TRUSTS, BEQUESTS & OTHER RESERVES		
Opening balance	505	169
Transfer from ratepayers equity	-	13
Transfer to ratepayers equity	(336)	(15)
Closing balance	169	167
REVALUATION RESERVES		
Opening balance	141,796	141,796
Reclassification to surplus or deficit on disposal	-	-
Net revaluation gains / (losses)	-	-
Impairment losses recognised in the revaluation reserve	-	-
Closing balance	141,796	141,796
TOTAL EQUITY	380,837	381,536
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:

2016: 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	1,380	-	(1,380)	-
Te Kinga Infra Upgrade Reserve	All activities	84	4	-	88
Rural Sewerage Capital Works Reserve	Wastewater	259	11	-	270
Cobden Stormwater Mitigation Reserve	Stormwater	47	3	-	50
Barrytown Area Infra Reserve	All activities	91	4	-	95
Atarau Area Infra Reserve	All activities	4	-	(4)	-
Ahaura Area Infra Reserve	All activities	155	7	-	162
Haupiri Area Infra Reserve	All activities	129	5	-	134
Nelson Creek Infrastructure Reserve	All activities	16	1	-	17
Ngahere Infrastructure Reserve	All activities	178	8	-	186
Blackball Area Infra Reserve	All activities	1	-	-	1
Runanga Area Infra Reserve	All activities	608	88	-	696
Kaiata Stillwater Area Infra Reserve	All activities	186	8	-	194
Karoro Infrastructure Development Reserve	All activities	575	26	-	601
South Beach/Paroa Infrastructure Reserve	All activities	383	17	-	400
Camerons Infrastructure Reserve	All activities	114	6	(7)	113
Gladstone Infrastructure Reserve	All activities	209	9	(20)	198
Arnold Valley Area Infra Reserve	All activities	96	4	-	100
Lake Brunner Area Infra Reserve	All activities	191	9	-	200
Hohonu Area Infra Reserve	All activities	44	2	-	46
Infra Renewal Reserve	All activities	94	4	-	98
Moana Water Supply	Water supply	8	1	-	9
Flood Protection Reserve	Stormwater/Flood protection	107	5	-	112
Cemetery Extension Reserve	Cemeteries	45	2	-	47
Cemetery Maintenance Reserve	Cemeteries	295	19	-	314
Footpath Reserve	Land transport	57	3	-	60
Roading Reserve - Exp Committed	Land transport	1	69	-	70
Land Fill Reserve	Solid waste management	181	5	(163)	23
Airport Maintenance Reserve	Airport	160	107	-	267
Disaster Recovery Reserve	All activities	1,915	87	-	2,002
Civil Defence Reserve	Emergency management	31	2	-	33
Rural Fire Authority Reserve	Rural fire authority	109	5	-	114
Economic Development Reserve	All activities	1	10	(1)	10
Harbour Endowment LS Reserves	Port	-	105	(105)	-
Land Sale Reserve	All activities	6	88	(94)	-
Reserves Subdivision Contributions	Community facilities and parks	1	39	(26)	14
Maori Land Compensation Reserve	Council property	194	10	(12)	192
TDS Reserve	Economic development	57	3	-	60
Town Clock Reserve	Community facilities and parks	21	1	-	22
Gas Management Plan Reserve	Council property	16	1	-	17
District Planning Reserve	District planning	58	3	-	61
Plant and Machinery Reserve	All activities	559	165	(198)	526
Building & Property Gen Reserve	Council property	28	1	-	29
Westland Rec Centre Maintenance Reserve	Westland Recreation Centre	-	18	-	18
Spring Creek Pool	Spring Creek Pool	-	77	-	77
Ogilvie Reserve Reserve	Spring Creek Pool	-	39	-	39
Corp Equip and Furniture Reserve	Council administration	611	67	(160)	518
Staff Costs Reserve	Council administration	7	-	(7)	-
Sunshine Coach Reserve	Council administration	6	-	-	6
Rental Housing Reserve	Retirement housing	165	7	-	172
Miners Rec Centre Reserve	Westland Recreation Centre	2,033	-	(2,033)	-
Library Reserve	Libraries	39	1	(36)	4
SPECIAL FUNDS - Committed Expenditure	All activities	1,440	54	(490)	1,004
Total special funds		12,995	1,210	(4,736)	9,469

2016: 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	-	2	-	2
E White Bequest	Community facilities and parks	37	2	-	39
Mayoral Flood Relief Fund	Democracy	7	1	-	8
Grey United Tennis Resurfacing Reserve	Community facilities and parks	-	-	-	-
Citizens Emergency Relief Fund	Democracy	63	3	-	66
Perotti Bequest	Community facilities and parks	13	1	(13)	1
Peters Bequest - Talking Books	Libraries	19	1	(2)	18
Vera Corbett Bequest	Libraries	30	1	-	31
Thomas Dehenny Bequest	Community facilities and parks	-	2	-	2
Total trusts and bequests		169	13	(15)	167
TOTAL SPECIAL FUNDS, TRUSTS, AND BEQUESTS		13,164	1,223	(4,751)	9,636

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
Haupiri 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

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.
Hauptiri 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.
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).

Special funds	
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).
Westland Rec Centre Maintenance Reserve	To fund major maintenance and renewal of the Westland Recreation Centre including fit-out.
Spring Creek Pool	To assist in the promotion, development and maintenance of Spring Creek Pool
Ogilvie Reserve	To fund on-going maintenance costs associated with the Ogilvie Reserve.
Corp Equip and Furniture Reserve	To fund the upgrade and renewal of office equipment and furniture; and to fund new office equipment and investment in new technology
Staff Costs Reserve	To fund the cost of recruiting and replacing staff (all activities)
Sunshine Coach Reserve	To fund any renewal and significant maintenance cost associated with the 'Sunshine Coach'
Rental Housing Reserve	To maintain in perpetuity, Council's retirement housing stock.
Miners Rec Centre Reserve	To fund the proposed Miners' Recreation Centre
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.
Thomas Dehenny Bequest	A bequest for general municipal purposes (any activities).

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

	Actual 2015 \$000	Actual 2016 \$000
Surplus from operations	3,848	699
ADD/(LESS) NON CASH ITEMS		
Depreciation	7,624	7,834
Impairment in value of Property, Plant and Equipment	-	324
Vested assets	-	-
Unrealised landfill aftercare costs	29	292
Movement in provision for financial guarantee	(29)	(29)
Movement in employee entitlements (non current)	58	54
Debt forgiven	-	-
Assets written off	-	17
	7,682	8,492
MOVEMENTS IN WORKING CAPITAL		
(Increase)/decrease in accounts receivable	(2,617)	4,038
(Increase)/decrease in interest receivable	-	121
(Increase)/decrease in inventory	202	-
Increase/(decrease) in accounts payable	391	(256)
Increase/(decrease) in interest payable	76	(17)
Increase/(decrease) in revenue in advance	(29)	31
Increase/(decrease) in employee entitlements	(131)	(21)
	(2,108)	3,896
LESS ITEM CLASSIFIED AS INVESTING ACTIVITY		
Net gain(loss) on sale of property, plant & equipment and non-current assets held for sale	32	5
Net gain(loss) on sale of investment property	-	(16)
Fair value (gains)/losses on valuation of investment property	301	233
less amortisation of fair value of term loans	(94)	(100)
Change in fair value of interest swap	215	338
	454	460
Net cash flow from operations	9,876	13,547

27 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 2015 \$000	Actual 2016 \$000
OFFICE EQUIPMENT		
Not later than one year	53	63
Later than one year and not later than two years	52	15
Later than two years but not later than five years	14	2
Later than five years	-	-
	119	80
LAND LEASES		
Not later than one year	235	229
Later than one year and not later than two years	127	195
Later than two years but not later than five years	298	540
Later than five years	482	1,903
	1,142	2,867
Total non-cancellable operating leases	1,261	2,947

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 2017
Roading Maintenance Works	To 30 June 2017

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 2016/2017 financial year, Council approved \$12,098,000 to be spent on Capital Works (2015/2016 - \$15,357,000) 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 2015/2016 of \$7,717,444.

28 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 30). 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 (2015: Nil).

29 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 2016, the payments to be made to Council in the future totalled \$222,617 (2015 \$116,359).

30 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 107.4% (111.4% as at 31 March 2015). 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. In the actuarial review completed as at 31 March 2015 the Actuary recommended employer contributions to the Scheme continue to be suspended from 1 April 2016.

31 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 2015 (incl. GST) \$	Amount payable 2015 (incl. GST) \$	Amount paid to the business 2016 (incl. GST) \$	Amount payable 2016 (incl. GST) \$
Gibson	A.J Muffler Shop West Coast Ltd	Vehicle repairs	173	-	1,872	236
Haddock	P.R Westland Engineering	Engineering Services	9,580	3,573	5,996	593
Haddock	P.R E-Quip Engineering	Engineering Services	664	-	-	-
Haddock	P.R Greymouth Equipment Centre	Engineering Services	157	-	544	-
Hay	M Hay Brothers Painters	Painting Contractors	4,714	-	-	-
Kokshoom	A.F Greymouth Car Centre	Vehicle repairs	322	-	-	-
Kokshoom	A.F Greymouth Evening Star	Printing and advertising	66,624	5,256	88,118	9,406
Sandrey	C.R Cliff Sandrey Contracting	General Contracting	-	-	-	-
Sandrey	C.R West Coast Coaches Ltd	Transport	-	-	-	-
Truman	D.J Central Paper Plus	Office supplies	4,804	369	5,116	388
			87,038	9,199	101,646	10,623

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 2015 (excl. GST) \$	Amount payable 30-Jun-15 (excl. GST) \$	Amounts paid to the organisation 2016 (excl. GST) \$	Amount payable 30-Jun-16 (excl. GST) \$
114,265	21,500	80,687	-

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 2015 (excl. GST) \$	Amount payable 30-Jun-15 (excl. GST) \$	Amounts paid to the organisation 2016 (excl. GST) \$	Amount payable 30-Jun-16 (excl. GST) \$
116,778	-	13,112	-

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 2015 (excl. GST) \$	Amount payable 30-Jun-15 (excl. GST) \$	Amounts paid to the organisation 2016 (excl. GST) \$	Amount payable 30-Jun-16 (excl. GST) \$
4,656	565	75,665	4,000

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 2015 \$	Actual 2016 \$
Salaries and other short term employee benefits	953,880	1,001,782
Employer superannuation contributions	36,584	41,462
Post employment benefits	-	-
Total compensation	990,464	1,043,244
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.

32 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.

33 Elected members remuneration

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

		Honarium 2016 \$	Travel Allowance 2016 \$	Total 2016 \$	Total 2015 \$
MAYOR					
Kokshoorn	A.F	80,014	-	80,014	73,199
COUNCILLOR					
Becker	A.D	21,239	425	21,664	20,709
Brown	K.R	21,239	-	21,239	20,101
Coll	A.P	21,239	-	21,239	20,101
Gibson	A.J	21,239	-	21,239	20,101
Haddock	P.R	21,239	-	21,239	20,101
Hay	M	21,239	-	21,239	20,101
Sandrey	C.R	21,239	-	21,239	20,101
Truman	D.J	29,735	-	29,735	28,140
Total elected members remuneration		258,422	425	258,847	242,654

34 Chief Executive Officer's remuneration

	Actual 2015 \$	Actual 2016 \$
Salary	177,622	183,536
Employer Superannuation Contributions	18,798	20,044
Telephone rental	610	610
Car - Full Use	8,704	8,705
Professional Allowances/Fees	500	500
Total Chief Executive Officer's remuneration	206,235	213,395

35 Council employees

2016	Actual 2016 \$
<\$60,000	57
\$60,000 - \$79,999	20
\$80,000 - \$99,999	9
\$100,000 - \$159,999	6
\$160,000 - \$219,000	1
Total Employees	93

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

Total remuneration includes non-financial benefits provided to employees.

At balance date, the Council employed 52 (2015 50) full-time employees, with the balance of staff representing 13 (2015 14) full-time equivalent employees. A full-time employee is determined on the basis of a 40-hour working week.

36 Severance payments

There were no severance payments during the 2015/2016 year that meets the definition of a severance payment as in clause 33 of schedule 10 of the Local Government Act 2002. (Nil payments 2015).

37 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 2015 \$000	Actual 2016 \$000
Revenue	22	30
Expenditure	(27)	(34)
Net surplus (deficit) for the year	(5)	(4)

38 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.

39 Events subsequent to balance date

Nil

40 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 2015 \$000	Actual 2016 \$000
FINANCIAL ASSETS		
Loans and receivables		
Cash and cash equivalents (net)	7,237	2,006
Short term investments > 3 -12 months	10,463	13,467
Trade and other receivables	8,667	4,629
	26,367	20,102
Held to maturity investments		
Term investments	-	-
Borrower notes (Local Government Funding Agency)	320	320
Local authority stock	-	-
	320	320
Available for sale		
Unlisted shares (Civic Assurance)	40	48
	40	48
FINANCIAL LIABILITIES		
Financial liabilities at amortised cost		
Trade and other payables	4,043	3,770
Secured loans	30,420	30,320
	34,463	34,090
Fair value through statement of comprehensive revenue and expense		
Derivative financial instruments (interest rate swap)	537	875
	537	875

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 22.

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 2016 had fluctuated by plus or minus 0.5%, the effect would have been to decrease/increase the surplus/deficit by \$79,000 (2015:\$90,000).

Based on financial instrument disclosures at the balance date and with other variables held constant; if interest rates on borrowings at 30 June 2016 had fluctuated by plus or minus 0.5%, the effect would have been to decrease/increase the surplus after tax by \$152,000 (2015: \$152,000) 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 (2015: \$10,000,000) plus available credit on a credit line facility with Westpac of \$5,211,000 (2015 \$5,211,000). 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 22 respectively.

41 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.

42 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

Actual overall result is a net surplus of \$699,000 as compared to the budget forecasting a surplus of \$5,369,000. This variance of \$4,670,000 is attributable to:

- Subsidies and grants revenue- \$3,592,000 less than budget. The budget included \$6m to be received towards the Westland Recreation Centre. Due to the project timing and some grants payable on completion a large portion of the revenue will be received in 2016/2017.
- Personnel costs \$239,000 higher than budget, due to:
 - Additional staff costs at the Aquatic Centre of \$111,000, largely due to increased demand for the Swim School requiring additional staff resources. This was met by an increase in Swim School revenue.
 - Additional staff costs of \$84,000 across Environmental Services activities due to additional staff resources being provided to assist with increased workloads.
 - Additional staff costs of \$54,000 in Assets & Engineering due to additional temporary resources brought in to assist with completing outstanding projects.
- Other expenses \$1,344,000 higher than budget, notably due to:
 - Legal fees \$152,000 greater than budget due to on-going litigation and cost recoveries associated with Council's leasehold land portfolio.
 - Impairment of asset expense \$324,000 greater than budget. With the opening of the Westland Recreation Centre early in the 2016/2017 financial year Council has signalled its intentions to divest from ownership of the Civic Centre. Council has assessed the likely realisable value of the Civic Centre to be lower than the carrying value and impaired the value accordingly.
 - Decrease in fair value of investment property of \$233,000. Annual valuation movements in investment property are not factored into the budget and do not have a direct operational impact.
 - Consultant fees \$192,000 greater than budget due to a number of projects carried forward from previous year's budgets having an associated consultant support component.

Statement of movements in equity

Significant variations from budgeted changes in equity relate to the \$699,000 surplus being \$4,670,000 lower than the surplus forecast for the current year (per above).

Statement of financial position

Significant variations from budget are as follows:

Current assets are \$4,268,000 higher than budget primarily due to *Cash and cash equivalents* and *Other financial assets* (investments) overall being \$3,135,000 higher than budget. This is due to a number of projects (e.g. Greymouth Sewerage Scheme) being delayed as compared to the budgeted timetable. The result is that funding for a number of these projects has not yet been utilised. The difference in classification is related to Council choosing to place investments for longer terms due to more favourable returns being available.

Non-current assets are \$6,259,000 less than budget primarily due to key capital expenditure projects not being progressed as far as forecast in the budget. This includes Greymouth Sewerage Scheme, Westland Recreation Centre and Runanga Water Supply upgrade.

Overall, no significant variance in liabilities, however it is noted that the classification of borrowings varies to budget between that is current vs. non-current. This is due to Council choosing to extend facilities for a longer period based on an assessment this presented the lower cost option for the medium to longer term.

Total equity is \$1,270,000 less than budgeted as referred to above.

Statement of cashflows

Significant variations from budget are as follows:

- Net cash from investing activities \$6,113,000 less than budget mainly per the explanation provided above for the current assets variation.
- Net cash from financing activities \$2,058,000 less than budget due to less borrowings being required due to the reduced capital expenditure brought about by various project delays.

8 Funding impact statement for whole of Council

	2015 Annual Plan \$000	2015 Actual \$000	2016 Annual Plan \$000	2016 Actual \$000
[A] SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	8,781	9,057	9,131	9,512
Targeted rates	5,612	5,496	6,031	6,019
Subsidies and grants for operating purposes	1,525	1,726	1,728	2,651
Fees and charges	3,907	3,806	3,709	3,837
Interest and dividends from investments	446	748	579	616
Local authorities fuel tax, fines, infringement fees, & other receipts	320	471	309	444
Total operating funding [A]	20,591	21,304	21,487	23,079
[B] APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	15,391	16,109	15,778	16,510
Finance costs	2,033	1,881	1,930	1,869
Other operating funding applications	-	-	-	264
Total applications of operating funding [B]	17,424	17,990	17,708	18,643
Surplus (deficit) of operating funding [A - B]	3,167	3,314	3,779	4,436
[C] SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	10,363	7,156	9,116	4,601
Development and financial contributions	58	171	58	64
Increase (decrease) in debt	3,529	1,253	2,058	-
Gross proceeds from sale of assets	190	1,042	121	146
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	604	-	-
Total sources of capital funding [C]	14,140	10,226	11,353	4,811
[D] APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
—to meet additional demand	-	-	-	-
—to improve the level of service	12,936	8,243	11,966	11,017
—to replace existing assets	5,106	3,946	4,596	4,769
Increase (decrease) in reserves	(735)	392	(1,430)	(3,531)
Increase (decrease) of investments	-	959	-	(3,008)
Total applications of capital funding [D]	17,307	13,540	15,132	9,247
Surplus (deficit) of capital funding [C - D]	(3,167)	(3,314)	(3,779)	(4,436)
Funding balance: [A - B] + [C - D]	-	-	-	-

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

	2015 Annual Plan \$000	2015 Actual \$000	2016 Annual Plan \$000	2016 Actual \$000
Surplus (deficit) of operating funding	3,167	3,314	3,779	4,436
Add sources of capital funding recognised as revenue in Statement of Comprehensive Revenue and Expense				
Subsidies and grants for capital expenditure	10,363	7,156	9,116	4,601
Development and financial contributions	58	171	58	64
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	604	-	-
Adjust for other sources of non cash items excluded from the Funding Impact Statement				
Depreciation and amortisation expense	(8,683)	(7,624)	(7,795)	(7,834)
Net gain (loss) of non current assets held for sale	45	-	-	-
Net gain (loss) on sale of property plant & equipment/investment property	98	(1)	121	(11)
Vested assets revenue/Other dedicated capital funding	89	-	90	-
Fair value gain / (loss) on investment property	-	(301)	-	(233)
Gross profit on sale of land inventory	-	527	-	-
Other non operating revenue/(expense)	68	2	-	(324)
Surplus/(deficit) after tax attributable to Grey District Council	5,205	3,848	5,369	699

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.

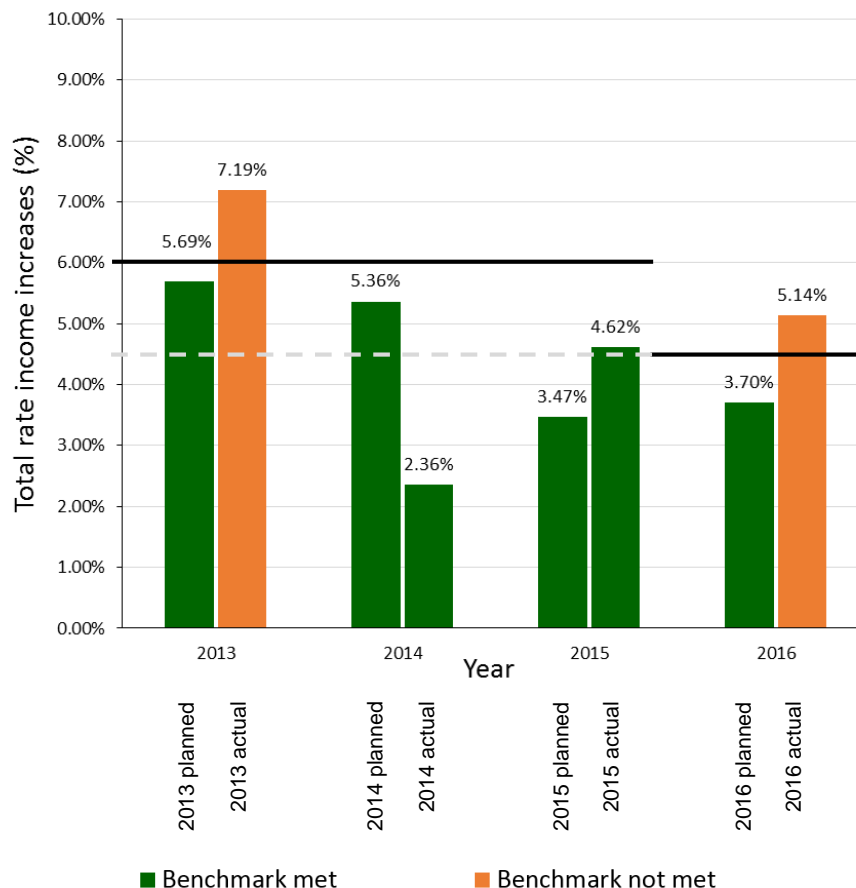
[1] Rate affordability benchmarks

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

- For years 2013, 2014, and 2015 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).
- For the 2016 the limit as contained within Council's financial strategy (per the 2015 – 2025 Long Term Plan) is for the total rate increase in any year to be no more than 4.5% (4.5% being the benchmark).

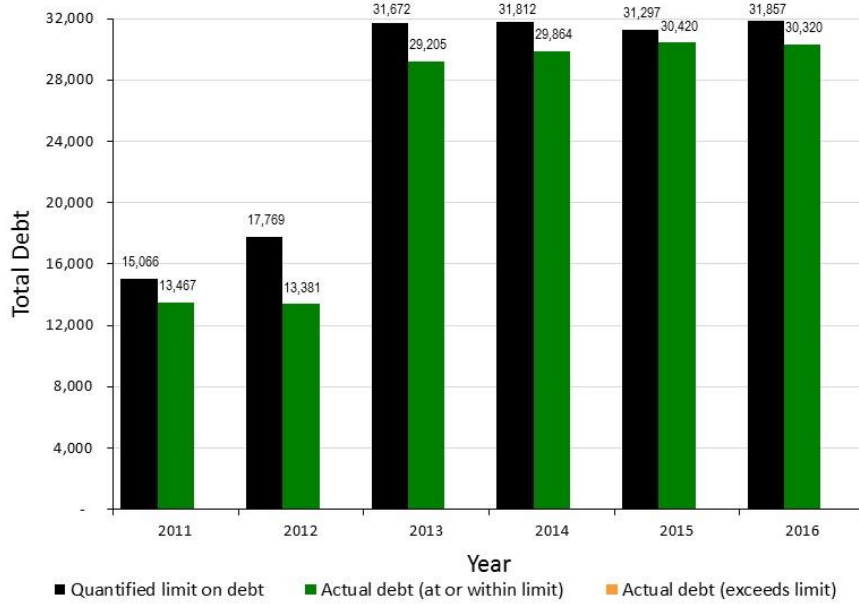


[2] Debt affordability benchmarks

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

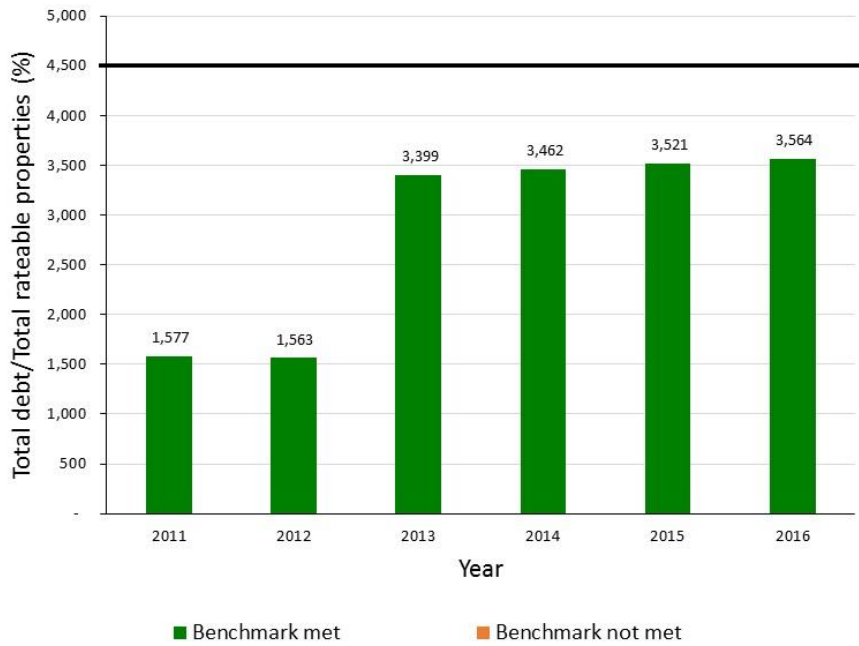
Actual debt compared to forecast debt

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.



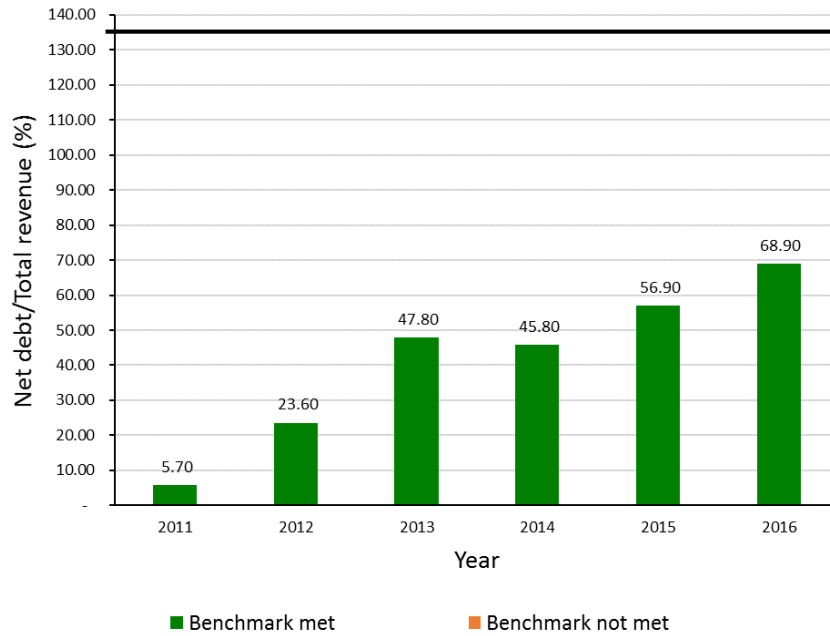
Total actual debt per rateable property

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.



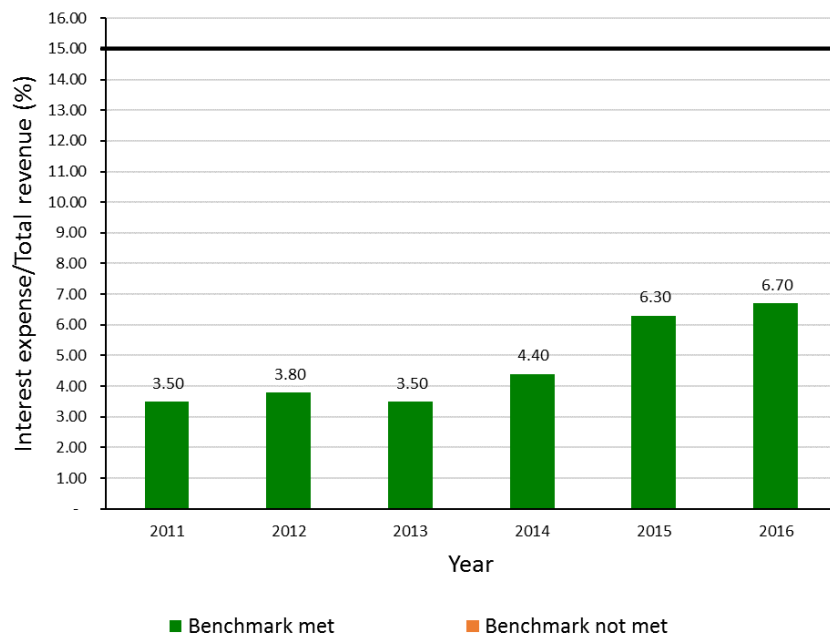
Total net debt as a percentage of total actual revenue

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



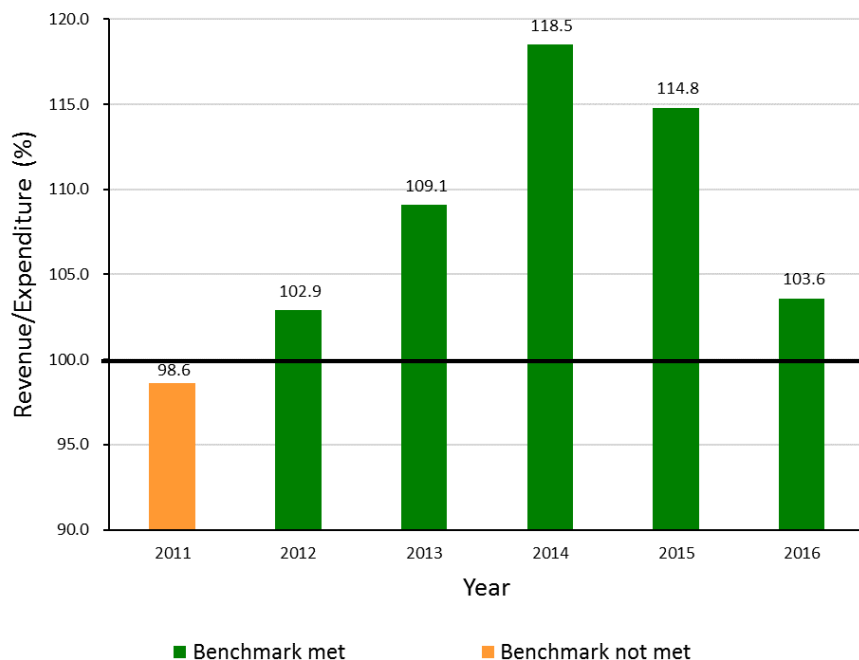
Actual debt servicing (finance) costs as a percentage of total actual revenue

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

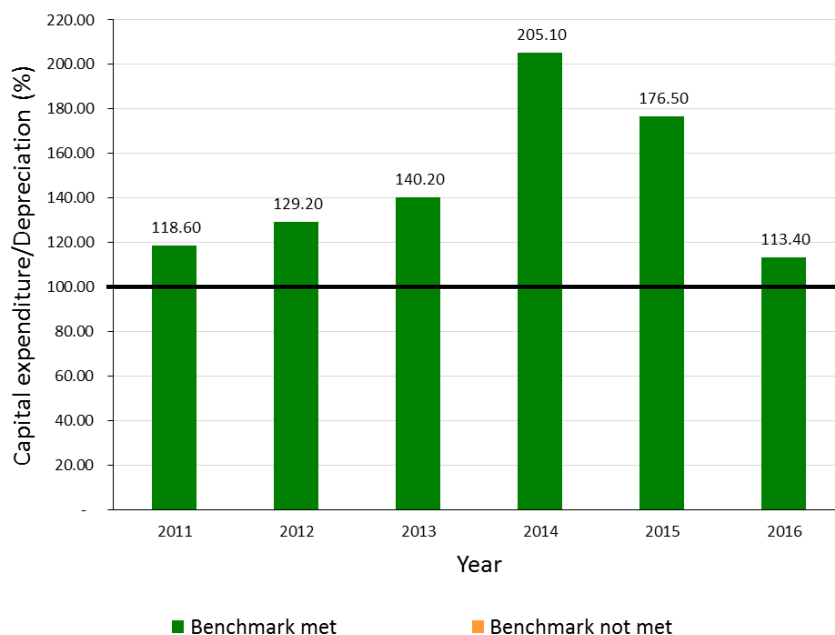
The following graph displays the council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial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

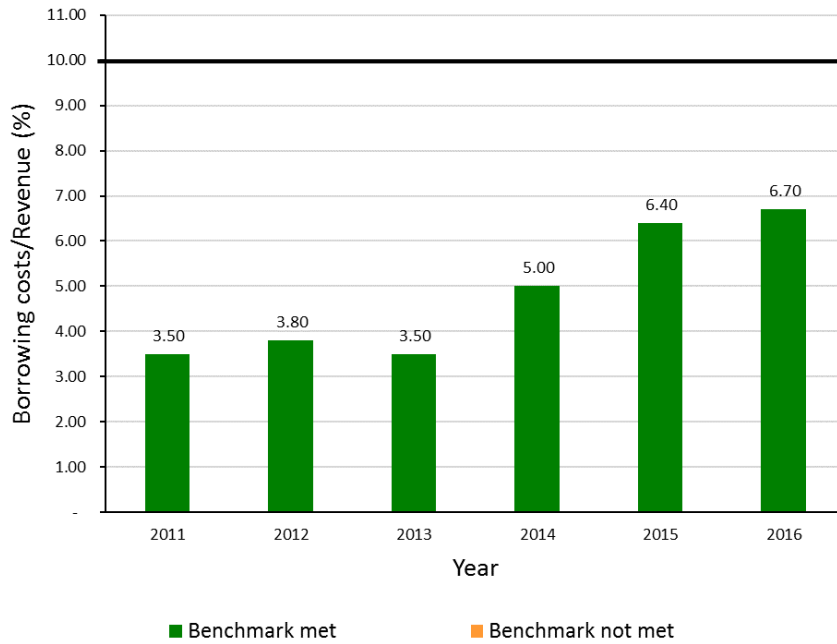
The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



[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).

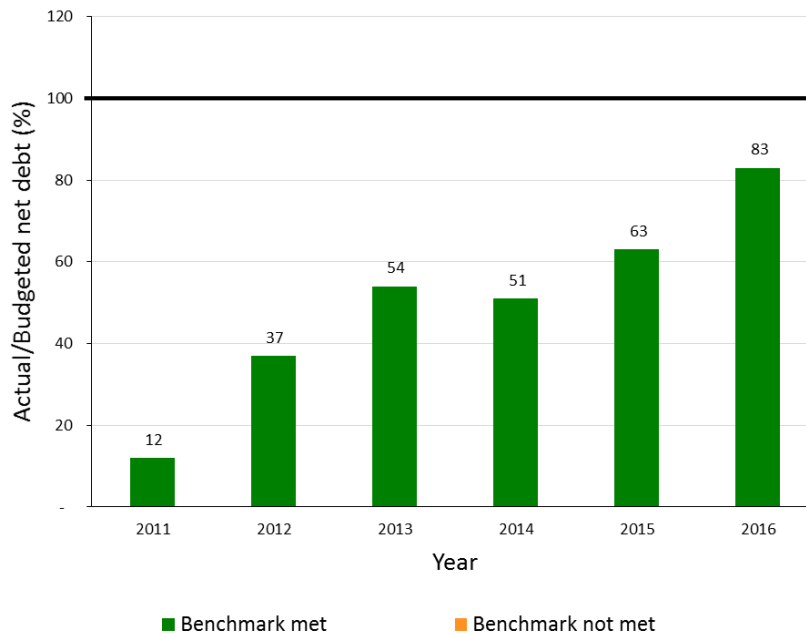
Because Statistics New Zealand projects the council's population will grow no faster than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



[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).

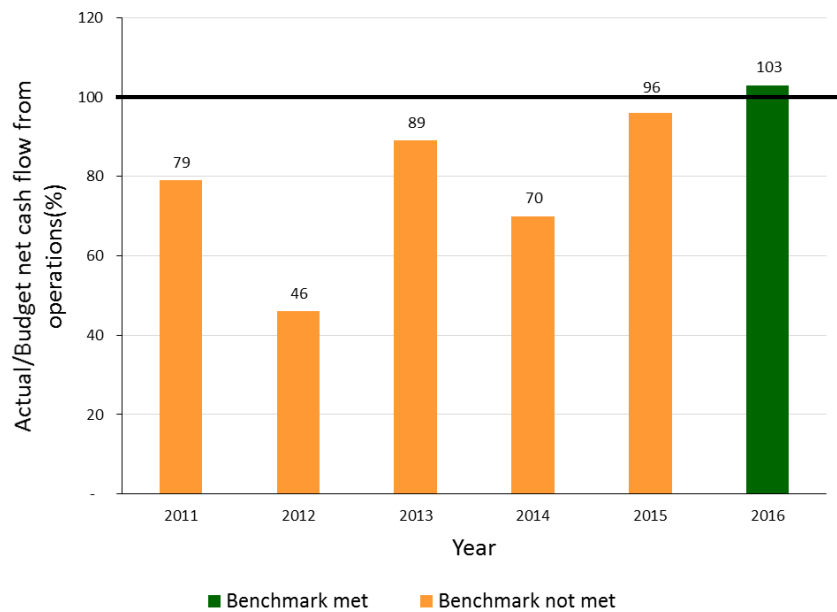
The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



[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 2014	As at 30 June 2015
Total number of rating units	9,140	9,096
Total capital value of rating units	2,965,243,400	3,037,948,800
Total land value of rating units	1,521,199.600	1,539,593,600

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 1 September 2015 and 27 September 2015. 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

What we're measuring	How we'll measure	Target	2015	2016	Notes
Public satisfaction with our local roading network, including footpaths	% of residents are satisfied with Council's roading network	66%	68%	73%	The Resident's Satisfaction Survey was conducted in September 2015. The full report is available on Council's website. The increase in satisfaction levels, whilst not quantified, may be due to outstanding reseals being finally completed in Greymouth (e.g. Shakespeare St).
	% of residents are satisfied with the way local roads are maintained	58%	52%	60%	The Resident's Satisfaction Survey was conducted in September 2015. The full report is available on Council's website. The increase in satisfaction levels, whilst not quantified, may be due to outstanding reseals being finally completed in Greymouth (e.g. Shakespeare St).
	% of residents are satisfied with the way footpaths are maintained	52%	48%	57%	The Resident's Satisfaction Survey was conducted in September 2015. The full report is available on Council's website. Council is currently doing detailed condition assessments of footpaths to prioritise maintenance moving forward.
	Maximum number of reported local road closures due to surface flooding per year	30	20	0	There were no flood events in 2015-16.
	% of customer requests responded to within 10 working days	85%	New measure	81%	134 out of 165 customer requests were answered within 10 working days.

The condition of our roads and footpaths	% of roads which meet smooth roads standard	90%	New measure	93%	Based on data as measured from Council's roading asset management system. This aligns with the increase in satisfaction levels.
	% of sealed road network resurfaced per year	9.40%	New measure	4%	14.5 kms of the 370 km of total sealed road network was resurfaced during 2015-16. With a significant portion of asphalt-concrete roads being resealed the cost is higher than the more common chip-seal roads. Therefore less work was able to be done within available budgets however based on the current conditions this is not expected to cause decreases in levels of service.
	% of footpaths at service standard of "fair" or better (as measured against condition ratings set in GDC Land Transport AMP.	50%	New measure	60%	60 kms of the total 101 kms of the footpath network is rated as 'fair' condition in 2015-16. These ratings and condition assessments are a continual work in progress as Council aims to improve the level of information we have on our assets to make better and more informed decisions on maintenance and renewals into the future
The safety of our roads	% of residents who agree that local roads are safe when using them	90%	91%	87%	The Resident's Satisfaction Survey was conducted in September 2015. The full report is available on Council's website.
	Maximum % of fatalities/serious injury crashes on local roads contributed to by road factors. <i>* Most recent NZTA Road Safety Information, 2013</i>	<17%	New measure	14%	There was 1 fatal/serious accident that was partly attributed to a road factor. Based on the coroners recommendations safety improvements were implemented.
	Change in number of fatalities/serious injury crashes from previous year on local roads	Reduction > 1	New measure	-2	There were 4 fatal/serious crashed in 2014 and 2 fatal/serious crashes recorded in 2015.
Financial sustainability for current and future generations	Revenue is sufficient to cover the annual renewal of assets, spread over their useful life (i.e. depreciation is funded). ¹	90%	106%	99%	This is measured as a percentage of the revenue that Council receives (excluding any 'one off' grant/contribution) against the total operating expenditure. Anything less than 100% signals that 'catch up' expenditure may be required in the future to maintain existing levels of service.

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

	2015 LTP \$000	2015 Actual \$000	2016 LTP \$000	2016 Actual \$000
[A] SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	2,818	2,809	2,742	2,837
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	1,671	1,435	1,573	1,534
Fees and charges	14	96	17	110
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	207	201	173	164
Total operating funding [A]	4,710	4,541	4,505	4,645
[B] APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	2,883	2,274	2,662	2,544
Finance costs	30	13	10	11
Internal charges and overheads applied	78	567	163	550
Other operating funding applications	-	-	-	-
Total applications of operating funding [B]	2,991	2,854	2,835	3,105
Surplus (deficit) of operating funding [A - B]	1,719	1,687	1,670	1,540
[C] SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	2,800	2,370	2,378	2,146
Development and financial contributions	-	20	-	9
Increase (decrease) in debt	(5)	(18)	(22)	(22)
Gross proceeds from sale of assets	-	17	-	11
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding [C]	2,795	2,389	2,356	2,144
[D] APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
—to meet additional demand	-	-	-	-
—to improve the level of service	873	647	818	923
—to replace existing assets	3,744	3,150	3,150	2,933
Increase (decrease) in reserves	(103)	(176)	58	69
Increase (decrease) of investments	-	455	-	(241)
Total applications of capital funding [D]	4,514	4,076	4,026	3,684
Surplus (deficit) of capital funding [C - D]	(1,719)	(1,687)	(1,670)	(1,540)
Funding balance: [A - B] + [C - D]	-	-	-	-

5 Activity revenue and expense statement

	2015 LTP \$000	2015 Actual \$000	2016 LTP \$000	2016 Actual \$000
REVENUE				
General rates, uniform annual general charges, rates penalties	2,818	2,809	2,742	2,837
Targeted rates (including targeted rates for water supply)	-	-	-	-
Subsidies and grants (operating and capital)	4,471	3,805	3,951	3,680
User charges & regulatory revenue (consent fees, infringements etc)	221	96	17	110
Internal charges and overheads recovered	-	-	-	-
Other revenue	46	238	218	173
Total revenue	7,556	6,948	6,928	6,800
EXPENDITURE				
Staff costs	-	-	-	-
Operating & maintenance costs	2,883	2,274	2,662	2,544
Finance costs	30	13	10	11
Internal charges and overheads applied	78	567	163	550
Other expenses	-	-	-	-
Depreciation	4,785	3,693	3,700	3,730
Total expenditure	7,776	6,547	6,535	6,835
Surplus (deficit) of activities	(220)	401	393	(35)

6 Major asset acquisitions or replacements and variations from the Long Term Plan

	2015 LTP \$000	2015 Actual \$000	2016 LTP \$000	2016 Actual \$000
General renewals and miscellaneous new capital	2,629	2,821	2,305	2,372
General Bridge component renewals	520	182	253	192
Replacement of assets after severe weather	490	-	471	-
Slaty Creek - Lake Brunner Rd upgrade	-	-	500	-
Footpath Renewals	105	73	136	144
On-going minor safety improvements	291	265	303	288
Atarau Rd strengthening and widening	307	-	-	-
Taylorville-Blackball Rd strengthening	275	454	-	860
Coastal Pathway	-	2	-	-
Total capital expenditure	4,617	3,797	3,968	3,856

7 Variations from budget

1. Subsidies and grants (operating and capital) are less than budget by \$271,000 mainly due to the entire NZTA financially assisted programme not being carried out (e.g. Slaty Creek – Lake Brunner Rd upgrade).
2. Payments to staff and suppliers/Operating & maintenance costs less than budget by \$118,000, however per number 3 below, the budget includes an amount that is actually 'internal charges and overheads'. Overall Council has spent \$269,000 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 \$387,000 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 actual expenditure being greater than budget by \$105,000 relates mainly to the Taylorville-Blackball Rd strengthening project being carried forward from the previous year to be completed in 2015/16. This expenditure of \$860,000 was not in the current year budget. This is offset by some capital improvements not being carried out, notably the \$500,000 budgeted for Slaty Creek - Lake Brunner Rd upgrade. This work is to be carried out in 2016/17 subject to NZTA approval.
5. Capital expenditure —to replace existing assets less than budget by \$217,000. Less money was spent on some renewal items given additional was spent on operational expenditure.
6. Increase (decrease) of investments is greater than budget by \$241,000. 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

- 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 that was largely rectified during 2015/16.
- On-going minor safety improvements have decreased the risk to users of the district's roading network.
- 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

What we're measuring	How we'll measure	Target	2015	2016	Notes
Customer satisfaction	% of residents are satisfied with the overall stormwater service	65%	75%	69%	The Resident's Satisfaction Survey was conducted in September 2015. The full report is available on Council's website. Whilst not quantified the slight increase may be due to less flooding events resulting in any stormwater system deficiencies being less obvious.
	Number of complaints received about a Council stormwater scheme (per 1,000 properties connected to a Council scheme). Number of service connections: 5,852 Per 1,000 properties: 2.6	Total complaints: 15	New measure	30	30 complaints were received and resolved regarding Council's stormwater services. As a new measure the target may have been overly ambitious. It is noted that we deal with a number of complaints where sewage is still discharging to the stormwater system. New sewerage system will hopefully alleviate most of these.
	Basic information provided on Council's web site. More detailed information is provided within 10 working days.	Achieved	Not achieved	Achieved	Maintained and updated by Council's Senior Communications Officer.
The reliability and efficiency of the stormwater system	% of residents are satisfied with the way their property drains stormwater in urban and residential areas	60%	80%	76%	The Resident's Satisfaction Survey was conducted in September 2015. The full report is available on Council's website. Whilst not quantified the increase may be due to less flooding events resulting in any stormwater system deficiencies being less obvious
	Requirements of the Greymouth Flood Scheme Action Plan are met prior to and during significant storm events	Achieved	Achieved	Achieved	There were no flood events in 2015-16.

What we're measuring	How we'll measure	Target	2015	2016	Notes
	Maximum number of flooding events.	Nil	New measure	Nil	There were no flood events in 2015-16. <i>Note: a flood event is defined as a 50 year flood, which is a flood event that has a 2% probability occurring in any given year. To measure this Council will obtain information on corresponding storm event rainfall intensities.</i>
	For each flooding event, maximum number of habitable floors affected (per 1,000 properties connected to a Council scheme). Number of serviced urban properties: 5,852	Total floors: 2 Per 1,000 properties: 0.34	New measure	Nil	There were no flood events in 2015-16. <i>Note: Council is only measuring reported incidents in urban areas where the stormwater network is. Number of serviced properties includes all urban properties, whether connected to the Council service or not. Some properties discharge stormwater via their own property stormwater system to watercourses.</i>
	Maximum number of local road closures due to surface flooding per year	30	20	0	There were no flood events in 2015-16.
	Median response time to attend a flooding event	3 hours	New measure	Nil	There were no flood events in 2015-16.
Financial sustainability for current and future generations	Revenue is sufficient to cover the annual renewal of assets, spread over their useful life (i.e. depreciation is funded) ²	40%	62%	69%	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.
Stormwater discharges are managed without adversely affecting the receiving environment	Number of abatement notices	2	New measure	0	No enforcement action was required in 2015-16.
	Number of infringement notices	1		0	
	Number of enforcement orders	Nil		0	
	Number of successful prosecutions	Nil		0	
	Total for all enforcement actions	3		0	

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

	2015 LTP \$000	2015 Actual \$000	2016 LTP \$000	2016 Actual \$000
[A] SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	853	758	922	955
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	-	2	-	2
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	-	30
Total operating funding [A]	853	760	922	987
[B] APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	320	200	353	372
Finance costs	90	42	34	40
Internal charges and overheads applied	144	175	139	223
Other operating funding applications	-	-	-	-
Total applications of operating funding [B]	554	417	526	635
Surplus (deficit) of operating funding [A - B]	299	343	396	352
[C] SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	171	(8)	(10)	(10)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding [C]	171	(8)	(10)	(10)
[D] APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
—to meet additional demand	-	-	-	-
—to improve the level of service	3	9	7	201
—to replace existing assets	467	161	397	266
Increase (decrease) in reserves	-	-	(18)	-
Increase (decrease) of investments	-	165	-	(125)
Total applications of capital funding [D]	470	335	386	342
Surplus (deficit) of capital funding [C - D]	(299)	(343)	(396)	(352)
Funding balance: [A - B] + [C - D]	-	-	-	-

5 Activity revenue and expense statement

	2015 LTP \$000	2015 Actual \$000	2016 LTP \$000	2016 Actual \$000
REVENUE				
General rates, uniform annual general charges, rates penalties	853	758	922	955
Targeted rates (including targeted rates for water supply)	-	-	-	-
Subsidies and grants (operating and capital)	-	-	-	-
User charges & regulatory revenue (consent fees, infringements etc)	-	2	-	2
Internal charges and overheads recovered	-	-	-	-
Other revenue	18	-	18	30
Total revenue	871	760	940	987
EXPENDITURE				
Staff costs	-	-	-	-
Operating & maintenance costs	320	200	353	372
Finance costs	90	42	34	40
Internal charges and overheads applied	144	175	139	223
Other expenses	-	-	-	-
Depreciation	725	811	803	800
Total expenditure	1,279	1,228	1,329	1,435
Surplus (deficit) of activities	(408)	(468)	(389)	(448)

6 Major asset acquisitions or replacements and variations from the Long Term Plan

	2015 LTP \$000	2015 Actual \$000	2016 LTP \$000	2016 Actual \$000
General renewals (replacement of assets)	253	163	397	273
Replace Johnson St stormwater pump	214	-	-	-
Miscellaneous new capital	3	4	7	2
Runanga flood mitigation	-	3	-	192
Total capital expenditure	470	170	404	467

7 Variations from budget

1. Internal charges and overheads applied are greater than budget by \$84,000 as more staff resource was provided responding to customer demands.
2. \$194,000 more than budget has been spent on new capital works, related to Runanga flood mitigation improvements that were carried forward from prior year budgets.
3. \$131,000 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.
4. Increase (decrease) of investments is greater than budget by \$125,000. This line represents the overall difference between the sources of funds and the funds applied for this activity. Council represents this as either an increase or decrease in bank/investment balances. As Council budgets to apply (spend) the same amount of funds as it sources (raises), this line is normally nil for budgets. The reality is that there are issues that delay receiving funds as well as spending the funds that result in differences in the actual result.

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

What we're measuring	How we'll measure	Target	2015	2016	Notes
Customer satisfaction	% of residents are satisfied with wastewater service	65%	68%	74%	The Resident's Satisfaction Survey was conducted in September 2015. The full report is available on Council's website.
	Number of complaints received, e.g. about odour, faults, blockages, response times (per 1,000 sewerage connections). Number of service connections: 3,910	Total complaints: 35 Per 1,000 properties: 9	New measure	38	38 complaints were received and resolved in 2015-16.
	Basic fact information provided on Council's website. More detailed information is provided within 10 working days.	Achieved	Not achieved	Achieved	Maintained and updated by Council's Senior Communications Officer.
The reliability and efficiency of the wastewater system	Number of wastewater overflows into houses due to faults in the public reticulation	Nil	Nil	Nil	No wastewater overflows into houses were reported in the 2015-16.
	Number of dry weather sewerage overflows (per 1,000 sewerage connections). Number of service connections: 3,910	Total overflows: 4 Per 1,000 properties: 1	New measure	8	8 dry weather sewerage overflow were reported in the 2015-16. Whilst the new Greymouth wastewater network and treatment is nearly complete there are a large number of individual properties that need to connect to the new system. Until they do, they sewage continues to discharge to the stormwater system which creates additional pressure on this ageing system and can lead to overflows. Similarly in Runanga there are a number of factors that cause stormwater to infiltrate the wastewater network which in turn can cause overflows. There are a number of system upgrades occurring over the next 10 – 20 years that are aimed at alleviating this.

What we're measuring	How we'll measure	Target	2015	2016	Notes
	If deemed necessary by the West Coast Regional Council, 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 2015-16, and therefore no advertising was required.
	Median response times to reported faults: - to get to site (timed from notification) - to resolve the problem (timed from notification)	1 hour 3 hours	New measure	.92 hour 4.7 hours	Council's median response times are close to target and often depend on contractor availability. There were 25 reported faults reported in 2015/16
	All planned shutdowns are notified at least 24 hours prior	Achieved	Achieved	Achieved	There were no planned shutdowns for wastewater in 2015-16.
Financial sustainability for current and future generations	Revenue is sufficient to cover the annual renewal of assets, spread over their useful life (i.e. depreciation is funded) ³	45%	87%	86%	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.
Treated waste water discharges are managed without adversely affecting the receiving environment	Number of abatement notices Number of infringement notices Number of enforcement orders Number of successful prosecutions Total for all enforcement actions	2 1 Nil Nil 3	New measure	0 0 0 0 0	No enforcement action was required in 2015-16.

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

	2015 LTP \$000	2015 Actual \$000	2016 LTP \$000	2016 Actual \$000
[A] SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	2,251	2,202	2,385	2,422
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	40	145	97	83
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	-	14	-	-
Total operating funding [A]	2,291	2,361	2,482	2,505
[B] APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	830	953	885	928
Finance costs	1,095	907	943	900
Internal charges and overheads applied	190	192	188	236
Other operating funding applications	-	-	-	-
Total applications of operating funding [B]	2,115	2,052	2,016	2,064
Surplus (deficit) of operating funding [A - B]	176	309	466	441
[C] SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	688	-	235
Development and financial contributions	40	31	14	12
Increase (decrease) in debt	293	522	1,786	(1,113)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding [C]	333	1,241	1,800	(866)
[D] APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
—to meet additional demand	-	-	-	-
—to improve the level of service	-	3,746	3,020	690
—to replace existing assets	498	107	285	430
Increase (decrease) in reserves	4	(2,372)	(1,039)	(1,321)
Increase (decrease) of investments	7	69	-	(224)
Total applications of capital funding [D]	509	1,550	2,266	(425)
Surplus (deficit) of capital funding [C - D]	(176)	(309)	(466)	(441)
Funding balance: [A - B] + [C - D]	-	-	-	-

5 Activity revenue and expense statement

	2015 LTP \$000	2015 Actual \$000	2016 LTP \$000	2016 Actual \$000
REVENUE				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates (including targeted rates for water supply)	2,251	2,202	2,385	2,422
Subsidies and grants (operating and capital)	-	688	-	235
User charges & regulatory revenue (consent fees, infringements etc)	80	145	97	83
Internal charges and overheads recovered	-	-	-	-
Other revenue	14	45	27	12
Total revenue	2,345	3,080	2,509	2,752
EXPENDITURE				
Staff costs	-	-	-	-
Operating & maintenance costs	830	953	885	928
Finance costs	1,095	907	943	900
Internal charges and overheads applied	190	192	188	236
Other expenses	-	-	-	-
Depreciation	1,104	676	959	855
Total expenditure	3,219	2,728	2,975	2,919
Surplus (deficit) of activities	(874)	352	(466)	(167)

6 Major asset acquisitions or replacements and variations from the Long Term Plan

	2015 LTP \$000	2015 Actual \$000	2016 LTP \$000	2016 Actual \$000
General renewals & miscellaneous new capital	223	109	226	193
Runanga system replacement	275	9	79	237
Greymouth wastewater upgrade	-	2,170	3,000	395
Runanga Pond effluent discharge upgrade	-	-	-	13
Dobson/Kaiata/Taylorville scheme	-	1,565	-	282
Total capital expenditure	498	3,853	3,305	1,120

7 Variations from budget

1. Subsidies and grants for capital expenditure are \$235,000 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.
2. Debt has decreased by \$1,113,000 as opposed to the budget forecasting an increase in debt of \$1,786,000 (variance \$2.9m). Due to a number of capital works projects not being progressed in 2015/16 the associated debt funding was not required. Council also had funds available to repay a portion of existing debt in the short term until such time the projects are completed, notably the final stages of the Greymouth Wastewater upgrade.
3. Capital expenditure to improve the level of service: \$2,330,000 less than budget which per above is mainly due to the final stages of Greymouth Wastewater upgrade not being completed in this financial year.
4. Capital expenditure to replace existing assets is \$145,000 greater than budget due to uncompleted prior year renewal works being carried forward and done in 2015/16.
5. Increase (decrease) in reserves: Associated reserves (special funds) have decreased by an additional \$282,000 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 2015/16, however they are not drawn down until the capital expenditure is incurred.
6. Increase (decrease) of investments is less than budget by \$282,000. 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. Depreciation is \$104,000 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 that was largely rectified during 2015/16.
- 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

What we're measuring	How we'll measure	Target	2015	2016	Notes
Customer satisfaction	% of residents are satisfied with the appearance and taste of water	80%	74%	79%	The Resident's Satisfaction Survey was conducted in September 2015. The full report is available on Council's website. The Stillwater supply was connected to the Dobson/Taylorville source (was a standalone source) which markedly improved the quality of water supplied to that community. This may account for the minor increase in satisfaction levels.
	% of residents are satisfied with the pressure and flow of water	80%	88%	89%	The Resident's Satisfaction Survey was conducted in September 2015. The full report is available on Council's website.
	% of residents are satisfied with overall water supply service	75%	70%	73%	The Resident's Satisfaction Survey was conducted in September 2015. The full report is available on Council's website.
	Maximum number of complaints received about water clarity, taste, odour, pressure/flow, and continuity of supply or Council's response to reported issues (per 1,000 water supply connections). Number of rated properties: 4,777	Total complaints: 150 Per 1,000 properties: 31.4	New measure	79 per 1,000 properties	79 complaints per 1,000 properties were received and resolved in 2015-16.
Council is providing a reliable, efficient and safe water supply	If deemed necessary by the Ministry of Health, any non-compliance is publicly notified as soon as practical, by advertising: - 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	There was one boil water notice issued during the year and the appropriate notification was undertaken as required.
	Maximum number of notifiable water supply transgressions with Drinking Water Standards per year:				There was one transgression within the Dobson/ Taylorville/ Stillwater Water Supply in the 2015-16 year. The water is

What we're measuring	How we'll measure	Target	2015	2016	Notes
	Greymouth Blackball Runanga/Rapahoe Dobson/Taylorville/Stillwater	Nil Nil 5 1	Nil Nil Nil Nil	Nil Nil Nil 1	sourced from the Grey River and in times of higher flow, there is an increased risk of contamination due to higher turbidity. Where there is an indication from test results of contamination being present, Council takes immediate action to inform the community and check its treatment systems. In this case notices were immediately broadcast via all media as well as schools and businesses being informed directly. It is noted that Council is connecting these communities to the Greymouth Water Supply source. This connection will see a Treatment Facility that is capable of meeting the Drinking Water Standard, providing water to the communities of Greymouth (including (Cobden, Blaketown, Boddytown, Karoro, South Beach, Paroa), Taylorville, Dobson and Stillwater.
	All planned shutdowns are notified at least 24 hours prior	Achieved	Achieved	Achieved	There were 26 planned shutdown which was notified at least 24 hours prior.
	Maximum % of real water loss from reticulation system (water loss measured from the reservoirs at least once per year): Greymouth Blackball Runanga/Rapahoe Taylorville/Dobson/Stillwater	12% 5% 15% 15%	New measure	Not measured	We have been unable to complete the water loss during the previous financial year due to the ongoing development of the Greater Greymouth Master Plan and the splitting up of the Greymouth system into District Metered Areas. The project will result in smaller more manageable reticulation zones where leakage will be monitored via flow meters and SCADA trending. Additionally, the focus has been on completing the Taylorville/Stillwater Water Supply upgrade to connect these communities along with Dobson to the Greymouth Water Supply. The unplanned renewal of the aerial crossing from Taylorville to Dobson was completed and required significant resources.
	Drinking water supply compliance with following sections of the drinking water standards: Part 4 – bacteria compliance criteria: Greymouth Blackball Runanga/Rapahoe Taylorville/Dobson/Stillwater Part 5 – protozoal compliance criteria: Greymouth Blackball Runanga/Rapahoe	Bacteriological compliance: Achieved Achieved Achieved Achieved Protozoa compliance: Achieved Achieved Achieved	New measure New measure	Bacteriological compliance: Achieved Achieved Achieved Not achieved Protozoa compliance: Not achieved Not achieved Not achieved	There was one transgression in Taylorville/Dobson/Stillwater with a presence of E.coli and boil water notice was issued (refer above comments per transgressions with Drinking Water Standards). Blackball has protozoa treatment in place however the result is not achieved due to the treatment

What we're measuring	How we'll measure	Target	2015	2016	Notes
	Taylorville/Dobson/Stillwater	Achieved		Not achieved	stopping for a short period in March 2016. At the other sites, there is no treatment in place to meet the protozoa compliance, except for Greymouth which was commissioned part way through the year.

What we're measuring	How we'll measure	Target	2015	2016	Notes																								
Average consumption of drinking water per day per resident	<p>Note: This is a new measure – figures below are from Nov 2013 – Oct 2014</p> <p>Average consumption per day per resident = 640 litres¹</p> <p>Breakdown –</p> <table border="1"> <thead> <tr> <th>Scheme</th> <th>Litres supplied per year</th> <th>Population serviced²</th> <th>Consumption³</th> </tr> </thead> <tbody> <tr> <td>Greymouth</td> <td>2,149,850,000</td> <td>8,928</td> <td>660</td> </tr> <tr> <td>Runanga/Rapa hoe</td> <td>375,950,000</td> <td>1,519</td> <td>678</td> </tr> <tr> <td>Blackball</td> <td>48,800,000</td> <td>468</td> <td>286</td> </tr> <tr> <td>Dobson/Taylorville/Stillwater</td> <td>158,100,000</td> <td>789</td> <td>549</td> </tr> <tr> <td>Totals</td> <td>2,732,700,000</td> <td>11,704</td> <td>640</td> </tr> </tbody> </table> <p>¹ Supply and consumption includes industrial/commercial use ² Normal resident population ex 2013 Census ³ Consumption expressed as litres per person per day.</p>	Scheme	Litres supplied per year	Population serviced ²	Consumption ³	Greymouth	2,149,850,000	8,928	660	Runanga/Rapa hoe	375,950,000	1,519	678	Blackball	48,800,000	468	286	Dobson/Taylorville/Stillwater	158,100,000	789	549	Totals	2,732,700,000	11,704	640	< 640 litres per person per day	New measure	627 litres per resident per day	Approximately 627 litres per person per day is consumed in the Grey District.
Scheme	Litres supplied per year	Population serviced ²	Consumption ³																										
Greymouth	2,149,850,000	8,928	660																										
Runanga/Rapa hoe	375,950,000	1,519	678																										
Blackball	48,800,000	468	286																										
Dobson/Taylorville/Stillwater	158,100,000	789	549																										
Totals	2,732,700,000	11,704	640																										

What we're measuring	How we'll measure	Target	2015	2016	Notes
Our response times to reported faults	Median response times to faults or unplanned interruptions: Attendance time for urgent call-outs (from notification) Resolution time for urgent call-outs (from notification) Attendance time for non-urgent call-outs Resolution time for non-urgent call-outs	1 hour 3 hours 1 working day 5 working days	New measure New measure New measure New measure	0.48 hours 4.19 hours 1.195 days 3.9 days	Council's median response times are close to target and often depend on contractor availability.
Financial sustainability 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%	101%	96%	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.
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

	2015 LTP \$000	2015 Actual \$000	2016 LTP \$000	2016 Actual \$000
[A] SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	2,080	1,975	2,117	1,995
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	-	4	-	5
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	-	-
Total operating funding [A]	2,080	1,979	2,117	2,000
[B] APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	1,085	869	1,067	877
Finance costs	382	332	385	390
Internal charges and overheads applied	113	259	110	279
Other operating funding applications	-	-	-	-
Total applications of operating funding [B]	1,580	1,460	1,562	1,546
Surplus (deficit) of operating funding [A - B]	500	519	555	454
[C] SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	484	648	267	-
Development and financial contributions	-	11	-	5
Increase (decrease) in debt	68	1,367	326	455
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding [C]	552	2,026	593	460
[D] APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
—to meet additional demand	-	-	-	-
—to improve the level of service	605	2,073	700	628
—to replace existing assets	493	144	472	639
Increase (decrease) in reserves	(46)	(44)	(24)	-
Increase (decrease) of investments	-	372	-	(353)
Total applications of capital funding [D]	1,052	2,545	1,148	914
Surplus (deficit) of capital funding [C - D]	(500)	(519)	(555)	(454)
Funding balance: [A - B] + [C - D]	-	-	-	-

5 Activity revenue and expense statement

	2015 LTP \$000	2015 Actual \$000	2016 LTP \$000	2016 Actual \$000
REVENUE				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates (including targeted rates for water supply)	2,080	1,975	2,117	1,995
Subsidies and grants (operating and capital)	484	648	267	-
User charges & regulatory revenue (consent fees, infringements etc)	-	4	-	5
Internal charges and overheads recovered	-	-	-	-
Other revenue	14	11	14	5
Total revenue	2,578	2,638	2,398	2,005
EXPENDITURE				
Staff costs	-	-	-	-
Operating & maintenance costs	1,085	869	1,067	877
Finance costs	382	332	385	390
Internal charges and overheads applied	113	259	110	279
Other expenses	-	-	-	-
Depreciation	642	505	546	530
Total expenditure	2,222	1,965	2,108	2,076
Surplus (deficit) of activities	356	673	290	(71)

6 Major asset acquisitions or replacements and variations from the Long Term Plan

	2015 LTP \$000	2015 Actual \$000	2016 LTP \$000	2016 Actual \$000
General renewals & miscellaneous new capital	493	141	472	691
Greymouth water supply upgrades	-	1,346	-	146
Runanga Water Supply - Plant upgrade	-	3	700	7
Dobson/Taylorville - connect to Greymouth	-	578	-	413
Stillwater - connect to Greymouth	605	149	-	10
Total capital expenditure	1,098	2,217	1,172	1,267

7 Variations from budget

1. Targeted rates for water supply are below budget by \$117,000 which 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 \$190,000 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 \$169,000. 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 potential water contamination which have required a large amount of staff input.
4. Subsidies and grants for capital expenditure are \$267,000 less than budget due to delays in projects that are to receive Ministry of Health subsidies (Dobson/Taylorville supply upgrade).
5. Increase (decrease) in debt - \$129,000 more debt uplifted due prior year's carried forward projects being progressed in 2015/16 requiring their associated debt funding (Greymouth supply upgrade).
6. Capital expenditure to replace existing assets is \$167,000 greater than budget as a number of renewals have been carried forward from prior year budgets.
7. Increase (decrease) of investments is less than budget by \$353,000. 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

- 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 previously occurred in 2014/2015. The community has expressed a clear preference to remain on a non-chlorinated supply. Council has worked with the community in explaining the on-going risks of having a non-chlorinated supply, including there is no residual protection in the network from the chlorine being present. Council is upgrading the water source and treatment plant in 2016/17 to protect and treat the water at the source, however per the above there will be no network protection. In the event of any transgression being identified the water will immediately be chlorinated and various methods used to communicate the risk to the community.
- The Stillwater water supply has experienced regular discolouration, which requires filters to be used on individual properties. This has been resolved with the connection of the supply to the Dobson/Taylorville source/treatment and ultimately both supplies will be connected to the Greymouth supply/treatment.
- 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

What we're measuring	How we'll measure	Target	2015	2016	Notes
The provision of a reliable, efficient and convenient service	% of residents are satisfied facilities (litter bins, recycling stations, recycling centre) are kept clean and tidy	75%	74%	81%	The Resident's Satisfaction Survey was conducted in September 2015. The full report is available on Council's website. The slight increase in performance may be due to the residents becoming more familiar with the newer bin collection service.
	% of residents are satisfied with overall service	90%	88%	87%	The Resident's Satisfaction Survey was conducted in September 2015. The full report is available on Council's website. The full report is available on Council's website. The slight increase in performance may be due to the residents becoming more familiar with the newer bin collection service.
	% of waste collected is recycled	10%	9.26%	10%	Of the total 6,676 tonnes of rubbish and recycling collected, 657 tonnes of recycling went to market.
	% of residents are satisfied that waste and recyclables are collected on time (where services are provided)	90%	92%	95%	The Resident's Satisfaction Survey was conducted in September 2015. The full report is available on Council's website. The full report is available on Council's website. The slight increase in performance may be due to the residents becoming more familiar with the newer bin collection service.
	Basic information is provided on Council's website. More detailed information is provided within 10 working days	Achieved	Not Achieved	Achieved	Maintained and updated by Council's Senior Communications Officer.
Financial sustainability for current and future generations	Revenue is sufficient to cover the annual renewal of assets, spread	100%	120%	114%	This is measured as a percentage of the revenue that Council receives (excluding any 'one off' grant/contribution) against the total operating expenditure. Anything

What we're measuring	How we'll measure	Target	2015	2016	Notes
	over their useful life (i.e. depreciation is funded) ⁵				less than 100% signals that 'catch up' expenditure may be required in the future to maintain existing levels of service.
Facilities and services are managed without adversely affecting the receiving environment	% capacity remaining in landfill cell (100% - annual volume of waste to landfill divided by actual built capacity).	N/A	New measure	N/A	This measure relates to Cell 3 which is to be constructed in 2016/2017. Cell 3 should have a predicted life of 21 years but this is dependent on the final constructed size (i.e. the smaller the cell, the less volume capacity and therefore reduced life span). Also the rate of waste deposited to landfill can be variable, as is the amount of waste diverted through recycling. The % capacity remaining for Cell 3 is based on the % of waste recycled each year – refer to other related performance measures. This will be reviewed in three years when Council develops the next Long Term Plan.
	Maximum number of resource consent infringements	Nil	Nil	Nil	Council is not aware of any breaches nor have any been notified. Staff actively monitor the consent conditions.

⁵ 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

	2015 LTP \$000	2015 Actual \$000	2016 LTP \$000	2016 Actual \$000
[A] SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	55	108	124	128
Targeted rates	1,179	1,272	1,263	1,324
Subsidies and grants for operating purposes	36	46	44	51
Fees and charges	788	613	657	786
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	36	-	-	-
Total operating funding [A]	2,094	2,039	2,088	2,289
[B] APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	1,778	1,458	1,620	1,527
Finance costs	58	55	64	35
Internal charges and overheads applied	104	116	111	123
Other operating funding applications	-	29	-	292
Total applications of operating funding [B]	1,940	1,658	1,795	1,977
Surplus (deficit) of operating funding [A - B]	154	381	293	312
[C] SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(91)	(305)	(89)	(44)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding [C]	(91)	(305)	(89)	(44)
[D] APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
—to meet additional demand	-	-	-	-
—to improve the level of service	32	4	194	222
—to replace existing assets	18	-	-	37
Increase (decrease) in reserves	13	10	10	-
Increase (decrease) of investments	-	62	-	9
Total applications of capital funding [D]	63	76	204	268
Surplus (deficit) of capital funding [C - D]	(154)	(381)	(293)	(312)
Funding balance: [A - B] + [C - D]	-	-	-	-

5 Activity revenue and expense statement

	2015 LTP \$000	2015 Actual \$000	2016 LTP \$000	2016 Actual \$000
REVENUE				
General rates, uniform annual general charges, rates penalties	55	108	124	128
Targeted rates (including targeted rates for water supply)	1,179	1,272	1,263	1,324
Subsidies and grants (operating and capital)	36	46	44	51
User charges & regulatory revenue (consent fees, infringements etc)	824	613	657	786
Internal charges and overheads recovered	-	-	-	-
Other revenue	-	-	-	-
Total revenue	2,094	2,039	2,088	2,289
EXPENDITURE				
Staff costs	-	-	-	-
Operating & maintenance costs	1,778	1,458	1,620	1,527
Finance costs	58	55	64	35
Internal charges and overheads applied	104	116	111	123
Other expenses	-	31	-	292
Depreciation	115	42	116	39
Total expenditure	2,055	1,702	1,911	2,016
Surplus (deficit) of activities	39	337	177	273

6 Major asset acquisitions or replacements and variations from the Long Term Plan

	2015 LTP \$000	2015 Actual \$000	2016 LTP \$000	2016 Actual \$000
Miscellaneous renewals & new capital	23	-	-	37
Expand dry storage capacity at McLeans landfill/recycling facility	-	-	-	167
Establish cleanfill site at McLeans landfill	-	-	-	19
New landfill cell design and construction (cell 3)	-	-	168	27
Old Cobden landfill - reinstatement of area	27	4	26	9
Total capital expenditure	50	4	194	259

7 Variations from budget

1. Fees, charges, and metered rates for water supply greater than budget by \$129,000 which is due to an increased use of the landfill.
2. Payments to staff and suppliers lower than budget by \$93,000 due to cost savings being delivered across a number of operational lines.
3. Other operating funding applications (other expenses) has exceeded budget mainly due to the cost of purchasing and surrendering emission units per its ETS obligations being higher than budgeted
4. Depreciation expense is \$77,000 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

What we're measuring	How we'll measure	Target	2015	2016	Notes
Training and preparation of our emergency management personnel in the event of an emergency	Minimum number of in-house/national training exercises participated in annually	2	2	1	One exercise was carried out in 2015/16 (Ex Cruickshank Minor in July 2015).
	Minimum % of personnel trained to CIMS 4 standard	80%	78%	59%	22 out 37 Grey District Council staff who man the Emergency Operations Centre are trained to the CIMS 4 standard.
Greater public awareness and participation from the public to be better prepared for emergency situations	Minimum % of schools and pre-school organisations visited annually to deliver the “be better prepared” message	80%	60%	47%	7 out of 15 schools and preschools were visited, including Runanga, Greymouth High, John Paul High, St Patrick's, Cobden, Grey Valley Playcentre, and Paroa schools.
	Relevant details and plans are posted on Council's website	Achieved	Achieved	Achieved	Maintained and updated by Council's Senior Communications Officer.
	Minimum % of residents who feel they are prepared to cope in an emergency	80%	73%	61%	The Resident's Satisfaction Survey was conducted in September 2015. The full report is available on Council's website.

RURAL FIRE

What we're measuring	How we'll measure	Target	2015	2016	Notes
Council provides an efficient and convenient rural fire service	For the Zone management by Council (Zone 4), Council meets National Rural Fire Authority requirements	Achieved	Achieved	Achieved	Review carried out and new legislation in place. NZ Fire Service to become Fire and Emergency New Zealand.
	Maximum time to process and issue new Fire Permits will be three working days and renewals will be one working day	Achieved	Achieved	Achieved	520 of 520 fire permits and renewals were processed in 1 working day.
	Basic fact information provided on Council's website. More detailed information is provided within 10 working days.	Achieved	Not achieved	Achieved	Maintained and updated by Council's Senior Communications Officer.

4 Activity funding impact statement

	2015 LTP \$000	2015 Actual \$000	2016 LTP \$000	2016 Actual \$000
[A] SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	192	175	203	210
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	5	-	-	-
Fees and charges	17	5	6	2
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	-	-
Total operating funding [A]	214	180	209	212
[B] APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	126	196	124	92
Finance costs	4	-	17	-
Internal charges and overheads applied	71	47	59	48
Other operating funding applications	-	-	-	-
Total applications of operating funding [B]	201	243	200	140
Surplus (deficit) of operating funding [A - B]	13	(63)	9	72
[C] SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(8)	(3)	(7)	(7)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding [C]	(8)	(3)	(7)	(7)
[D] APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
—to meet additional demand	-	-	-	-
—to improve the level of service	2	12	2	-
—to replace existing assets	3	1	-	-
Increase (decrease) in reserves	-	-	-	18
Increase (decrease) of investments	-	(79)	-	47
Total applications of capital funding [D]	5	(66)	2	65
Surplus (deficit) of capital funding [C - D]	(13)	63	(9)	(72)
Funding balance: [A - B] + [C - D]	-	-	-	-

5 Activity revenue and expense statement

	2015 LTP \$000	2015 Actual \$000	2016 LTP \$000	2016 Actual \$000
REVENUE				
General rates, uniform annual general charges, rates penalties	192	175	203	210
Targeted rates (including targeted rates for water supply)	-	-	-	-
Subsidies and grants (operating and capital)	5	-	-	-
User charges & regulatory revenue (consent fees, infringements etc)	17	5	6	2
Internal charges and overheads recovered	-	-	-	-
Other revenue	-	-	-	-
Total revenue	214	180	209	212
EXPENDITURE				
Staff costs	45	42	42	45
Operating & maintenance costs	81	154	82	47
Finance costs	4	-	17	-
Internal charges and overheads applied	71	47	59	48
Other expenses	-	-	-	-
Depreciation	20	5	11	5
Total expenditure	221	248	211	145
Surplus (deficit) of activities	(7)	(68)	(2)	67

6 Major asset acquisitions or replacements and variations from the Long Term Plan

	2015 LTP \$000	2015 Actual \$000	2016 LTP \$000	2016 Actual \$000
Miscellaneous renewals & new capital	3	1	2	-
New rural fire equipment	2	12	-	-
Total capital expenditure	5	13	2	-

7 Variations from budget

No significant variations.

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

What we're measuring	How we'll measure	Target	2015	2016	Notes
Council is efficiently processing information requests and consent applications within statutory time limits	% of Land Information Memoranda (LIMs) issued within 10 working days of application	100%	98%	94%	200 of 213 LIMs were issued within 10 working days of application in 2015-16.
	% of non-notified land use consents processed within 20 working days	100%	100%	88%	30 out of 34 non-notified land use consents were processed within 20 days in 2015-16.
	% of building consents and Code of Compliance Certificates issued with statutory time limits	100%	100%	100%	All 390 Code of Compliance Certificates were issued within the statutory time limits.
	% 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 are ensuring that buildings within the District are safe and meet national quality standards	Required % 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.
	Grey District Council maintains 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.
A safer District is being provided for by promoting responsible dog ownership and monitoring food and liquor premises	% of known dogs registered by August each year	95%	88%	84%	2,304 of 2,747 of known dogs were registered by August 2015. Council has noticed an increase in the number of people who struggle to afford the upfront registration fee within the one month payment period. A new initiative was tried for 2016/17 by offering a prize draw for those who registered on or before the due date. The provisional figure for 2016/17 is an increase back to 88%.
	% food premises inspected each year	100%	100%	100%	All food premises were inspected in 2015-16.
	% of premises requesting new and renewed liquor licences that are inspected	100%	100%	100%	All premises requesting new and renewed liquor licences were inspected in 2015-16.
We are responding to service requests in a timely manner	% of after-hours noise and animal control complaints responded to within two hours	95%	100%	100%	All after hour's noise and animal control complaints were responded to within 2 hours.
	% of complaints about breaches of bylaws and District Plan rules are responded to within five working days	95%	100%	100%	All complaints about breaches of bylaws and District Plan rules were responded to within 5 working days.
We will recover actual and reasonable costs as necessary	Minimum % recovery of actual and reasonable costs for consent applications	80%	47%	47%	This has been expressed as the percentage of user fee revenue against total operating expenditure. The recovery from building consenting was 60%, but has been offset by the reduced volume of resource consents being processed, which only had a 23% recovery from user fees
	Minimum % recovery of actual and reasonable costs for enforcement related activities	80%	85%	47%	This has been expressed as the percentage of user fee revenue against total operating expenditure. Recoveries in these activities are inherently difficult.

What we're measuring	How we'll measure	Target	2015	2016	Notes
Our District Plan is effective in developing and maintaining sustainable development and a satisfactory environment	% of land use consents issued since 2005 are monitored for compliance with conditions	20%	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.
	The District Plan is reviewed and updated in line with agreed programme	Programme developed	Programme on hold	Programme commenced	Staff are working with the other councils on a regional approach.
	% of residents satisfied with Council's regulation of land use throughout the District	60%	49%	54%	The Resident's Satisfaction Survey was conducted in September 2015. The full report is available on Council's website. Note in 2014/2015 the measure was "% of residents satisfied with their environment".
<i>Iwi</i> are consulted on all new policies, bylaws, District Plan changes and notified resource consents	Required % of new policies, bylaws, DP changes and notified resource consents that have involved <i>Iwi</i> consultation	100%	Not required	Not required	Plan changes did not directly impact <i>Iwi</i> . Ongoing communication will continue with <i>Iwi</i> for future projects.

4 Activity funding impact statement

	2015 LTP \$000	2015 Actual \$000	2016 LTP \$000	2016 Actual \$000
[A] SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	914	891	819	847
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	43	-	-
Fees and charges	1,268	873	958	833
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	44	134	64	172
Total operating funding [A]	2,226	1,941	1,841	1,852
[B] APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	499	427	320	322
Finance costs	-	-	-	-
Internal charges and overheads applied	1,765	1,462	1,489	1,585
Other operating funding applications	-	-	-	-
Total applications of operating funding [B]	2,264	1,889	1,809	1,907
Surplus (deficit) of operating funding [A - B]	(38)	52	32	(55)
[C] SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	46	109	44	38
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding [C]	46	109	44	38
[D] APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
—to meet additional demand	-	-	-	-
—to improve the level of service	8	-	-	3
—to replace existing assets	-	1	6	9
Increase (decrease) in reserves	-	131	70	64
Increase (decrease) of investments	-	29	-	(93)
Total applications of capital funding [D]	8	161	76	(17)
Surplus (deficit) of capital funding [C - D]	38	(52)	(32)	55
Funding balance: [A - B] + [C - D]	-	-	-	-

5 Activity revenue and expense statement

	2015 LTP \$000	2015 Actual \$000	2016 LTP \$000	2016 Actual \$000
REVENUE				
General rates, uniform annual general charges, rates penalties	914	891	819	847
Targeted rates (including targeted rates for water supply)	-	-	-	-
Subsidies and grants (operating and capital)	-	43	-	-
User charges & regulatory revenue (consent fees, infringements etc)	1,358	873	958	833
Internal charges and overheads recovered	-	-	-	-
Other revenue	-	243	108	210
Total revenue	2,272	2,050	1,885	1,890
EXPENDITURE				
Staff costs	1	11	10	14
Operating & maintenance costs	498	416	310	308
Finance costs	-	-	-	-
Internal charges and overheads applied	1,765	1,462	1,489	1,585
Other expenses	-	-	-	-
Depreciation	40	1	39	2
Total expenditure	2,304	1,890	1,848	1,909
Surplus (deficit) of activities	(32)	160	37	(19)

6 Major asset acquisitions or replacements and variations from the Long Term Plan

	2015 LTP \$000	2015 Actual \$000	2016 LTP \$000	2016 Actual \$000
Replacement of operational vehicles	-	-	-	-
Miscellaneous renewals & new capital	8	1	6	12
Total capital expenditure	8	1	6	12

7 Variations from budget

1. Fees, charges, and metered rates for water supply less than budget by \$125,000 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 \$108,000. This is mainly due to additional fines being issued for 'freedom camping' infringements.
3. Internal charges and overheads applied \$96,000 higher than budget. This is due to additional staff resources being required to support key functions including Animal Control and Liquor Licencing.
4. Increase (decrease) of investments is less than budget by \$93,000. 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 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 Aerodrome 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.

2 Activities included in this group

Other transport includes:

- Greymouth Aerodrome 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.

3 Performance measurement

AERODROME

What we're measuring	How we'll measure	Target	2015	2016	Notes
The provision of a safe service	Meet Civil Aviation Authority requirements for the aerodrome	Achieved	Achieved	Achieved	The Aerodrome meets the requirements set out by Civil Aviation Rule Part 139 Aerodrome - Certification, Operation and Use.
Customer satisfaction	% of residents are satisfied that the aerodrome is run efficiently	45%	42%	43%	The Resident's Satisfaction Survey was conducted in September 2015. The full report is available on Council's website.
Financial sustainability for current and future generations	Basic information provided on Council's website. More detailed information is provided within 10 working days of request.	Achieved	Not achieved	Achieved	Maintained and updated by Council's Senior Communications Officer.
	Revenue is sufficient to cover the annual renewal of assets, spread over their useful life (i.e. depreciation is funded) ⁶	100%	97%	161%	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

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

What we're measuring	How we'll measure	Target	2015	2016	Notes
					up' expenditure may be required in the future to maintain existing levels of service.

PARKING

What we're measuring	How we'll measure	Target	2015	2016	Notes
The maintenance, safety, convenience & accessibility of 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.	Achieved	Achieved	Achieved	Car parks were inspected and no remedial action was required in 2015-16.
Customer satisfaction	% of residents are satisfied with the availability of public parking	75%	79%	81%	The Resident's Satisfaction Survey was conducted in September 2015. The full report is available on Council's website.
Sustainability of the service for the future	Development of and implementation of a parking strategy for the CBD and environs with key stakeholders	To be investigated as part of the CBD Renewal Project	Planned for 2015-2016	In progress	Council has prepared a Draft Parking Strategy. This will be presented to Council after the elections and once approved, will be made available for public consultation.

PORT OF GREYMOUTH

What we're measuring	How we'll measure	Target	2015	2016	Notes
Financial sustainability	Port deficit/surplus as percentage of turnover	-25%	New measure	49%	Expenditure was higher on a number of items, including legal costs and maintenance of wharfs/structures. It is noted that financial sustainability of the port is a key focus for Council in the current Long Term Plan.
	User fees received as a ration of ratepayer input	70%	New measure	Achieved	To achieve this in future years will be difficult as ratepayer input will ramp up quicker.
Accessibility of the service	Certification standard of Richmond Quay pad wharf	20 tonnes	New measure	Achieved	Certification in place.
	Frequency of depth sounding of Port access/bar	2 monthly	New measure	Achieved	In some case at shorter intervals and others longer. On average 2 monthly.

4 Activity funding impact statement

	2015 LTP \$000	2015 Actual \$000	2016 LTP \$000	2016 Actual \$000
[A] SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	239	275	309	320
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	418	347	444	445
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	72	63	31	32
Total operating funding [A]	729	685	784	797
[B] APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	638	592	609	642
Finance costs	57	136	114	132
Internal charges and overheads applied	242	249	239	236
Other operating funding applications	-	-	-	-
Total applications of operating funding [B]	937	977	962	1,010
Surplus (deficit) of operating funding [A - B]	(208)	(292)	(178)	(213)
[C] SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	160	-	221	(1)
Gross proceeds from sale of assets	117	202	20	65
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	36	-	-
Total sources of capital funding [C]	277	238	241	64
[D] APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
—to meet additional demand	-	-	-	-
—to improve the level of service	-	-	-	302
—to replace existing assets	3	27	3	35
Increase (decrease) in reserves	66	38	60	88
Increase (decrease) of investments	-	(119)	-	(574)
Total applications of capital funding [D]	69	(54)	63	(149)
Surplus (deficit) of capital funding [C - D]	208	292	178	213
Funding balance: [A - B] + [C - D]	-	-	-	-

5 Activity revenue and expense statement

	2015 LTP \$000	2015 Actual \$000	2016 LTP \$000	2016 Actual \$000
REVENUE				
General rates, uniform annual general charges, rates penalties	239	275	309	320
Targeted rates (including targeted rates for water supply)	-	-	-	-
Subsidies and grants (operating and capital)	-	-	-	-
User charges & regulatory revenue (consent fees, infringements etc)	490	347	444	445
Internal charges and overheads recovered	-	-	-	-
Other revenue	94	99	51	32
Total revenue	823	721	804	797
EXPENDITURE				
Staff costs	239	163	154	168
Operating & maintenance costs	399	429	455	474
Finance costs	57	136	114	132
Internal charges and overheads applied	242	249	239	236
Other expenses	-	1	-	-
Depreciation	281	258	283	222
Total expenditure	1,218	1,236	1,245	1,232
Surplus (deficit) of activities	(395)	(515)	(441)	(435)

6 Major asset acquisitions or replacements and variations from the Long Term Plan

	2015 LTP \$000	2015 Actual \$000	2016 LTP \$000	2016 Actual \$000
Miscellaneous renewals & new capital	3	-	3	35
Purchase and set-up of dredge for Port of Greymouth	-	-	-	302
Renew aerodrome lighting controller	-	27	-	-
Earthquake strengthening - tie down parapets: Harbour Board office	-	-	-	-
Breakwater renewals	-	-	-	-
Total capital expenditure	3	27	3	337

7 Variations from budget

1. Increase (decrease) in debt is less than budget by \$222,000. The budget forecast an additional \$222,000 debt being required to support port operational deficits. Whilst the port did run at a deficit, new debt wasn't uplifted in 2016/17, with the debt funding requirement to be carried forward to 2016/17.
2. Capital expenditure actual is greater than budget as an additional \$302,000 has been spent purchasing and commissioning a new dredge for the Port of Greymouth. The LTP budget forecast that Council would contract this in as a service (and therefore operating expense). The purchase of the dredge is expected to reduce future year operating expenditure.
3. Increase (decrease) of investments is less than budget by \$574,000. 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					
What we’re measuring	How we’ll measure	Target	2015	2016	Notes
The provision of a safe service	Building Authority requirements are met	Achieved	Achieved	Achieved	Regular property inspections are undertaken.
Sustainability of facilities and services 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)	80%	104%	81%	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

What we're measuring	How we'll measure	Target	2015	2016	Notes
An affordable, well maintained and efficient retirement housing service is provided	Achievement of minimum percentage of occupancy rates	95%	97%	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.
	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.
	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.
	Details of service is provided on Council's website	Achieved	Achieved	Achieved	Maintained and updated by Council's Senior Communications Officer.
Assessment of future need housing units	Undertaking an annual review on the need for more housing units	Achieved	Not achieved	Not Achieved	No formal review was undertaken in 2015-16.

4 Activity funding impact statement

	2015 LTP \$000	2015 Actual \$000	2016 LTP \$000	2016 Actual \$000
[A] SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	791	773	812	808
Internal charges and overheads recovered	258	247	260	289
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	-	14
Total operating funding [A]	1,049	1,020	1,072	1,111
[B] APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	744	1,203	675	716
Finance costs	169	66	60	58
Internal charges and overheads applied	210	169	173	175
Other operating funding applications	-	-	-	-
Total applications of operating funding [B]	1,123	1,438	908	949
Surplus (deficit) of operating funding [A - B]	(74)	(418)	164	162
[C] SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(936)	(71)	(77)	313
Gross proceeds from sale of assets	1,030	805	100	49
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	438	-	-
Total sources of capital funding [C]	94	1,172	23	362
[D] APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
—to meet additional demand	-	-	-	-
—to improve the level of service	-	3	-	405
—to replace existing assets	19	51	54	143
Increase (decrease) in reserves	1	738	133	8
Increase (decrease) of investments	-	(38)	-	(32)
Total applications of capital funding [D]	20	754	187	524
Surplus (deficit) of capital funding [C - D]	74	418	(164)	(162)
Funding balance: [A - B] + [C - D]	-	-	-	-

5 Activity revenue and expense statement

	2015 LTP \$000	2015 Actual \$000	2016 LTP \$000	2016 Actual \$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)	791	773	812	808
Internal charges and overheads recovered	258	247	260	289
Other revenue	314	965	100	14
Total revenue	1,363	1,985	1,172	1,111
EXPENDITURE				
Staff costs	-	-	-	-
Operating & maintenance costs	744	1,203	675	716
Finance costs	169	66	60	58
Internal charges and overheads applied	210	169	173	175
Other expenses	-	312	-	573
Depreciation	240	367	380	381
Total expenditure	1,363	2,117	1,288	1,903
Surplus (deficit) of activities	-	(132)	(116)	(792)

6 Major asset acquisitions or replacements and variations from the Long Term Plan

	2015 LTP \$000	2015 Actual \$000	2016 LTP \$000	2016 Actual \$000
Miscellaneous renewals & new capital	19	6	10	18
Council main offices - waterproofing and miscellaneous renewal	-	3	-	390
Gresson St Subdivision - development costs	-	-	-	-
Increase file and yard storage capacity	-	-	-	14
Retirement Housing renewals	-	45	44	126
Total capital expenditure	19	54	54	548

7 Variations from budget

1. Capital expenditure is greater than budget by \$494,000 related to:
 - a. The waterproofing and other upgrades of Council's main offices which was work carried forward from previous budgets and completed in 2015/16; and
 - b. An additional \$82,000 was spent on Council retirement flats, specifically separating stormwater/sewerage connections in Blaketown.
2. Increase in debt is \$390,000 greater than budget which is related to the upgrade of Council offices referred to above.
3. Increase in reserves is \$125,000 less than budget, mainly due to the additional expenditure on Council's retirement flats (per above) meaning that less funds available to transfer to the property reserve.
4. Other expenses is greater than budget by \$573,000 which relates to:
 - a. Impairment expense relating to the Civic Centre of \$324,000 (refer note 15); and
 - b. Investment property revaluation losses of \$233,000.

Neither of these were budgeted for, however neither have a direct impact on Council's day to day operations.

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 Westland 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

What we're measuring	How we'll measure	Target	2015	2016	Notes
Customer satisfaction	% of residents are satisfied with service	80%	81%	86%	The Resident's Satisfaction Survey was conducted in September 2015. The full report is available on Council's website.
	No more than 10 complaints per year	Achieved	Achieved	Achieved	There were no complaints in 2015-16.
Community participation and engagement with the service	Number of outreach literacy learning and educational programmes delivered annually e.g. story-time, Summer Reading Challenge, housebound deliveries, adult education programmes	175	170	232	The Library averages 19 events per month, providing a range of activities to all sectors of the Grey District community.
	% of residents who are members of the Library	73%	New measure	75%	9,994 enrolled users as a percentage of 13,371 population of the Grey District.
Availability, accessibility and quality of the library service	The Grey District 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 is open every Wednesday night except on public holidays.
	Opening hours and available services posted on the Library's website	Achieved	Achieved	Achieved	Maintained and updated by Council's Senior Communications Officer.
	An on-line service is provided to allow members to browse the library catalogue (both printed and electronic) and make collection reservations	Achieved	Achieved	Achieved	Access to the online library service is available via Council's website. The functionality and the on-line activities offered has been enhanced with the successful implementation of the new Library Management System, Kotui.
	% of material less than ten years old (note: excludes the Pioneer Library)	85%	New measure	81%	27,488 of 33,904 items in the collection is less than ten years old as at 30 June 2016.
	Retain free public internet access for New Zealand citizens	Achieved	Achieved	Achieved	The Library continues to provide free public internet through the Aotearoa People's Network Kaharoa.
	Increased number of Wi-Fi connections annually within Grey District Library and vicinity	20,000	New measure	20,791	These usage statistics are provided by APNK: http://www.aotearoapeoplesnetwork.org/content/wifi-stats .
	Increased traffic to Library website	5%	New measure	4.9%	Statistics on usage of the Library website have been collected since November 2014. This provides the opportunity to compare usage on a monthly basis. The overall trend is an increase in traffic of 4.9%. Council continues to promote the online services available for the library to hopefully continue this trend of increasing traffic.
	Developing the library collection and building our local identity	% of new items acquired each year for the Pioneer and West Coast collections	0.50%	New measure	1.36%
% of new items acquired each year – New Zealand material or written by New Zealand authors		2%	New measure	5.8%	206 of the 3,539 new items added to the library collection were New Zealand material or written by New Zealand authors in 2015-16.
Number of digitised items added to Kete West Coast each year		15	New measure	15	Fifteen photos were digitised and added to Kete West Coast in 2015-16.

SWIMMING POOLS

What we're measuring	How we'll measure	Target	2015	2016	Notes
A safe service is provided	% 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 the 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 all lifeguards hold current and valid Pool Lifeguarding Practising Certificates.
Customer satisfaction	% of residents are satisfied with service	75%	75%	83%	The Resident's Satisfaction Survey was conducted in September 2015. The full report is available on Council's website.
Availability, accessibility and quality of the service	Number of users annually - Greymouth	90,000	96,432	97,951	The number of users has grown due to better programming of the facility and an increase in tourism numbers.
	Number of users annually - Runanga	1,000	1,213	1,339	This reflects the relationship with the local school and numbers are expected to remain at this level.
	Greymouth: seven days a week Runanga: seven days a week during the swim season	Achieved	Achieved	Achieved	The facility is open seven days a week, except for the one week shut down period for maintenance, which took place between 2-7 May.
	Admission fees and opening hours are posted on Council's website	Achieved	Achieved	Achieved	Maintained and updated by Council's Senior Communications Officer.
	Number of Swim School registrations per term	380	450	520	The enrolments in the Swim School continue to grow, year on year.
	Minimum total swims per capita (national per capita swim averages is 5.5)	6.5	7.3	7.3	97,951 divided by 13,371 is about 7.3 swims per capita.
Management of potential adverse effects on the environment	No Resource Consent infringements for the coal fired boiler	Achieved	Achieved	Achieved	Council is not aware of any breaches nor have any been notified. Staff actively monitor the consents conditions.

HISTORY HOUSE

What we're measuring	How we'll measure	Target	2015	2016	Notes
Customer satisfaction	% of users that are satisfied with the service <i>Note in 2014/2015 this measure was "% of residents that are satisfied with the service".</i>	70%	41%	94%	The Resident's Satisfaction Survey was conducted in September 2015. The full report is available on Council's website.
	No complaints received	Achieved	New measure	Achieved	There were no complaints received in the 2015-16 year.
Our response to customer requests	Customer enquiries are responded to within three days	Achieved	New measure	Achieved	All customer enquiries were responded to within 3 days.
	Requests for research are appropriately recorded, actioned and material is provided in a timely manner	Achieved	New measure	Achieved	All requests for research were appropriately recorded, actioned and material was provided in a timely manner.
Availability, accessibility and quality of the service	Facilities are accessible six days per week	Achieved	Not achieved (previous measure was 7 days a week)	Not achieved	Due to a lack of demand, the museum closed on Saturdays during the winter months.
	New displays prepared each year	2	New measure	4	Four displays were prepared including: - Early settlers; - The glitter of gold; - When coal was king; and - Māwhera.

What we're measuring	How we'll measure	Target	2015	2016	Notes
	Informative rack cards and flyers are provided and distributed to tourist locations annually as required	Achieved	New measure	Achieved	Rack cards and flyers were provided to 45 tourist locations.
	Number of publications and/or promotion articles prepared for public consumption each year, locally or nationally	4	New measure	5	There were 5 articles in the local newspaper promoting the following objects and/or events: <ul style="list-style-type: none"> - Typewriter - Proposed repaint of the historical pump - Celebrating the repainting of the historical pump - Replacement of planter boxes - Donation of the Brunner Mine Disaster painting

CIVIC CENTRE/WESTLAND RECREATION CENTRE

What we're measuring	How we'll measure	Target	2015	2016	Notes
Customer satisfaction	% of users that are satisfied with the service. <i>Note in 2014/2015 this measure was "% of residents that are satisfied with the service".</i>	70%	49%	78%	The Resident's Satisfaction Survey was conducted in September 2015. The full report is available on Council's website.
Availability, accessibility and quality of the service	The Civic Centre and the eventual Westland Recreation Centre will be available for use seven days a week	Achieved	Achieved	Achieved	The current facility, the Civic Centre, is available for use seven days a week and is managed by Sport Canterbury.
	Details of facilities and charges are available on Council's website	Achieved	Achieved	Achieved	Maintained and updated by Council's Senior Communications Officer.

CEMETERIES

What we're measuring	How we'll measure	Target	2015	2016	Notes
Available capacity for burials	Review three yearly the availability of land in District cemeteries relative to the number of people likely to be buried*	Achieved	Achieved	Achieved	The three yearly review has resulted in sufficient available land at existing cemetery sites. The next review will be undertaken in two years.
Availability of on-line cemetery records	On-line register updated with each new interment	To be developed	Not achieved	Not achieved	Due to staff commitments, this was not completed.
Environmental effects	Maximum number of resource consent breaches to show the facilities are managed without adversely affecting the receiving environment	Nil	Nil	Nil	No breaches of the resource consents were discovered in 2015-16.

PARKS AND TRACKS

What we're measuring	How we'll measure	Target	2015	2016	Notes
Customer satisfaction	% of residents are satisfied with the service	80%	90%	91%	The Resident's Satisfaction Survey was conducted in September 2015. The full report is available on Council's website.
Promotion of the service	Publicly available information brochures on walking tracks and key parks in our District are available. This information is included 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

	2015 LTP \$000	2015 Actual \$000	2016 LTP \$000	2016 Actual \$000
[A] SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	2,584	2,735	2,728	2,830
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	182	63	30	978
Fees and charges	632	639	646	648
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	18	21	-	-
Total operating funding [A]	3,416	3,458	3,404	4,456
[B] APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	2,853	2,973	2,657	3,024
Finance costs	330	328	302	301
Internal charges and overheads applied	428	485	479	452
Other operating funding applications	-	(29)	-	(28)
Total applications of operating funding [B]	3,611	3,757	3,438	3,749
Surplus (deficit) of operating funding [A - B]	(195)	(299)	(34)	707
[C] SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	2,650	3,450	6,471	2,220
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(92)	(223)	(66)	429
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	130	-	-
Total sources of capital funding [C]	2,558	3,357	6,405	2,649
[D] APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
—to meet additional demand	-	-	-	-
—to improve the level of service	2,268	1,699	7,222	7,640
—to replace existing assets	137	151	96	181
Increase (decrease) in reserves	(42)	1,344	(947)	(2,953)
Increase (decrease) of investments	-	(136)	-	(1,512)
Total applications of capital funding [D]	2,363	3,058	6,371	3,356
Surplus (deficit) of capital funding [C - D]	195	299	34	(707)
Funding balance: [A - B] + [C - D]	-	-	-	-

5 Activity revenue and expense statement

	2015 LTP \$000	2015 Actual \$000	2016 LTP \$000	2016 Actual \$000
REVENUE				
General rates, uniform annual general charges, rates penalties	2,584	2,735	2,728	2,830
Targeted rates (including targeted rates for water supply)	-	-	-	-
Subsidies and grants (operating and capital)	2,832	3,513	6,501	3,198
User charges & regulatory revenue (consent fees, infringements etc)	650	639	646	648
Internal charges and overheads recovered	-	-	-	-
Other revenue	-	151	-	-
Total revenue	6,066	7,038	9,875	6,676
EXPENDITURE				
Staff costs	1,059	1,066	1,070	1,183
Operating & maintenance costs	1,794	1,907	1,587	1,841
Finance costs	330	328	302	301
Internal charges and overheads applied	428	485	479	452
Other expenses	-	(9)	-	(14)
Depreciation	1,029	1,042	740	1,021
Total expenditure	4,640	4,819	4,178	4,784
Surplus (deficit) of activities	1,426	2,219	5,697	1,892

6 Major asset acquisitions or replacements and variations from the Long Term Plan

	2015 LTP \$000	2015 Actual \$000	2016 LTP \$000	2016 Actual \$000
Miscellaneous renewals & new capital	94	44	38	137
Vehicle/plant replacement	-	39	-	-
Northern Breakwater recreation area	-	72	-	-
New Toilet - Northern Breakwater/Cobden Eco-sanctuary	-	-	216	-
Westland Recreation Centre	2,250	1,618	6,000	7,577
Library collection purchases	61	52	64	58
CBD Renewal Projects	-	-	1,000	49
Earthquake strengthening: Left Bank Art Gallery - tie down parapets	-	25	-	-
Total capital expenditure	2,405	1,850	7,318	7,821

7 Variations from budget

- Subsidies and grants for operating purposes are greater than budget by \$948,000 due to a number of grants being received in this year that were originally budgeted to be received in previous years (e.g. Development West Coast Extraordinary Distribution Fund grants). These grants in many instances passed onto 3rd parties and Council acts as the intermediary.
- Payments to staff and suppliers \$367,000 higher than budget, for various reasons, including:
 - additional staff costs at the Aquatic Centre largely due to increased demand for the Swim School requiring additional staff resources. This was met by an increase in Swim School revenue.
 - Costs advancing Council's claim related to tiling issues at the Aquatic Centre.
- Subsidies and grants for capital expenditure - The budget included \$6,000,000 to be received towards the proposed Westland Recreation Centre. Due to various timing issues actual grants received were \$1,820,000, noting that the centre was not complete until the 2016/17 financial year. The balance of funding will be received in 2016/17.
- Increase (decrease) in debt overall is greater than budget by \$495,000. Due to the above timing issues with grants received for the Westland Recreation Centre some of the debt funding was drawn down in this financial year as opposed to 2016/17 as originally forecast in budgets.

5. Capital expenditure to improve the level of service is greater than budget by \$418,000. Again this is mainly associated with more being spent on the Westland Recreation Centre construction in 2015/16 than originally forecast. This is a timing issue when comparing to budgets as overall the project remained within approved budgets. The additional expenditure on the Westland Recreation Centre construction was offset by CBD Renewal projects not progressing as far as forecast in the budget.
6. Increase (decrease) in reserves – an additional \$2,006,000 transferred from reserves relating to funds received towards the Westland Recreation Centre being placed in dedicated reserve funds in prior financial years. With the majority of expenditure occurring in this financial year the funds have been transferred back out of the dedicated reserves.
7. 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.
8. Increase (decrease) of investments is less than budget by \$1,512,000. 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 \$281,000 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 totally 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

What we're measuring	How we'll measure	Target	2015	2016	Notes
Customer satisfaction	% of residents are satisfied with the service they received when they have contacted Council offices	85%	84%	82%	The Resident's Satisfaction Survey was conducted in September 2015. The full report is available on Council's website.
	% of residents are satisfied with the information they receive from Council	85%	New measure	81%	The Resident's Satisfaction Survey was conducted in September 2015. The full report is available on Council's website.
	% of residents are satisfied with the performance of Mayor and Councillors	85%	83%	83%	The Resident's Satisfaction Survey was conducted in September 2015. The full report is available on Council's website.
Transparency, accountability and accessibility to the public	Full opportunity for public participation in Council meetings through availability of speaking rights and the public forum	Achieved	Achieved	Achieved	A public forum has been available before every ordinary meeting of Council.
	Minimum % of Council business conducted in open	>80%	90%	80%	Those items not included in the open agenda mainly relate to on-going legal cases where Council needs to maintain legal privilege.
	% of residents are satisfied that Council consults with them on important issues	90%	62%	66%	The Resident's Satisfaction Survey was conducted in September 2015. The full report is available on Council's website.
Co-operation with other agencies	Full participation in West Coast Mayors/Chairs and CEO meetings	100%	100%	100%	The Mayor and CEO attended all meetings in the 2015-16 year.
	Full participation in Grey DC/DOC liaison quarterly meetings	100%	100%	100%	Staff have attended all liaison meetings.
Engagement with our partners and the wider community	Review the Community Economic Development Strategy on an annual basis	Achieved	Achieved	Awaiting the Regional Growth Study	MBIE and MPI have commissioned a Growth Study and Action Plan for the West Coast Region. After the election, the new Council will review this work and the Community Economic Development Strategy together for alignment and optimisation of opportunities.

What we're measuring	How we'll measure	Target	2015	2016	Notes
	Monitor the goals outlined in the Community Economic Development Strategy on an annual basis	Achieved	Achieved	Achieved	The Resident's Satisfaction Survey was conducted in September 2015. The full report is available on Council's website.

4 Activity funding impact statement

	2015 LTP \$000	2015 Actual \$000	2016 LTP \$000	2016 Actual \$000
[A] SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	1,295	1,306	1,284	1,385
Targeted rates	233	266	266	278
Subsidies and grants for operating purposes	29	139	81	88
Fees and charges	107	90	72	115
Internal charges and overheads recovered	5,686	5,242	5,387	5,424
Local authorities fuel tax, fines, infringement fees, & other receipts	621	786	620	648
Total operating funding [A]	7,971	7,829	7,710	7,938
[B] APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	5,676	5,157	5,589	5,577
Finance costs	97	2	1	2
Internal charges and overheads applied	1,421	1,575	1,714	1,695
Other operating funding applications	-	-	-	-
Total applications of operating funding [B]	7,194	6,734	7,304	7,274
Surplus (deficit) of operating funding [A - B]	777	1,095	406	664
[C] SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(74)	(8)	(4)	-
Gross proceeds from sale of assets	-	18	1	21
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding [C]	(74)	10	(3)	21
[D] APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
—to meet additional demand	-	-	-	-
—to improve the level of service	8	50	3	3
—to replace existing assets	141	153	133	96
Increase (decrease) in reserves	554	723	267	496
Increase (decrease) of investments	-	179	-	90
Total applications of capital funding [D]	703	1,105	403	685
Surplus (deficit) of capital funding [C - D]	(777)	(1,095)	(406)	(664)
Funding balance: [A - B] + [C - D]	-	-	-	-

5 Activity revenue and expense statement

	2015 LTP \$000	2015 Actual \$000	2016 LTP \$000	2016 Actual \$000
REVENUE				
General rates, uniform annual general charges, rates penalties	1,295	1,306	1,284	1,385
Targeted rates (including targeted rates for water supply)	233	266	266	278
Subsidies and grants (operating and capital)	29	139	81	88
User charges & regulatory revenue (consent fees, infringements etc)	728	90	72	115
Internal charges and overheads recovered	5,686	5,242	5,387	5,424
Other revenue	-	804	621	667
Total revenue	7,971	7,847	7,711	7,957
EXPENDITURE				
Staff costs	3,421	3,201	3,268	3,374
Operating & maintenance costs	2,255	1,956	2,321	2,203
Finance costs	97	2	1	2
Internal charges and overheads applied	1,421	1,575	1,714	1,695
Other expenses	-	-	-	-
Depreciation	406	224	218	249
Total expenditure	7,600	6,958	7,522	7,523
Surplus (deficit) of activities	371	889	189	434

6 Major asset acquisitions or replacements and variations from the Long Term Plan

	2015 LTP \$000	2015 Actual \$000	2016 LTP \$000	2016 Actual \$000
Miscellaneous renewals & new capital	15	25	22	14
Vehicle and plant item replacements	45	-	3	38
Office equipment (including IT)	89	178	111	47
Upgrade of core computer system	-	-	-	-
Total capital expenditure	149	203	136	99

7 Variations from budget

- Increase (decrease) in reserves - \$229,000 more transferred to reserves compared to budget. This largely relates to less transferred from the Corporate Equipment Reserve for IT expenditure than budgeted due to cost efficiencies across the board being realised and some expenditure being deferred to later financial years.
- Staff costs are higher than budget by \$106,000 due to
 - Additional staff costs of \$84,000 across Environmental Services activities due to additional staff resources being provided to assist with increased workloads.
 - Additional staff costs of \$54,000 in Assets & Engineering due to additional temporary resources brought in to assist with completing outstanding projects.
- Operating and maintenance costs \$118,000 less than budget where various costs savings have been identified and implemented, largely as a measure of delaying with the above additional staff costs.

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 133.
- West Coast Rural Fire Authority: [d] [6] emergency management, page 109.

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

The Trust has received no revenue nor made any payments for the financial year ending 30 June 2016 (2015 nil)