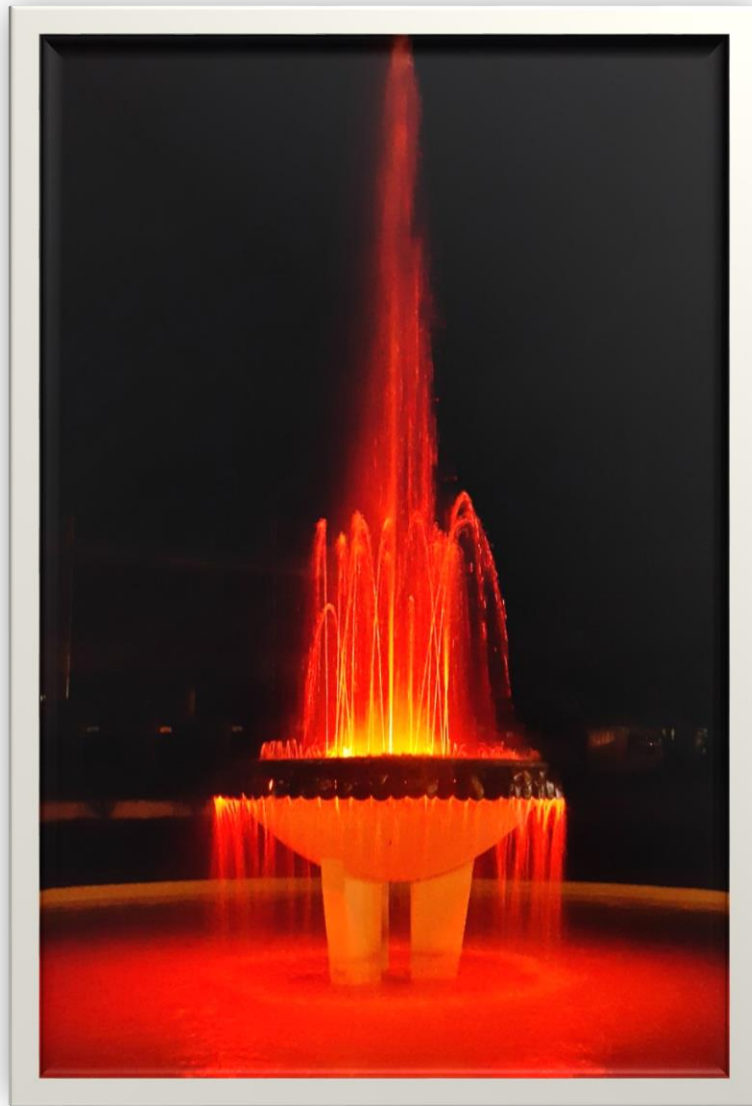


Grey District Council Annual Report



**For the year
01 July 2016 – 30 June 2017**



ISSN: 1171-2252

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PART A: Introduction

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

Welcome to the 2016/2017 Annual Report, in which 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; and
- Our achievements and highlights.

The last local body elections were held in October 2016. As an outcome, we farewelled two long-standing councillors – Councillor Kevin Brown and Councillor Doug Truman. We are sincerely thankful for their dedication over the years. And welcome to the two new faces at the Council table - Councillor Tania Gibson and Councillor Patrick McBride.

We're pleased to report that Council has performed well financially for the period 1 July 2016 to 30 June 2017. Our actual performance is better than that which was forecast in the Annual Plan and this document reports a small surplus of \$20,000 as opposed to the budgeted deficit of \$1,346,000. This indicates that Council continues to act in a prudent and responsible manner in managing our District's finances.

It has mainly been business as usual for the 2016/2017 year. We continue to carefully monitor our infrastructure and assets to ensure we provide the levels of service the community expects, now and into the future. We're always actively looking for ways to do things better and provide a "value for money" service to our ratepayers.

Some points of highlight include:

- The Westland Recreation Centre (combined pool, gym and stadium facility) opened to the public on 20 August 2016. This Centre has become hugely popular and is well on the way to being the sport and recreation hub of our community that we envisioned it would be.
- The Dobson/Taylorville water supply was connected to Greymouth, thus providing a higher standard of water quality to those communities.
- After months of public consultation and planning, ground was broken on the new Town Square and Tainui Shared Street areas in March 2017. Despite encountering a few problems which pushed the timeline out somewhat, it is expected the new spaces will be ready for the community to enjoy by Christmas. Council is also working closely with Mawhera Incorporation on investment and development opportunities within our CBD.
- Council have been a factor in enabling the construction of the new Moana Health Clinic by

providing the necessary land at a nominal rental and funding from our Area Instructure Funds (as approved by the affected communities). The Clinic was officially opened last month.

- In partnership with the Community Energy Action Charitable Trust, our retirement housing units had their insulation upgraded above the minimum standard required by changes under the Residential Tenancies Act. All units were upgraded, except where the ceiling and floor spaces were inaccessible - alternative heating options were provided to those occupants.
- The History House building was identified as earthquake prone in February 2017. Council had no choice but to close the building for the safety of its workers and the general public. A working group has been set up to identify the way forward for the museum service.

Looking ahead, our local economy appears to continue to strengthen and tourism, an important pillar of our economy, remains robustly solid in both international and domestic visitors. Council's vision is to ensure the Grey District is a progressive, sustainable area where people want to live, work, play and invest in and we will keep working towards this, identifying and supporting initiatives to diversify and strengthen our economy, as well as providing quality infrastructure and community facilities.

A summary version of 2016/2017 Annual Report will be available around the end of November. We encourage our community to read the summary and full report to inform themselves of how Council has met its obligations to them. If you have any questions about this report, please feel free to contact us.



A F Kokshoorn
MAYOR



P G Pretorius
CHIEF EXECUTIVE OFFICER

2 Councillors and their portfolios

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

1 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	Ben Healy
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	Fax: +64 3 769 8603 Email: info@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 2017

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, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the District Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 30 October 2017. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 18 to 66 and 68 :
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2017;
 - 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 in accordance with Public Benefit Entity Standards;
- the funding impact statement on page 67, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- the Group of Activities Statements on pages 76 to 131:
 - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2017, 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; and
- the statement about capital expenditure for each group of activities on pages 78 to 129, 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 annual plan; and
- the funding impact statement for each group of activities on pages 78 to 129, 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.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 69 to 74 which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information and, where applicable, the District Council's long-term plan and annual plans.

Basis for opinion on the audited information

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Responsibilities of the Council for the audited information

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 enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's annual plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit 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.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the group of activities statements, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant

doubt on the District Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 8 to 10, 17, and 132 to 133, but does not include the audited information and the disclosure requirements.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the District Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit and our report on the disclosure requirements, 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 2017 fairly reflect the financial position and operations of Grey District Council.



A F Kokshoorn
MAYOR



P G Pretorius
CHIEF EXECUTIVE OFFICER

Dated this 30th day of October 2017.

2 Statement of comprehensive revenue and expense

For the year ended 30 June 2017

	Note	Actual 2016 \$000	Annual Plan 2017 \$000	Actual 2017 \$000
REVENUE				
Rates, including targeted water supply rates	3	15,531	15,529	15,910
Subsidies and grants	4	7,252	4,168	4,837
Development and financial contributions		64	59	94
Fees and charges	5	3,768	4,507	4,066
Interest revenue	6	616	631	509
Other revenue	7	532	520	712
Total revenue		27,763	25,414	26,128
EXPENDITURE				
Personnel costs	8	(4,784)	(5,096)	(5,258)
Depreciation and amortisation expense	16	(7,834)	(7,928)	(8,701)
Finance costs	6	(1,869)	(2,388)	(1,056)
Other expenses	9	(12,577)	(11,348)	(11,093)
Total expenses		(27,064)	(26,760)	(26,108)
Net surplus/(deficit) before tax		699	(1,346)	20
Income tax expense		-	-	-
Surplus/(deficit) after tax attributable to Grey District Council		699	(1,346)	20
OTHER COMPREHENSIVE REVENUE AND EXPENSE				
Movement in asset revaluation reserve		-	22,125	9,775
Total other comprehensive revenue and expense		-	22,125	9,775
Total comprehensive revenue and expense		699	20,779	9,795

The accompanying notes form part of these financial statements.

4 Statement of financial position

As at 30 June 2017

	Note	Actual 2016 \$000	Annual Plan 2017 \$000	Actual 2017 \$000
ASSETS				
Current assets				
Cash and cash equivalents	10	2,006	7,492	5,470
Receivables	11	4,594	2,627	3,830
Other financial assets	12	13,467	5,921	11,767
Inventory	13	422	305	422
Non-current assets held for sale		-	-	-
		20,489	16,345	21,489
Non-current assets				
Receivables	11	35	213	35
Property, plant and equipment	14	396,082	427,626	403,987
Intangible assets	15	274	287	222
Other financial assets	12	368	740	368
Investment property	17	2,900	3,410	2,731
		399,659	432,276	407,343
TOTAL ASSETS		420,148	448,621	428,832
LIABILITIES				
Current liabilities				
Bank overdraft		-	-	-
Payables	19	3,770	3,577	3,224
Employee entitlements	20	381	526	388
Deferred revenue		214	212	282
Borrowings	21	-	5,000	5,000
Derivative financial instruments	22	-	-	28
		4,365	9,315	8,922
Non-current liabilities				
Provisions	23	2,466	2,107	2,159
Employee entitlements	20	586	432	500
Borrowings	21	30,320	33,182	25,425
Derivative financial instruments	22	875	-	495
		34,247	35,721	28,579
TOTAL LIABILITIES		38,612	45,036	37,501
EQUITY				
Retained earnings	24	230,104	231,014	229,552
Special funds	24	9,469	8,459	10,031
Trusts bequests and other reserves	24	167	190	177
Revaluation reserve	24	141,796	163,922	151,571
Total equity attributable to the Council		381,536	403,585	391,331
TOTAL EQUITY AND LIABILITIES		420,148	448,621	428,832

The accompanying notes form part of these financial statements.

5 Statement of changes in equity

For the year ended 30 June 2017

	Actual 2016 \$000	Annual Plan 2017 \$000	Actual 2017 \$000
Balance at 01 July	380,837	382,806	381,536
Total comprehensive revenue and expense	699	20,779	9,795
Balance at 30 June	381,536	403,585	391,331

The accompanying notes form part of these financial statements.

6 Statement of cash flows

For the year ended 30 June 2017

	Note	Actual 2016 \$000	Annual Plan 2017 \$000	Actual 2017 \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from rates revenue		15,361	15,504	15,873
Subsidies and grants received		8,951	4,168	4,923
Development and financial contributions received		68	59	94
Interest received		535	617	533
Dividends received		-	-	-
Receipts from other revenue		6,716	6,629	4,993
Payments to suppliers		(12,182)	(12,064)	(11,774)
Payments to employees		(4,751)	(5,085)	(5,337)
Interest paid		(1,648)	(2,388)	(1,524)
Income tax paid (refund)		-	-	-
Goods and services tax (net)		497	34	108
Net cash from operating activities	25	13,547	7,474	7,889
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of property, plant and equipment		19	-	207
Proceeds from sale of investment property		130	121	386
Receipts from sale of investments		52,874	14,805	24,347
Purchase of property, plant and equipment		(15,915)	(12,687)	(6,927)
Purchase of intangible assets		-	-	(2)
Acquisition of investments		(55,886)	(16,218)	(22,647)
Net cash from investing activities		(18,778)	(13,979)	(4,636)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings		-	12,178	5,000
Repayment of borrowings		-	(5,851)	(4,789)
Dividends paid		-	-	-
Net cash from financing activities		-	6,327	211
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		(5,231)	(178)	3,464
Cash, cash equivalents and bank overdrafts at the beginning of the year		7,237	7,670	2,006
Cash, cash equivalents and bank overdrafts at the end of the year	10	2,006	7,492	5,470

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).

All associates are incorporated in New Zealand.

The primary objective of Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, Council has designated itself 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 2017. The financial statements were authorised for issue by Council on 30 October 2017.

[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 cash flows 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.

Leases

Finance leases

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

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

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

Operating leases

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

Cash and cash equivalents

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

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Financial assets

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

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through surplus/deficit in which case the transaction costs are recognised in the surplus/deficit.

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

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

The four categories of financial assets are:

- **Loans and receivables**

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

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the surplus/deficit. Loans and receivables are classified as "trade and other receivables" in the statement of financial position.

- **Held to maturity investments**

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

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

Investments in this category include fixed term deposits and bonds.

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

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

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

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

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

Gains and losses are recognised directly in other comprehensive revenue and expense except for impairment losses, which are recognised in the surplus/deficit. In the event of impairment, any cumulative losses previously recognised in other comprehensive revenue and expense will be reclassified and recognised in surplus/deficit even though the asset has not been derecognised.

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

Impairment of financial assets

At each balance date, Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. The total impairment loss is recognised in the surplus or deficit.

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

Accounts receivable

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

Inventory

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

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

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

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

Non-current assets held for sale

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

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

Property, plant and equipment

Property, plant and equipment consists of:

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

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

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

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

Additions

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

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

Disposals

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

Subsequent costs

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

Depreciation

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

Asset Class	Depreciation Method	Life (years)	%
Buildings:			
- Structure	Straight line	40 - 50	2.0 –2.5
- Fit Out	Straight line	15	6.67
- Services	Straight line	15 - 30	3.33 – 6.67
- Sundry (e.g. car parking)	Straight line	10	10
- Service Concession Asset (Civic Centre)	Straight line	15 – 50	2.0 – 6.67
Aerodrome	Straight line	10 - 75	1.33 - 10
Plant and machinery	Straight line	3 – 30	3 – 33
Furniture and fittings	Straight line	10	10
Computer equipment	Straight line	3 – 8	12.5 – 33
Library stocks	Straight line	8	12.5
Breakwaters and wharves	Straight line	40 – 50	2 –2.5
Reserve board assets	Not depreciated		
Landfill sites	Straight line	10 – 50	2 – 10
Landfill capitalised aftercare costs	Straight line	8	12.5
Water supply systems:			
- Pipe network	Straight line	50 – 80	1.25 – 2
- Pumps and electrical	Straight line	10 – 60	1.67 – 10
- Reservoirs	Straight line	60 – 80	1.25 – 1.67
Drainage and sewerage			
- Pipe network	Straight line	50 – 80	1.25 – 2

Asset Class	Depreciation Method	Life (years)	%
- 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

Fixed assets	Valuation basis
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 rates applied are 2.0% - 4.8%

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

Landfill aftercare provision

Note 23 discloses an analysis of the exposure of Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision.

Financial guarantees

Note 27 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 2017:

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 cash flows

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

"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 standards that have been issued that are not yet effective.

2 Summary revenue and expenditure for groups of activities

	Actual 2016 \$000	Annual Plan 2017 \$000	Actual 2017 \$000
REVENUE			
Land transport	6,800	6,637	5,867
Stormwater	987	978	995
Wastewater	2,752	2,561	2,578
Water Supply	2,005	2,159	2,452
Solid waste management	2,289	2,256	2,188
Emergency management	212	219	219
Environmental services	1,890	1,897	2,048
Other transport	797	866	788
Property and housing	1,111	1,178	1,275
Community facilities and events	6,676	4,521	5,647
Democracy and administration	7,957	7,872	7,804
Total activity revenue	33,476	31,144	31,861
Less internal recoveries	(5,713)	(5,730)	(5,733)
Total revenue	27,763	25,414	26,128
EXPENDITURE			
Land transport	6,835	6,590	6,364
Stormwater	1,435	1,335	1,487
Wastewater	2,919	3,024	3,035
Water Supply	2,076	2,127	1,883
Solid waste management	2,016	2,187	1,699
Emergency management	145	210	141
Environmental services	1,909	1,861	1,951
Other transport	1,232	1,459	1,134
Property and housing	1,903	1,313	1,356
Community facilities and events	4,784	4,932	5,582
Democracy and administration	7,523	7,452	7,209
Total activity expenditure	32,777	32,490	31,841
Less internal recoveries	(5,713)	(5,730)	(5,733)
Total Expenditure	27,064	26,760	26,108

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 2016 \$000	Annual Plan 2017 \$000	Actual 2017 \$000
GENERAL RATES			
General Rate	6,250	6,257	6,502
Uniform Annual General Charge	3,062	2,971	3,030
Total general rates	9,312	9,228	9,532
TARGETED RATES ATTRIBUTABLE TO ACTIVITIES:			
District Promotion	278	268	295
Refuse Collection	1,324	1,278	1,340
Sewerage Collection	2,422	2,435	2,416
Water Supplies	1,756	1,916	1,874
Water Meter Rates	239	229	241
Lump sum contributions	-	-	-
PENALTIES			
Rate Penalties	200	175	212
Total rates	15,531	15,529	15,910

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 2016 \$000	Annual Plan 2017 \$000	Actual 2017 \$000
Rates on land where GDC is the ratepayer	370	396	383
Rate discounts	38	38	40
Rates remitted per Council policy	68	36	85
Total rates remitted	476	470	508

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.

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—

- the number of rating units within the district or region of the local authority at the end of the preceding financial year;*
- the total capital value of rating units within the district or region of the local authority at the end of the preceding financial year;*
- 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 2015	As at 30 June 2016
Total number of rating units	9,096	9,029
Total capital value of rating units	3,037,948,800	2,875,664,050
Total land value of rating units	1,539,593,600	1,385,877,350

4 Subsidies and grants

	Actual 2016 \$000	Annual Plan 2017 \$000	Actual 2017 \$000
New Zealand Transport Agency subsidies	3,680	3,632	2,733
Ministry of Health drinking water related subsidies	-	-	316
Ministry of Health wastewater related subsidies	235	-	-
NZ Lottery grants	750	-	-
Other grants and subsidies	2,587	536	1,788
Total subsidies and grants	7,252	4,168	4,837

There are no unfulfilled conditions and other contingencies attached to subsidies and grants recognised (2016 nil).

5 Fees and charges

	Actual 2016 \$000	Annual Plan 2017 \$000	Actual 2017 \$000
Wastewater - trade waste user charges	74	85	88
Building and resource consent charges	522	659	718
Dog registration and other user charges	201	202	215
Liquor licencing fees	52	21	66
Landfill charges	784	721	573
Swimming pool and stadium user charges	507	1,154	918
Parking fees	45	68	42
Lease revenue	372	432	322
Retirement housing rental revenue	589	593	618
Port berthage and user access fees	162	174	160
Other fees and charges	460	398	346
Total fees, charges, and targeted rates for water supply	3,768	4,507	4,066

6 Interest revenue and finance costs

	Actual 2016 \$000	Annual Plan 2017 \$000	Actual 2017 \$000
INTEREST REVENUE			
Interest Revenue:			
- term deposits	616	631	509
- local authority and government bonds	-	-	-
Total interest revenue	616	631	509
FINANCE COSTS			
Interest expense:			
- interest on borrowings	1,531	2,388	1,409
Interest derivatives (presented net):			
- held for trading interest rate swaps	338	-	(353)
Total finance costs	1,869	2,388	1,056
Net finance costs	1,253	1,757	547

7 Other revenue

	Actual 2016 \$000	Annual Plan 2017 \$000	Actual 2017 \$000
Traffic and parking infringements	23	31	43
Freedom camping infringements	69		55
Petrol tax	155	173	149
Vested land and infrastructure from property development	-	91	-
Insurance recoveries	-	-	-
Non-current assets held for sale gains on disposal	-	-	-
Property plant & equipment gains on disposal	19	121	65
Investment property gains on disposal	-	-	230
Investment property revaluation gains	-	-	-
Other	266	104	170
Total other revenue	532	520	712

8 Personnel costs

	Actual 2016 \$000	Annual Plan 2017 \$000	Actual 2017 \$000
Wages and salaries	4,527	4,841	5,101
Contributions to defined contribution plans	224	204	236
Increase/(decrease) in employee benefit liabilities	33	51	(79)
Total employee expenses	4,784	5,096	5,258

9 Other expenses

	Note	Actual 2016 \$000	Annual Plan 2017 \$000	Actual 2017 \$000
Fees to principal auditor				
Audit of financial statements		92	106	98
Long Term Plan (LTP) audit		-	-	-
Audit fee paid on behalf of West Coast Recreation Trust		2	5	-
Insurance expenses		469	486	484
Consultants		786	337	510
Legal fees		303	153	174
Electricity		930	969	911
Grants & Donations		262	299	338
Remuneration of elected members	32	259	249	262
Directors' fees		-	-	-
Minimum lease payments under operating leases		427	328	273
Assets written off		17	-	-
Impairment of asset expense		324	-	-
Bad debt expense		-	25	-
Movement in impairment of receivables	11	17	-	81
Movement in provision for financial guarantee		(29)	-	(271)
Loss on sale of property, plant and equipment		14	-	-
Loss on sale of Investment Property		16	-	8
Investment property revaluation losses		233	-	13
Other operating expenses		8,455	8,391	8,212
Total other expenses		12,577	11,348	11,093

10 Cash and cash equivalents

	Actual 2016 \$000	Actual 2017 \$000
Cash at bank and on hand	1,202	5,470
Call deposits	804	-
Term deposits with maturities of less than 3 months at acquisition	-	-
Total cash and cash equivalents	2,006	5,470

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 2017 was 3.7 percent (2016: 3.7 percent). The deposits had an average maturity of 152 days (2016: 152 days).

11 Trade and other receivables

	Actual 2016 \$000	Actual 2017 \$000
Receivables		
Rates receivables	1,321	1,363
Water rate receivables	156	107
New Zealand Transport Agency receivable	217	131
Port receivables	68	71
Lease receivables	400	404
Sundry receivables	2,299	1,820
Community loans	35	35
Prepayments	-	-
Loans to related parties	-	-
Interest receivable	121	97
GST receivable	259	165
Receivables prior to impairment	4,876	4,193
Less provision for impairment of receivables	(247)	(328)
Total receivables	4,629	3,865
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)	4,108	3,364
Receivables from exchange transactions – (this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates)	521	501

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:

	Gross \$000	2016 Impairment \$000	Net \$000	Gross \$000	2017 Impairment \$000	Net \$000
Not past due	1,842	-	1,842	1,191	-	1,191
Past due 1 - 30 days	36	-	36	78	-	78
Past due 31 - 90 days	501	-	501	1,033	-	1,033
Past due > 90 days	2,497	(247)	2,250	1,891	(328)	1,563
Total	4,876	(247)	4,629	4,193	(328)	3,865

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 2016 \$000	Actual 2017 \$000
At 1 July	230	247
Provisions reversed during the year	(15)	(11)
Additional provisions made during the year	34	92
Receivables written off during period	(2)	-
At 30 June	247	328

12 Other financial assets

	Actual 2016 \$000	Actual 2017 \$000
CURRENT PORTION		
Term deposits with original maturities greater than 3 months and remaining maturities less than 12 months	13,467	11,767
Borrower notes	-	-
Local authority stock	-	-
Available-for-sale financial assets	-	-
Total current investments	13,467	11,767
NON-CURRENT PORTION		
Borrower notes	320	320
Local authority stock	-	-
Unlisted shares	48	48
Total non-current investments	368	368

Fair value

Term deposits

The carrying amount of term deposits approximates their fair value.

Borrower notes

The carrying amount of borrower notes approximates their fair value.

Local authority stock

The fair value of local authority stock is nil (2016 nil). 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.

13 Inventory

	Actual 2016 \$000	Actual 2017 \$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.

14 Property, plant and equipment

COUNCIL 2017

	Cost/ valuation 01-Jul-16	Accumulated depreciation & impairment charges 01-Jul-16	Carrying amount 01-Jul-16	Current year additions	Current year disposals/ transfers at cost	Accumulated depreciation on disposals	Current year impairment charges	Current year depreciation	Revaluation surplus / (deficit)	Cost/ valuation 30-Jun-17	Accumulated depreciation & impairment charges 30-Jun-17	Carrying amount 30-Jun-17
INFRASTRUCTURAL ASSETS												
Roading Network	169,488	(7,423)	162,065	2,254	-	-	-	(3,782)	4,751	165,288	-	165,288
Land Under Roads	68,733	-	68,733	-	-	-	-	-	-	68,733	-	68,733
Stormwater	29,371	(1,451)	27,920	1,974	-	-	-	(725)	2,293	31,462	-	31,462
Flood Protection System	8,605	(1,562)	7,043	10	-	-	-	(73)	-	8,615	(1,635)	6,980
Sewerage	58,290	(1,531)	56,759	1,222	(1,757)	-	-	(1,383)	(294)	54,547	-	54,547
Water Supply Systems	23,060	(1,035)	22,025	1,029	-	-	-	(537)	935	23,452	-	23,452
Landfill Site	3,356	(2,576)	780	329	-	-	-	(34)	-	3,685	(2,610)	1,075
Work in progress	801	-	801	157	(750)	-	-	-	-	208	-	208
TOTAL INFRASTRUCTURAL ASSETS	361,704	(15,578)	346,126	6,975	(2,507)	-	-	(6,534)	7,685	355,990	(4,245)	351,745
OTHER FIXED ASSETS												
General Land	4,740	-	4,740	-	(152)	-	-	-	(368)	4,220	-	4,220
Other Land	2,778	-	2,778	30	(11)	-	-	-	-	2,797	-	2,797
Buildings	26,021	(2,374)	23,647	11,365	-	-	-	(1,505)	2,669	36,176	-	36,176
Service concession asset - Civic Centre	153	(153)	-	-	-	-	-	-	-	153	(153)	-
Plant & Machinery	1,589	(914)	675	290	-	-	-	(184)	-	1,879	(1,098)	781
Furniture & Fittings	412	(376)	36	61	-	-	-	(11)	-	473	(387)	86
Computer Equipment	1,579	(1,397)	182	304	-	-	-	(113)	-	1,883	(1,510)	373
Library Stocks	1,965	(1,789)	176	70	-	-	-	(50)	-	2,035	(1,839)	196
Breakwaters & Wharves	4,839	(3,471)	1,368	9	-	-	-	(77)	-	4,848	(3,548)	1,300
Aerodrome	2,520	(149)	2,371	-	-	-	-	(51)	(211)	2,109	-	2,109
Parking Developments	443	(144)	299	-	-	-	-	(9)	-	443	(153)	290
Reserve Board Assets	290	-	290	-	-	-	-	-	-	290	-	290
Sports fields and Parks	2,610	(646)	1,964	65	-	-	-	(93)	-	2,675	(739)	1,936
Heritage Assets	1,062	(240)	822	-	-	-	-	(20)	-	1,062	(260)	802
Work in progress	10,608	-	10,608	839	(10,561)	-	-	-	-	886	-	886
TOTAL OTHER FIXED ASSETS	61,609	(11,653)	49,956	13,033	(10,724)	-	-	(2,113)	2,090	61,929	(9,687)	52,242
TOTAL PROPERTY, PLANT AND EQUIPMENT	423,313	(27,231)	396,082	20,008	(13,231)	-	-	(8,647)	9,775	417,919	(13,932)	403,987

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/ transfers 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
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

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
2017				
Water Supply Systems				
- treatment plants and facilities	3,422	-	-	5,212
- other assets (such as reticulation systems)	20,030	1,029	-	36,373
Sewerage				
- treatment plants and facilities	13,828	-	-	16,201
- other assets (such as reticulation systems)	40,553	1,222	-	53,463
Stormwater	31,628	383	-	68,387
Roads and footpaths	165,288	2,254	-	256,444
Flood Protection System	6,980	-	-	n/a
	281,729	4,888	-	436,080
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

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 2016/2017 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 Preston Rowe Paterson, and the valuation is effective as at 30 June 2017.

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 2017.

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 Preston Rowe Paterson, and the valuation is effective as at 30 June 2017.

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 has been independently reviewed by John Vessey, Technical Principal: Asset Valuation at Opus International Consultants Ltd. The valuation is effective as at 30 June 2017.

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-17 \$000
MD Sutherland, Grey DC	275,908
P J Hines, Preston Rowe Paterson	41,346

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. Council has applied an impairment based on an assessment of the replacement cost of the roof, supported by the now contracted price to undertake the repairs.

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 2016 \$000	Actual 2017 \$000
INFRASTRUCTURAL ASSETS		
Water supply systems		
- Taylorville Dobson supply	583	-
- Runanga supply	5	15
Landfill		
- Cell 3 design and development	46	193
- Recycling storage shed	167	-
	801	208
OTHER FIXED ASSETS		
Buildings		
- Westland Recreation Centre	10,557	-
- Shed - Greymouth Dog Park	3	-
- Greymouth CBD Town Square	48	591
- EQ Strengthening - Left Bank Art Gallery	-	11
	10,608	602

Insurance of Assets

	Carrying value of assets covered by insurance contracts \$000	Maximum amount to which assets are insured \$000
Buildings	36,176	88,181
Contents	655	11,649
Work in progress	11	11
Vehicles	781	437
Stormwater network and plant	31,628	19,874
Sewerage network and plant	54,381	40,738
Water supply network and plant	23,452	13,064
Landfill	1,075	1,819
Flood Protection System	6,980	3,721
Breakwaters & Wharves	1,300	13,388
	156,439	192,882

ASSET VALUES FROM STATEMENT OF FINANCIAL POSITION

Property, plant and equipment 403,987

Less carrying value of those assets disclosed above:

Carrying value of assets covered by insurance contracts 156,439

Carrying value of assets covered by financial risk sharing arrangements. -

Less uninsured asset classes

Roading Network 165,288

Land Under Roads 68,733

General Land 4,220

Other Land 2,797

Aerodrome 2,109

Parking Developments 290

Reserve Board Assets 290

Sports fields and Parks 1,936

Heritage Assets 802

Work in progress 1,083

-

15 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 2015		446
Additions		-
Disposals		-
Balance at 30 June 2016		446
Balance at 1 July 2016		446
Additions		2
Disposals		-
Balance at 30 June 2017		448
ACCUMULATED AMORTISATION AND IMPAIRMENT		
Balance at 1 July 2015		(118)
Amortisation charge		(54)
Disposals		-
Balance at 30 June 2016		(172)
Balance at 1 July 2016		(172)
Amortisation charge		(54)
Disposals		-
Balance at 30 June 2017		(226)
CARRYING AMOUNTS		
Balance at 1 July 2015		328
Balance at 30 June and 1 July 2016		274
Balance at 30 June 2017		222

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

16 Depreciation and amortisation expense by group of activity

	Actual 2016 \$000	Annual Plan 2017 \$000	Actual 2017 \$000
Land transport	3,730	3,700	3,793
Stormwater	800	806	800
Wastewater	855	963	1,383
Water Supply	530	563	506
Solid waste management	39	117	136
Emergency management	5	11	5
Environmental services	2	40	3
Other transport	222	284	188
Property and housing	381	380	401
Community facilities and events	1,021	845	1,223
Democracy and administration	249	219	263
Total depreciation and amortisation expense	7,834	7,928	8,701

17 Investment property

	Actual 2016 \$000	Actual 2017 \$000
Balance 01 July	3,263	2,900
Transfer from <i>Assets held for sale</i>	-	-
Transfer from <i>Property, plant and equipment</i>	-	-
Disposals	(130)	(156)
Fair value gains/(losses) on valuation	(233)	(13)
Balance at 30 June	2,900	2,731

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 2017.

18 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 2017

19 Payables

	Note	Actual 2016 \$000	Actual 2017 \$000
Payables under exchange transactions			
Trade payables and accrued expenses		2,518	1,960
Sundry Creditors		1,043	991
Directors fee payable		-	-
Accrued expenses		-	-
Amounts due to related parties	30	15	88
Interest Payable		194	185
Total		3,770	3,224
Payables under non-exchange transactions			
Grants payable		-	-
GST payable		-	-
Total		-	-
Total trade and other payables		3,770	3,224

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

20 Employee entitlements

	Actual 2016 \$000	Actual 2017 \$000
Accrued pay	52	-
Annual leave	640	600
Long service leave	67	77
Retirement gratuities	208	211
	967	888
COMPRISING:		
Current	381	388
Non-current	586	500
Total employee benefit liabilities	967	888

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 3.0% (2016 4.0%) and an inflation factor of 2.5% (2016 2.5%) were used.

21 Borrowings

	Actual 2016 \$000	Actual 2017 \$000
CURRENT		
Secured loans	-	5,000
Total current borrowings	-	5,000
NON-CURRENT		
Secured loans	30,320	25,425
Total non-current borrowings	30,320	25,425
Total borrowings	30,320	30,425

External borrowings	Maturity date	Interest rate (as at 30 June 2016 30 Jun 17)	Balance at 30 June 2016 \$	Loans uplifted \$	Amortisation of fair value	Loans repaid \$	Balance at 30 June 2017 \$
LOAN NAME							
Westpac Multi Option Cash Loan	22 Sep 17	n/a	1,265,000	-	-	(1,265,000)	-
Westpac Multi Option Cash Loan	22 Sep 17	n/a	275,000	-	-	(275,000)	-
Westpac Multi Option Cash Loan	22 Sep 17	n/a	2,410,000	-	-	(2,410,000)	-
Westpac Multi Option Cash Loan	23 Jul 16	n/a	839,000	-	-	(839,000)	-
Harbour Asset Management floating rate note	15 Jun 20	2.68%	-	5,000,000	-	-	5,000,000
Westpac floating rate note	24 Oct 17	2.47%	5,000,000	-	-	-	5,000,000
Local Government Funding Agency	15 Mar 19	2.82%	3,000,000	-	-	-	3,000,000
Local Government Funding Agency	15 Mar 19	5.00%	2,037,454	-	(13,250)	-	2,024,204
Local Government Funding Agency	15 May 21	6.00%	5,295,870	-	(53,825)	-	5,242,045
Local Government Funding Agency	15 May 21	6.00%	5,243,996	-	(44,389)	-	5,199,607
Local Government Funding Agency	15 Apr 23	5.50%	2,953,668	-	5,781	-	2,959,449
Local Government Funding Agency	15 Apr 23	2.91%	2,000,000	-	-	-	2,000,000
			30,319,987	5,000,000	(105,683)	(4,789,000)	30,425,305
Portion of Term Debt repayable within One year			-	-	-	-	5,000,000
Portion of Term Debt repayable in One to Two years			9,789,000	-	-	-	5,024,204
Portion of Term Debt repayable in Two to Five years			15,577,320	-	-	-	15,441,652
Portion of Term Debt repayable in Five years or more			4,953,667	-	-	-	4,959,449
Total Term Debt repayable			30,319,987	-	-	-	30,425,305

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

Carrying values are approximately equal to fair value.

22 Derivative financial instruments

	Actual 2016 \$000	Actual 2017 \$000
Interest rate swaps - fair value	875	523
	875	523
COMPRISING:		
Current	-	28
Non-current	875	495
Total derivative financial instruments	875	523

The notional principal amounts of the outstanding interest rate swap contracts for the Council were \$7,500,000 (2016 \$7,500,000). At 30 June 2017, the fixed interest rates of cash flow interest rate swaps vary from 4.63% to 4.95% (2016 4.63% to 4.95%).

23 Provisions

	Actual 2016 \$000	Actual 2017 \$000
Landfill aftercare provision	1,322	1,286
Financial guarantees	1,144	873
Total provisions	2,466	2,159

Movements for each class of provision are as follows:

Landfill aftercare provision

	Actual 2016 \$000	Actual 2017 \$000
Balance 01 July	1,030	1,322
Additional provisions made in the year	325	-
Amounts used in the year	(33)	(16)
Unused amounts reversed	-	(20)
Balance at 30 June	1,322	1,286

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 2018 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 rates of 2.0% to 4.8% (2016 4.5%).

Financial guarantees

	Actual 2016 \$000	Actual 2017 \$000
Balance 01 July	1,173	1,144
Additional provisions made in the year	-	-
Amounts used in the year	(29)	(33)
Unused amounts reversed	-	(238)
Balance at 30 June	1,144	873

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	\$417,430
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 and subsequent Annual Plans.

24 Equity

	Actual 2016 \$000	Actual 2017 \$000
RATEPAYERS EQUITY		
Opening balance	225,877	230,104
Plus net surplus/(deficit) for the year	699	20
Net transfer from/(to) Special Funds	3,526	(562)
Net transfer from/(to) Trusts & Bequests	2	(10)
Net Transfer from revaluation reserves on disposal	-	-
Closing balance	230,104	229,552
SPECIAL FUNDS		
Opening balance	12,995	9,469
Plus interest (transfer from ratepayer equity)	424	424
Other transfers from ratepayers equity	786	1,154
Transfer to ratepayers equity	(4,736)	(1,016)
Closing balance	9,469	10,031
TRUSTS, BEQUESTS & OTHER RESERVES		
Opening balance	169	167
Transfer from ratepayers equity	13	14
Transfer to ratepayers equity	(15)	(4)
Closing balance	167	177
REVALUATION RESERVES		
Opening balance	141,796	141,796
Reclassification to surplus or deficit on disposal	-	-
Net revaluation gains / (losses)	-	9,775
Impairment losses recognised in the revaluation reserve	-	-
Closing balance	141,796	151,571
TOTAL EQUITY	381,536	391,331
REVALUATION RESERVES ARE MADE UP OF THE FOLLOWING		
Land & Building Revaluation Reserve	18,683	20,984
Aerodrome revaluation reserve	647	436
Roading Revaluation Reserve	79,968	84,719
Water Revaluation Reserve	8,109	9,044
Investment Revaluation Reserve	52	52
Drainage & Sewerage Revaluation Reserve	34,337	36,336
	141,796	151,571

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

2017: 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	-	-	-	-
Te Kinga Infra Upgrade Reserve	All activities	88	3	-	91
Rural Sewerage Capital Works Reserve	Wastewater	270	10	-	280
Cobden Stormwater Mitigation Reserve	Stormwater	50	1	-	51
Barrytown Area Infra Reserve	All activities	95	3	(3)	95
Atarau Area Infra Reserve	All activities	-	-	-	-
Ahaura Area Infra Reserve	All activities	162	6	-	168
Haupiri Area Infra Reserve	All activities	134	5	-	139
Nelson Creek Infrastructure Reserve	All activities	17	-	-	17
Ngahere Infrastructure Reserve	All activities	186	7	-	193
Blackball Area Infra Reserve	All activities	1	-	-	1
Runanga Area Infra Reserve	All activities	696	24	-	720
Kaiata Stillwater Area Infra Reserve	All activities	194	7	-	201
Karoro Infrastructure Development Reserve	All activities	601	21	-	622
South Beach/Paroa Infrastructure Reserve	All activities	400	14	-	414
Camerons Infrastructure Reserve	All activities	113	4	(28)	89
Gladstone Infrastructure Reserve	All activities	198	7	-	205
Arnold Valley Area Infra Reserve	All activities	100	3	-	103
Lake Brunner Area Infra Reserve	All activities	200	7	-	207
Hohonu Area Infra Reserve	All activities	46	1	-	47
Infra Renewal Reserve	All activities	98	41	-	139
Moana Water Supply	Water supply	9	-	-	9
Flood Protection Reserve	Stormwater/Flood protection	112	4	-	116
Cemetery Extension Reserve	Cemeteries	47	2	-	49
Cemetery Maintenance Reserve	Cemeteries	314	31	-	345
Footpath Reserve	Land transport	60	2	-	62
Roading Reserve - Exp Committed	Land transport	70	257	-	327
Land Fill Reserve	Solid waste management	23	11	-	34
Airport Maintenance Reserve	Airport	267	91	-	358
Disaster Recovery Reserve	All activities	2,002	70	-	2,072
Civil Defence Reserve	Emergency management	33	1	-	34
Rural Fire Authority Reserve	Rural fire authority	114	4	-	118
Economic Development Reserve	All activities	10	-	-	10
Harbour Endowment LS Reserves	Port	-	348	(240)	108
Land Sale Reserve	All activities	-	145	(118)	27
Reserves Subdivision Contributions	Community facilities and parks	14	9	-	23
Maori Land Compensation Reserve	Council property	192	6	-	198
TDS Reserve	Economic development	60	2	-	62
Town Clock Reserve	Community facilities and parks	22	-	-	22
Gas Management Plan Reserve	Council property	17	-	-	17
District Planning Reserve	District planning	61	2	-	63
Plant and Machinery Reserve	All activities	526	142	-	668
Building & Property Gen Reserve	Council property	29	42	-	71
Westland Rec Centre Maintenance Reserve	Westland Recreation Centre	18	1	-	19
Spring Creek Pool	Spring Creek Pool	77	3	-	80
Ogilvie Reserve Reserve	Spring Creek Pool	39	1	(6)	34
Corp Equip and Furniture Reserve	Council administration	518	232	-	750
Staff Costs Reserve	Council administration	-	4	(4)	-
Sunshine Coach Reserve	Council administration	6	1	-	7
Rental Housing Reserve	Retirement housing	172	6	(47)	131
Miners Rec Centre Reserve	Westland Recreation Centre	-	-	-	-
Library Reserve	Libraries	4	1	-	5
SPECIAL FUNDS - Committed Expenditure	All activities	1,004	(4)	(570)	430
Total special funds		9,469	1,578	(1,016)	10,031

2017: 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	39	1	-	40
Mayoral Flood Relief Fund	Democracy	8	-	-	8
Grey United Tennis Resurfacing Reserve	Community facilities and parks	-	-	-	-
Citizens Emergency Relief Fund	Democracy	66	2	-	68
Perotti Bequest	Community facilities and parks	1	1	(2)	-
Peters Bequest - Talking Books	Libraries	18	1	(2)	17
Vera Corbett Bequest	Libraries	31	1	-	32
Thomas Dehenny Bequest	Community facilities and parks	2	8	-	10
Total trusts and bequests		167	14	(4)	177
TOTAL SPECIAL FUNDS, TRUSTS, AND BEQUESTS		9,636	1,592	(1,020)	10,208

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

Purpose of each reserve fund

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

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

Special funds	
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).

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

	Actual 2016 \$000	Actual 2017 \$000
Surplus from operations	699	20
ADD/(LESS) NON CASH ITEMS		
Depreciation	7,834	8,701
Impairment in value of Property, Plant and Equipment	324	-
Vested assets	-	-
Unrealised landfill aftercare costs	292	(36)
Movement in provision for financial guarantee	(29)	(271)
Movement in employee entitlements (non current)	54	(86)
Debt forgiven	-	-
Assets written off	17	-
	8,492	8,308
MOVEMENTS IN WORKING CAPITAL		
(Increase)/decrease in accounts receivable	4,038	740
(Increase)/decrease in interest receivable	121	24
(Increase)/decrease in inventory	-	-
Increase/(decrease) in accounts payable	(256)	(537)
Increase/(decrease) in interest payable	(17)	(9)
Increase/(decrease) in revenue in advance	31	68
Increase/(decrease) in employee entitlements	(21)	7
	3,896	293
LESS ITEM CLASSIFIED AS INVESTING ACTIVITY		
Net gain(loss) on sale of property, plant & equipment and non-current assets held for sale	5	(65)
Net gain(loss) on sale of investment property	(16)	(222)
Fair value (gains)/losses on valuation of investment property	233	13
less amortisation of fair value of term loans	(100)	(106)
Change in fair value of interest swap	338	(352)
	460	(732)
Net cash flow from operations	13,547	7,889

26 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 21 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 2016 \$000	Actual 2017 \$000
OFFICE EQUIPMENT		
Not later than one year	63	42
Later than one year and not later than two years	15	28
Later than two years but not later than five years	2	18
Later than five years	-	-
	80	88
LAND LEASES		
Not later than one year	229	237
Later than one year and not later than two years	195	221
Later than two years but not later than five years	540	597
Later than five years	1,903	2,243
	2,867	3,298
Total non-cancellable operating leases	2,947	3,386

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 June 2018
Utilities Maintenance (incl. Maintenance and Operation of the Greymouth Flood Scheme)	To 30 June 2018
Roading Maintenance Works	To 30 June 2018

Smart Environmental New Zealand Limited

Solid Waste Operation Contract	To 30 June 2022
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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

In addition to the above operating and maintenance contracts Council as at 30 June 2017 had remaining contractual commitments as follows:

Contract	Contractor	Minimum remaining commitment per awarded contract
Taylorville, Dobson & Kaiata Sewerage Scheme	Tru-Line Civil Limited	98,846
Greymouth CBD Renewal Stage One – Civil Works	Paul Smith Earthmoving 2002 Limited	1,030,257
Runanga Sewer Renewal Stage Two	Tru-Line Civil Limited	149,065
Runanga Waste Water Pump Station Electrical	Aotea Electric Westland Limited	65,012
Marsden Road Stormwater CIPP Relining	Interflow Pty Limited	186,650
		1,529,830

In August 2017 Council approved funding of \$590,000 to undertake repairs to the Aquatic Centre roof, which was not included in the 2017-2018 Annual Plan. The repairs commenced in September 2017.

27 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 (2016: Nil).

Claim against Council

In April 2013, the Ministry of Education (MOE) initiated High Court proceedings against Carter Holt Harvey (CHH) and others alleging inherent defects in the cladding sheets and cladding systems manufactured and prepared by CHH. Subsequently, in December 2016, CHH commenced third party proceedings against 48 Councils, including Grey District Council alleging a breach of duty in the processing of building consents, undertaking building inspections and issuing Code Compliance Certificates. The Councils have applied for orders setting aside and striking out CHH's claims against them. The MOE's claim against CHH is for 833 school buildings, 3 of which are located within the Grey District. At present there is insufficient information to conclude on potential liability and claim quantum, if any.

28 Contingent assets

Financial contributions – resource consents

Council has entered into a number of bonding arrangements with various sub dividers, 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 2017, the payments to be made to Council in the future totalled \$201,258 (2016 \$222.617).

29 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 2017, as 106.2% (107.4% as at 31 March 2016). 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 2017.

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 2016 the Actuary recommended (and endorsed by the board) employer contributions to the Scheme remain at zero from 1 April 2017.

30 Related party transactions

Council members

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

Councillor	Business in which an interest is held	Transaction type	Amount paid to the business 2016 (incl. GST) \$	Amount payable 2016 (incl. GST) \$	Amount paid to the business 2017 (incl. GST) \$	Amount payable 2017 (incl. GST) \$
Gibson A.J	Muffler Shop West Coast Ltd	Vehicle repairs	1,872	236	1,486	-
Haddock P.R	Westland Engineering	Engineering Services	5,996	593	2,095	255
Haddock P.R	E-Quip Engineering	Engineering Services	-	-	43,264	-
Haddock P.R	Greymouth Equipment Centre	Engineering Services	544	-	370	192
Hay M	Hay Brothers Painters	Painting Contractors	-	-	3,498	-
Kokshoorn A.F	Greymouth Evening Star	Printing and advertising	88,118	9,406	69,352	7,945
Truman D.J	Central Paper Plus	Office supplies	5,116	388	2,461	-
			101,646	10,623	122,526	8,392

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 2016 (excl. GST) \$	Amount payable 30-Jun-16 (excl. GST) \$	Amounts paid to the organisation 2017 (excl. GST) \$	Amount payable 30-Jun-17 (excl. GST) \$
80,687	-	83,796	-

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 2016 (excl. GST) \$	Amount payable 30-Jun-16 (excl. GST) \$	Amounts paid to the organisation 2017 (excl. GST) \$	Amount payable 30-Jun-17 (excl. GST) \$
13,112	-	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 2016 (excl. GST) \$	Amount payable 30-Jun-16 (excl. GST) \$	Amounts paid to the organisation 2017 (excl. GST) \$	Amount payable 30-Jun-17 (excl. GST) \$
75,665	4,000	48,098	79,463

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. (2016 – 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 2016 \$	Actual 2017 \$
Salaries and other short term employee benefits	1,001,782	966,927
Employer superannuation contributions	41,462	40,330
Post employment benefits	-	-
Total compensation	1,043,244	1,007,257
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.

31 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.

32 Elected members' remuneration

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

		Honorarium 2017 \$	Travel Allowance 2017 \$	Total 2017 \$	Total 2016 \$
MAYOR					
Kokshoom	A.F	80,910	-	80,910	80,014
COUNCILLOR					
Becker	A.D	21,473	419	21,892	21,664
Brown	K.R	5,962	-	5,962	21,239
Coll	A.P	21,473	-	21,473	21,239
Gibson	A.J	21,473	77	21,550	21,239
Gibson	T.K	15,452	-	15,452	
Haddock	P.R	21,473	-	21,473	21,239
Hay	M	27,345	-	27,345	21,239
McBride	P.T	15,452	-	15,452	
Sandrey	C.R	21,473	77	21,550	21,239
Truman	D.J	8,908	-	8,908	29,735
Total elected members remuneration		261,396	573	261,969	258,847

33 Chief Executive Officer's remuneration

	Actual 2016 \$	Actual 2017 \$
Salary	183,536	178,666
Employer Superannuation Contributions	20,044	19,960
Telephone rental	610	620
Car - Full Use	8,705	8,838
Professional Allowances/Fees	500	500
Total Chief Executive Officer's remuneration	213,395	208,584

34 Council employees

2017	Actual 2017 \$
<\$60,000	58
\$60,000 - \$79,999	17
\$80,000 - \$99,999	9
\$100,000 - \$139,999	7
\$140,000 - \$219,999	3
Total Employees	94

2016	Actual 2016 \$
<\$60,000	57
\$60,000 - \$79,999	20
\$80,000 - \$99,999	9
\$120,000 - \$159,999	6
\$160,000 - \$219,999	1
Total Employees	93

Total remuneration includes non-financial benefits provided to employees.

At balance date, the Council employed 50 (2016 52) full-time employees, with the balance of staff representing 18 (2016 13) full-time equivalent employees. A full-time employee is determined on the basis of a 40-hour working week.

35 Severance payments

There were no severance payments during the 2016/2017 year that meets the definition of a severance payment as in clause 33 of schedule 10 of the Local Government Act 2002. (Nil payments 2016).

36 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.

37 Events subsequent to balance date

Nil

38 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 2016 \$000	Actual 2017 \$000
FINANCIAL ASSETS		
Loans and receivables		
Cash and cash equivalents (net)	2,006	5,470
Short term investments > 3 -12 months	13,467	11,767
Trade and other receivables	4,629	3,865
	20,102	21,102
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)	48	48
	48	48
FINANCIAL LIABILITIES		
Financial liabilities at amortised cost		
Trade and other payables	3,770	3,224
Secured loans	30,320	30,425
	34,090	33,649
Fair value through statement of comprehensive revenue and expense		
Derivative financial instruments (interest rate swap)	875	523
	875	523

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 10 and on Council's borrowings in note 21.

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 2017 had fluctuated by plus or minus 0.5%, the effect would have been to decrease/increase the surplus/deficit by \$88,000 (2016: \$79,000).

Based on financial instrument disclosures at the balance date and with other variables held constant; if interest rates on borrowings at 30 June 2017 had fluctuated by plus or minus 0.5%, the effect would have been to decrease/increase the surplus after tax by \$152,000 (2016: \$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 (2016: \$10,000,000) plus available credit on a credit line facility with Westpac of \$6,050,000 (2016 \$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 12 and 21 respectively.

39 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.

40 Explanation of major variances against budget

Explanations for major variations from Council's estimated figures in the 2016/2017 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 \$20,000 as compared to the budget forecasting a deficit of \$1,346,000. This positive variance of \$1,366,000 is attributable to a number of factors, notably:

- Subsidies and grants revenue- \$669,000 greater than budget. This relates to a timing difference, where some grants towards the funding of the Westland Recreation Centre initially expected to be received in the prior financial year were received this year.
- Fees and charges less than budget by \$441,000, which largely relates to revenue received at the Westland Recreation Centre being less than budget. This is due to a combination of the facility not being open for the entire year and the anticipated membership/user numbers taking longer to reach forecasts.
- Other revenue greater than budget by \$192,000 which relates to \$230,000 gains on disposal of investment property. This is not used as a direct source of funds for activities and the gain was not budgeted for.
- Depreciation and amortisation expense – greater than budget by \$773,000. This relates to:
 - the impact of depreciation on new wastewater assets recently commissioned (Dobson/Kaiata/Taylorville scheme and Greymouth Wastewater Treatment Plant) being greater than allowed for in the budget; and
 - due to a higher depreciation expense on the Westland Recreation Centre (including Aquatic facilities) and Libraries compared to the amount factored into the budget
- Movement in asset revaluation reserve is less than budget by \$12,350,000, due to:
 - Contract rates for infrastructure assets (which underlie the revalued depreciated replacement cost) not increasing as markedly since the last revaluation as anticipated when originally budgeting; and
 - Council has spent the last 2 – 3 years carrying out more detailed condition assessments of its infrastructure assets which in some instances has shortened the expected remaining life of assets. The remaining useful life also underlies the depreciated replacement cost, i.e. shorter remaining life equals a lower value.

Statement of movements in equity

Significant variations from budgeted changes in equity relate to the total comprehensive revenue being \$10,984,000 lower than the total forecast for the current for the reasons as detailed above.

Statement of financial position

Significant variations from budget are as follows:

- Current assets are \$5,144,000 higher than budget primarily due to *Cash and cash equivalents* and *Other financial assets* (investments) overall being \$3,824,000 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 \$24,933,000 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, and McLeans Landfill new cell; and
 - The increase in value of assets classes revalued being \$12,350,000 less than budgeted as referred to above.
- Liabilities are \$7,535,000 less than budget due to Council's total borrowing requirements being less than forecast. This is due to capital projects, which require partial or full loan funding, delayed compared to the budgeted timeframes, notably the new cell at McLeans landfill.
- Total equity is \$12,254,000 less than budgeted as referred to above (i.e. asset revaluation movement).

Statement of cash flows

Significant variations from budget are as follows:

- Net cash from investing activities \$9,343,000 less than budget mainly per the explanation provided above for the reduced capital expenditure variation.
- Net cash from financing activities is less than budget by \$6,116,000 due to less requirement for new borrowing as referred to above.

8 Funding impact statement for whole of Council

	2016 Annual Plan \$000	2016 Actual \$000	2017 Annual Plan \$000	2017 Actual \$000
[A] SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	9,131	9,512	9,403	9,744
Targeted rates	6,031	6,019	6,126	6,166
Subsidies and grants for operating purposes	1,728	2,651	1,660	1,689
Fees and charges	3,709	3,837	4,507	4,121
Interest and dividends from investments	579	616	631	509
Local authorities fuel tax, fines, infringement fees, & other receipts	309	444	308	362
Total operating funding [A]	21,487	23,079	22,635	22,591
[B] APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	15,778	16,510	16,444	16,530
Finance costs	1,930	1,869	2,388	1,056
Other operating funding applications	-	264	-	(200)
Total applications of operating funding [B]	17,708	18,643	18,832	17,386
Surplus (deficit) of operating funding [A - B]	3,779	4,436	3,803	5,205
[C] SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	9,116	4,601	2,508	3,148
Development and financial contributions	58	64	59	94
Increase (decrease) in debt	2,058	-	6,325	208
Gross proceeds from sale of assets	121	146	121	590
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding [C]	11,353	4,811	9,013	4,040
[D] APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
—to meet additional demand	-	-	-	-
—to improve the level of service	11,966	11,017	7,134	2,937
—to replace existing assets	4,596	4,769	4,964	3,993
Increase (decrease) in reserves	(1,430)	(3,531)	718	572
Increase (decrease) of investments	-	(3,008)	-	1,743
Total applications of capital funding [D]	15,132	9,247	12,816	9,245
Surplus (deficit) of capital funding [C - D]	(3,779)	(4,436)	(3,803)	(5,205)
Funding balance: [A - B] + [C - D]	-	-	-	-

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

	2016 Annual Plan \$000	2016 Actual \$000	2017 Annual Plan \$000	2017 Actual \$000
Surplus (deficit) of operating funding	3,779	4,436	3,803	5,205
Add sources of capital funding recognised as revenue in Statement of Comprehensive Revenue and Expense				
Subsidies and grants for capital expenditure	9,116	4,601	2,508	3,148
Development and financial contributions	58	64	59	94
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Adjust for other sources of non cash items excluded from the Funding Impact Statement				
Depreciation and amortisation expense	(7,795)	(7,834)	(7,928)	(8,701)
Net gain (loss) of non current assets held for sale	-	-	-	-
Net gain (loss) on sale of property plant & equipment/investment property	121	(11)	121	287
Vested assets revenue/Other dedicated capital funding	90	-	91	-
Fair value gain / (loss) on investment property	-	(233)	-	(13)
Gross profit on sale of land inventory	-	-	-	-
Other non operating revenue/(expense)	-	(324)	-	-
Surplus/(deficit) after tax attributable to Grey District Council	5,369	699	(1,346)	20

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 2016 and 2017 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).

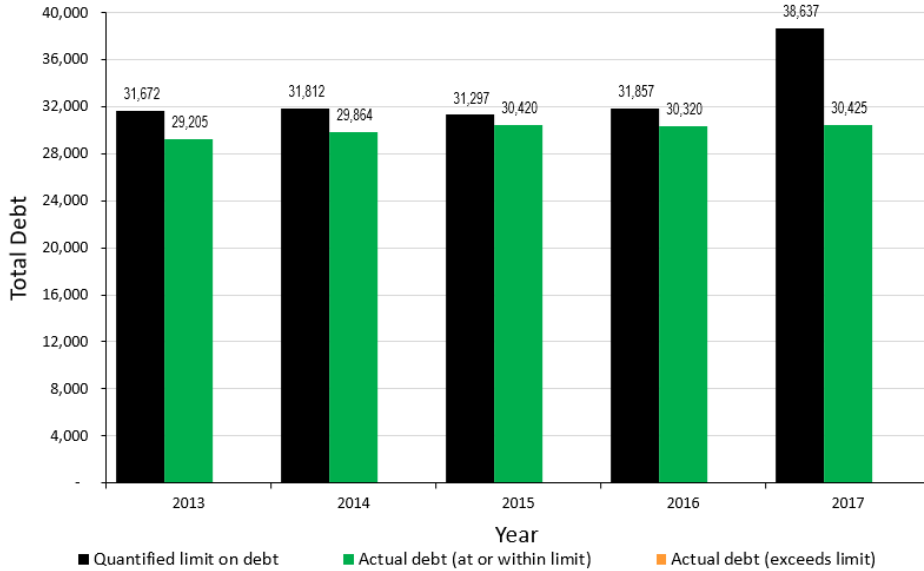


[2] Debt affordability benchmarks

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.

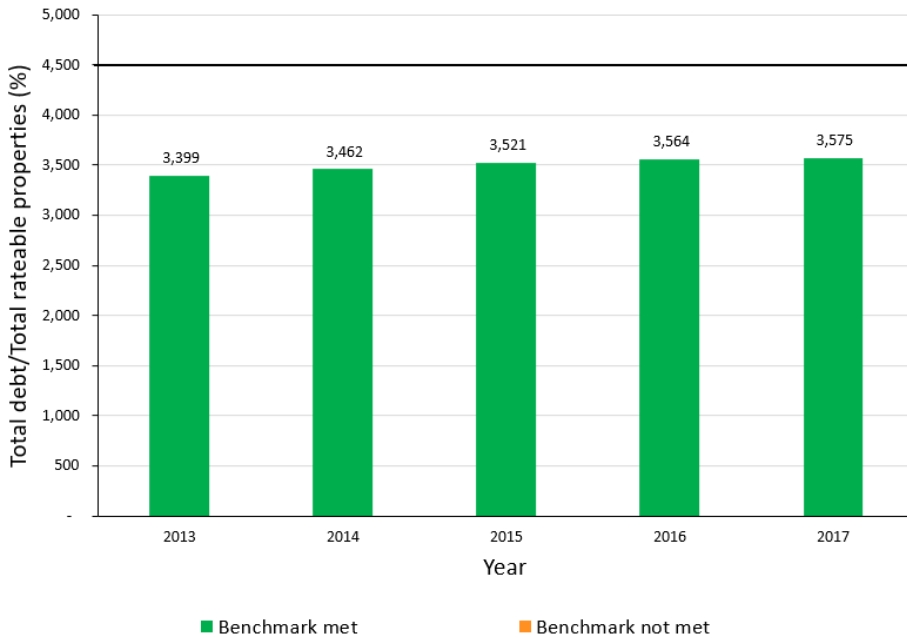
Actual debt compared to forecast debt

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.



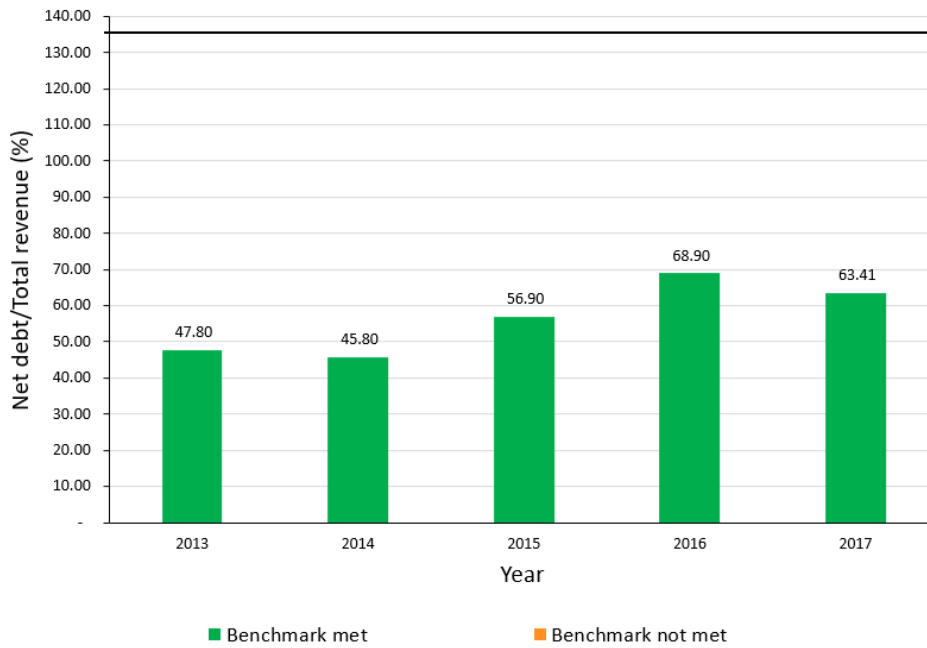
Total actual debt per rateable property

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.



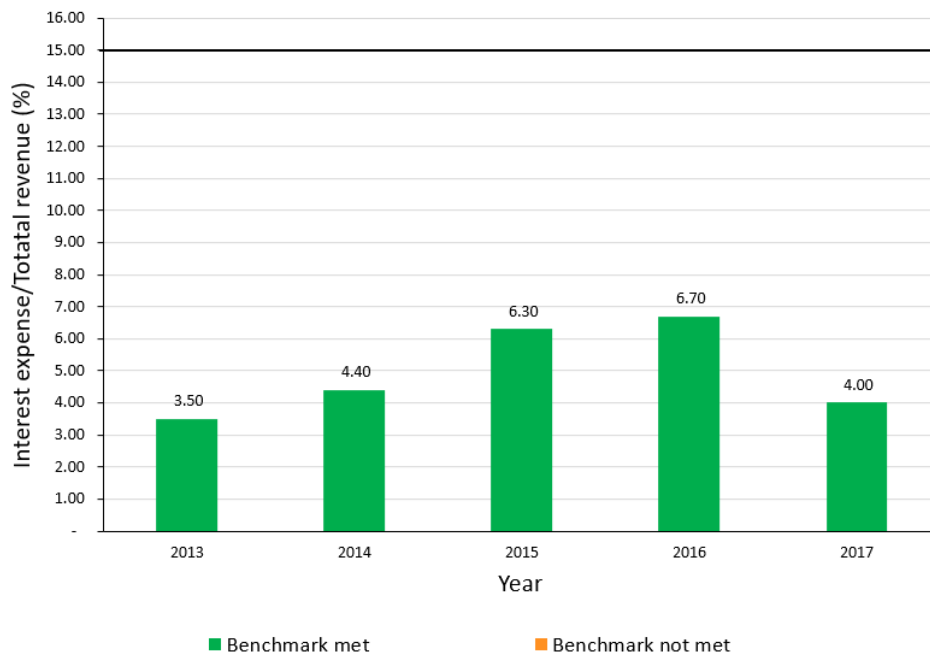
Total net debt as a percentage of total actual revenue

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.



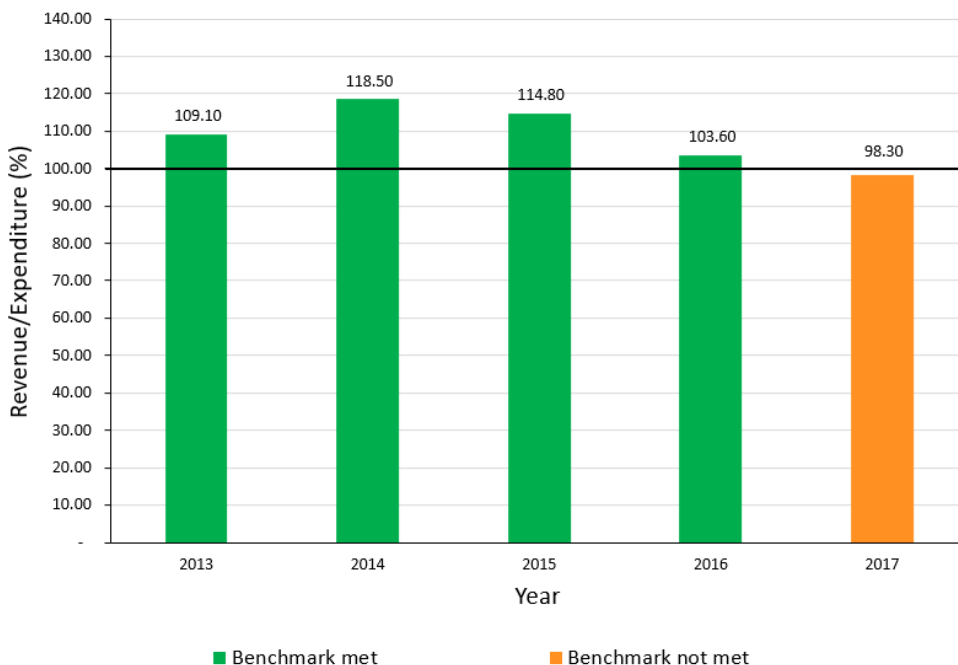
Actual debt servicing (finance) costs as a percentage of total actual revenue

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

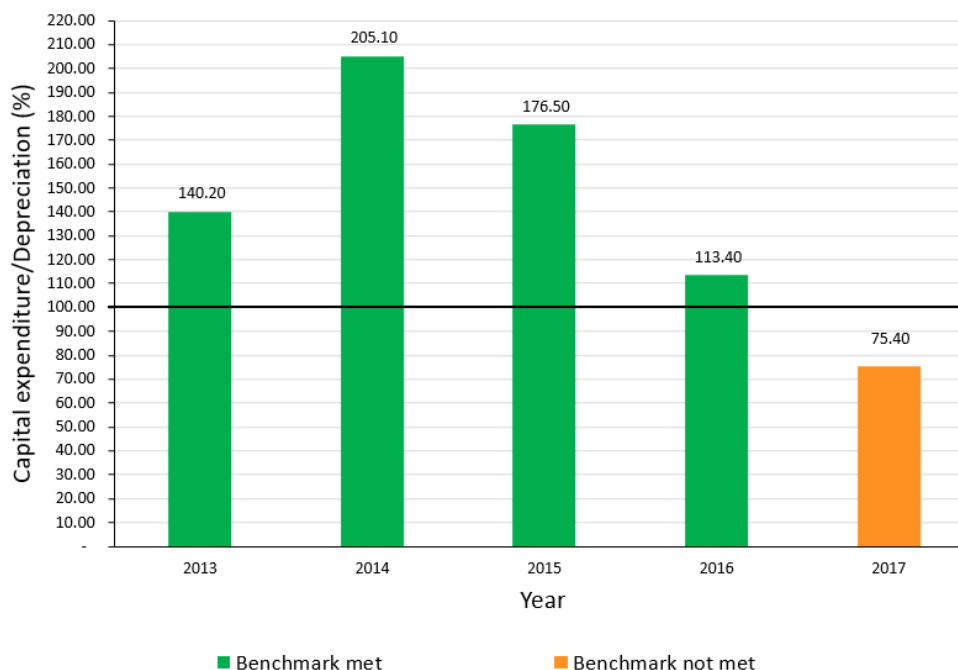
The following graph displays the council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial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

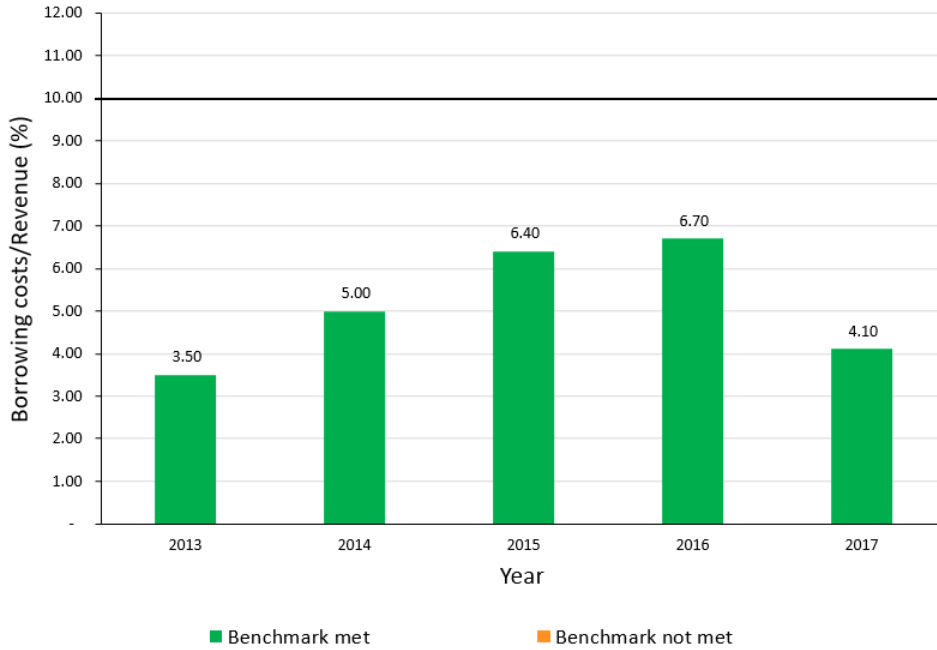
The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



[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).

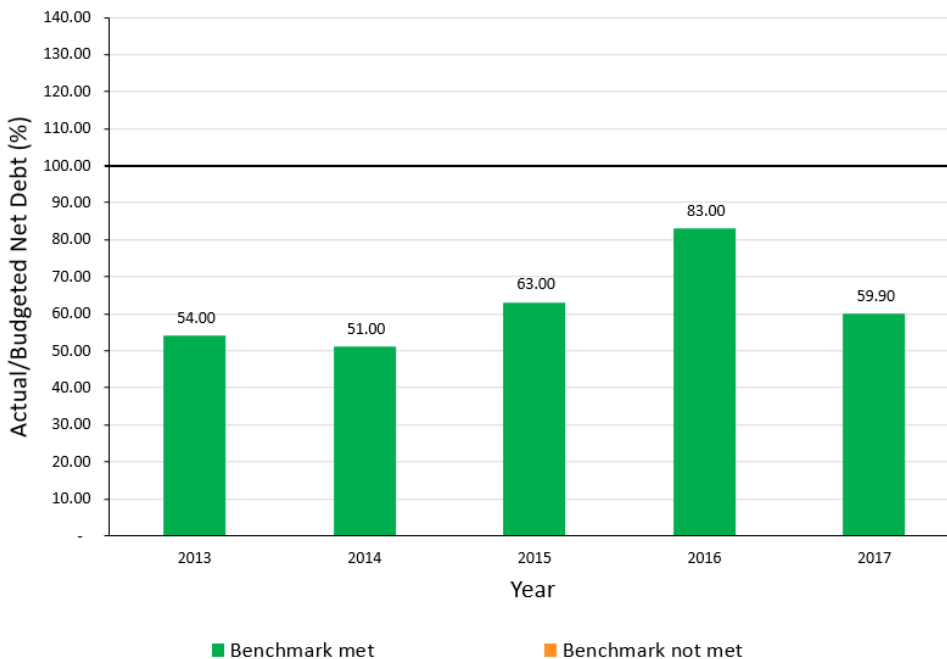
Because Statistics New Zealand projects the council's population will grow no faster than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



[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).

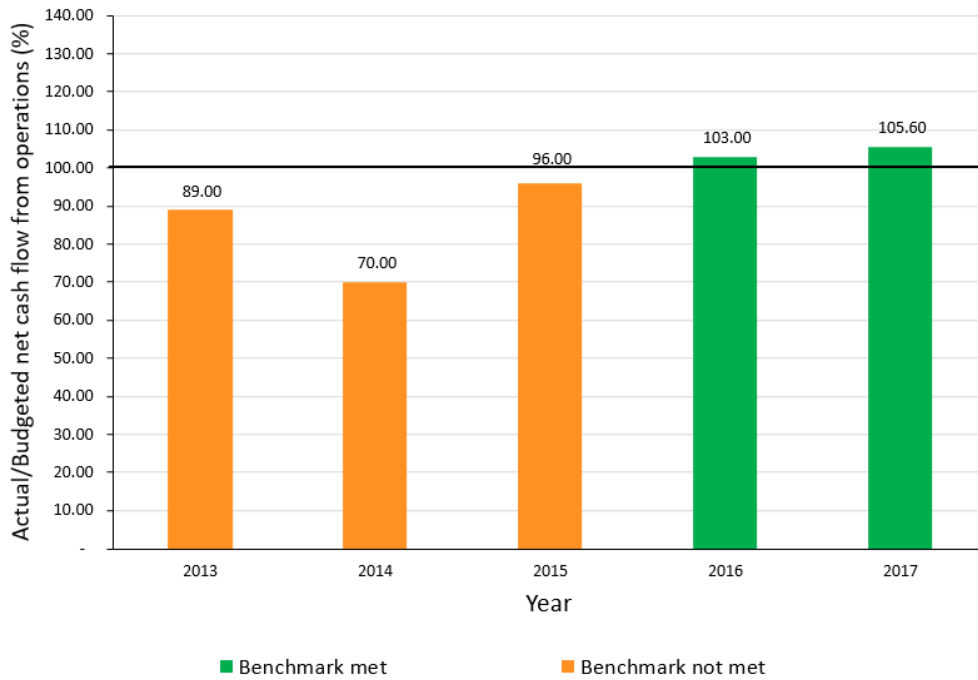
The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



[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.



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 in November/early December 2016. 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	2016/2017 target	2015/2016 measure	2016/2017 measure	Notes
Public satisfaction with our local roading network, including footpaths	% of residents are satisfied with Council's roading network	66%	73%	77%	The Resident's Satisfaction Survey was conducted in November 2016. The full report is available on Council's website. The increase in satisfaction levels, whilst not quantified, may be due to outstanding reseals being completed in Greymouth.
	% of residents are satisfied with the way local roads are maintained	58%	60%	67%	The Resident's Satisfaction Survey was conducted in November 2016. The full report is available on Council's website. The increase in satisfaction levels, whilst not quantified, may be due to outstanding reseals being completed in Greymouth.
	% of residents are satisfied with the way footpaths are maintained	52%	57%	55%	The Resident's Satisfaction Survey was conducted in November 2016. 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	0	3	There were three road closures due to flooding in the 2016-17 year. This included: <ul style="list-style-type: none"> • Taylorville Blackball Road - Grey River over the road; • McLean's Pit Road - Creek over the road; and • Nelson Quay - surface flooding over the road.

What we're measuring	How we'll measure	2016/2017 target	2015/2016 measure	2016/2017 measure	Notes
	% of customer requests responded to within 10 working days	85%	81%	90%	111 out 123 customer requests were completed within 10 working days.
The condition of our roads and footpaths	% of roads which meet smooth roads standard	85%	93%	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	9.4%	4%	6.2%	18 km of the 370 km of total sealed road network was resurfaced during 2016-17. 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%	60%	97.2%	98 km of the total 101 km of the footpath network is rated as 'fair' condition in 2016-17. 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	85%	87%	85%	The Resident's Satisfaction Survey was conducted in November 2016. 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%	14%	5 Fatal/serious accidents	There was 1 fatal & 4 serious accidents that were partly attributed to a road factor. Council has not received the report on the fatal accident and therefore do not have sufficient information to determine if the road factor contributed or not.
	Change in number of fatalities/serious injury crashes from previous year on local roads	Reduction > 1	-2	+3	There were 2 fatal/serious crashed in 2015-16 and 5 fatal/serious crashes recorded in 2016-17.
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	92%	99%	92%	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

	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2016 Actual \$000	2017 Annual Plan \$000	2017 Actual \$000
[A] SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties	2,742	2,811	2,837	2,759	2,867
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	1,573	1,569	1,534	1,580	1,548
Fees and charges	17	17	110	17	60
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	173	177	164	174	163
Total operating funding [A]	4,505	4,574	4,645	4,530	4,638
[B] APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	2,662	2,701	2,544	2,707	2,056
Finance costs	10	10	11	10	5
Internal charges and overheads applied	163	167	550	173	510
Other operating funding applications	-	-	-	-	-
Total applications of operating funding [B]	2,835	2,878	3,105	2,890	2,571
Surplus (deficit) of operating funding [A - B]	1,670	1,696	1,540	1,640	2,067
[C] SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	2,378	2,060	2,146	2,062	1,185
Development and financial contributions	-	-	9	-	-
Increase (decrease) in debt	(22)	(23)	(22)	(23)	(23)
Gross proceeds from sale of assets	-	-	11	-	4
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding [C]	2,356	2,037	2,144	2,039	1,166
[D] APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
—to meet additional demand	-	-	-	-	-
—to improve the level of service	818	325	923	322	22
—to replace existing assets	3,150	3,197	2,933	3,186	2,232
Increase (decrease) in reserves	58	211	69	171	254
Increase (decrease) of investments	-	-	(241)	-	725
Total applications of capital funding [D]	4,026	3,733	3,684	3,679	3,233
Surplus (deficit) of capital funding [C - D]	(1,670)	(1,696)	(1,540)	(1,640)	(2,067)
Funding balance: [A - B] + [C - D]	-	-	-	-	-

5 Activity revenue and expense statement

	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2016 Actual \$000	2017 Annual Plan \$000	2017 Actual \$000
REVENUE					
General rates, uniform annual general charges, rates penalties	2,742	2,811	2,837	2,759	2,867
Targeted rates (including targeted rates for water supply)	-	-	-	-	-
Subsidies and grants (operating and capital)	3,951	3,629	3,680	3,642	2,733
User charges & regulatory revenue (consent fees, infringements etc)	17	17	110	17	60
Internal charges and overheads recovered	-	-	-	-	-
Other revenue	218	223	173	219	207
Total revenue	6,928	6,680	6,800	6,637	5,867
EXPENDITURE					
Staff costs	-	-	-	-	-
Operating & maintenance costs	2,662	2,701	2,544	2,707	2,056
Finance costs	10	10	11	10	5
Internal charges and overheads applied	163	167	550	173	510
Other expenses	-	-	-	-	-
Depreciation	3,700	3,700	3,730	3,700	3,793
Total expenditure	6,535	6,578	6,835	6,590	6,364
Surplus (deficit) of activities	393	102	(35)	47	(497)

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

	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2016 Actual \$000	2017 Annual Plan \$000	2017 Actual \$000
General renewals and miscellaneous new capital	2,441	2,477	2,372	2,466	1,724
General Bridge component renewals	253	257	192	257	200
Replacement of assets after severe weather	471	478	-	478	-
Slaty Creek - Lake Brunner Rd upgrade	500	-	-	-	-
Footpath Renewals	-	-	144	-	152
On-going minor safety improvements	303	310	288	307	178
Taylorville-Blackball Rd strengthening	-	-	860	-	-
Total capital expenditure	3,968	3,522	3,856	3,508	2,254

7 Variations from budget

1. Subsidies and grants (operating and capital) are less than budget by \$909,000 mainly due to the entire NZTA financially assisted programme not being carried out (e.g. General Renewals) as well as no significant severe weather events to respond to in terms of roading damage.
2. Payments to staff and suppliers/Operating & maintenance costs less than budget by \$651,000, however per number 3 below, the budget includes an amount that is actually 'internal charges and overheads'. Overall Council has spent \$322,000 less than budgeted on operational expenditure (excluding depreciation). This is due to some works to be carried forward to the next financial year.
3. Internal charges and overheads applied greater than budget by \$337,000 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 less than budget by \$300,000 relates to a number of aspects, but mainly the *On-going minor safety improvements* expenditure being less than budget by \$132,000.
5. Capital expenditure —to replace existing assets less than budget by \$954,000. Less money was spent on some a number of renewal items, notably the costs Council incurs in replacing assets as a result of severe weather related damage. The amount Council budgets for this is based on a longer term average, whereas actual expenditure depends on on the type and severity of events that occur. In 2016/2017 there were no significant events that required asset replacement.
6. Increase (decrease) of investments is greater than budget by \$699,000. 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 from 2016 onwards.
- 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	2016/2017 target	2015/2016 measure	2016/2017 measure	Notes
Customer satisfaction	% of residents are satisfied with the overall stormwater service	65%	69%	68%	The Resident's Satisfaction Survey was conducted in November 2016. The full report is available on Council's website.
	Number of complaints received about a Council stormwater scheme (per 1,000 properties connected to a Council scheme). Number of service connections: 7,676	<i>Total complaints: 15 Per 1,000 properties: 2.6</i>	<i>Total complaints: 30 Per 1,000 properties: 5.1</i>	<i>Total complaints: 28 Per 1,000 properties: 3.6</i>	28 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.	<i>Achieved</i>	<i>Achieved</i>	<i>Achieved</i>	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%	76%	75%	The Resident's Satisfaction Survey was conducted in November 2016. The full report is available on Council's website.
	Requirements of the Greymouth Flood Scheme Action Plan are met prior to and during significant storm events	<i>Achieved</i>	<i>Achieved</i>	<i>Achieved</i>	There was one significant flood event with the Grey River on the 18 & 19 January 2017. Council followed the process of the Flood Action Scheme without issue.
	Maximum number of flooding events.	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	There were no 50-year flood events in 2016-17. This is based on information received from the WCRC. <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>

What we're measuring	How we'll measure	2016/2017 target	2015/2016 measure	2016/2017 measure	Notes
	For each flooding event, maximum number of habitable floors affected (per 1,000 properties connected to a Council scheme). Number of serviced urban properties: 7,676	Total floors: 2 Per 1,000 properties: 0.34	Nil	Nil	There were no habitable floors affected 2016-17. <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	0	3	There were three road closures due to flooding in the 2016-17 year.
	Median response time to attend a flooding event	3 hours	Nil	Nil	There were no flood events in 2016-17. <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>
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	44%	69%	67%	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	0	0	No enforcement action was required in 2016-17.
	Number of infringement notices	1	0	0	
	Number of enforcement orders	Nil	0	0	
	Number of successful prosecutions	Nil	0	0	
	Total for all enforcement actions	3	0	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

	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2016 Actual \$000	2017 Annual Plan \$000	2017 Actual \$000
[A] SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties	922	972	955	960	995
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	-	-	2	-	-
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	30	-	-
Total operating funding [A]	922	972	987	960	995
[B] APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	353	354	372	354	447
Finance costs	34	35	40	35	21
Internal charges and overheads applied	139	143	223	140	219
Other operating funding applications	-	-	-	-	-
Total applications of operating funding [B]	526	532	635	529	687
Surplus (deficit) of operating funding [A - B]	396	440	352	431	308
[C] SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(10)	(11)	(10)	(11)	(11)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding [C]	(10)	(11)	(10)	11	(11)
[D] APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
—to meet additional demand	-	-	-	-	-
—to improve the level of service	7	7	201	7	9
—to replace existing assets	397	422	266	413	218
Increase (decrease) in reserves	(18)	-	-	-	-
Increase (decrease) of investments	-	-	(125)	-	70
Total applications of capital funding [D]	386	429	342	420	297
Surplus (deficit) of capital funding [C - D]	(396)	(440)	(352)	(431)	(308)
Funding balance: [A - B] + [C - D]	-	-	-	-	-

5 Activity revenue and expense statement

	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2016 Actual \$000	2017 Annual Plan \$000	2017 Actual \$000
REVENUE					
General rates, uniform annual general charges, rates penalties	922	972	955	960	995
Targeted rates (including targeted rates for water supply)	-	-	-	-	-
Subsidies and grants (operating and capital)	-	-	-	-	-
User charges & regulatory revenue (consent fees, infringements etc)	-	-	2	-	-
Internal charges and overheads recovered	-	-	-	-	-
Other revenue	18	19	30	18	-
Total revenue	940	991	987	978	995
EXPENDITURE					
Staff costs	-	-	-	-	-
Operating & maintenance costs	353	354	372	354	447
Finance costs	34	35	40	35	21
Internal charges and overheads applied	139	143	223	140	219
Other expenses	-	-	-	-	-
Depreciation	803	806	800	806	800
Total expenditure	1,329	1,338	1,435	1,335	1,487
Surplus (deficit) of activities	(389)	(347)	(448)	(357)	(492)

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

	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2016 Actual \$000	2017 Annual Plan \$000	2017 Actual \$000
General renewals (replacement of assets)	397	422	273	359	170
Miscellaneous new capital	7	7	2	7	1
Runanga flood mitigation	-	-	192	-	8
Structural repairs - Johnston St pump station	-	-	-	54	48
Total capital expenditure	404	429	467	420	227

7 Variations from budget

1. \$93,000 more than budget spent on operating and maintenance costs as a result of dealing with responding to an increasing number of maintenance issues associated with ageing assets. There was also unbudgeted expenditure associated with implementing a temporary replacement solution when the Johnston St stormwater pumps were not operational.
2. Internal charges and overheads applied are greater than budget by \$79,000 as more staff resource was provided responding to customer demands.
3. \$195,000 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 \$70,000. 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	2016/2017 target	2015/2016 measure	2016/2017 measure	Notes
Customer satisfaction	% of residents are satisfied with wastewater service	67%	74%	68%	The Resident’s Satisfaction Survey was conducted in November 2016. 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: 4,814	<i>Total complaints: 35 Per 1,000 properties: 9</i>	<i>Total complaints: 38 Per 1,000 properties: 9.7</i>	<i>Total complaints: 53 Per 1,000 properties: 11</i>	53 complaints were received and resolved in 2016-17. Council has improved its system for recording complaints but the increase is also due to third party strikes on our sewer system following infrastructure projects. Council has also increased service areas such as Taylorville, Dobson and Kaiata where some issues, such as odour were seen in the early period of the schemes operation.
	Basic fact information provided on Council’s website. More detailed information is provided within 10 working days.	<i>Achieved</i>	<i>Achieved</i>	<i>Achieved</i>	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	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	No wastewater overflows into houses were reported in the 2016-17.
	Number of dry weather sewerage overflows (per 1,000 sewerage connections). Number of service connections: 4,814	<i>Total overflows: 3 Per 1,000 properties: 0.8</i>	<i>Total overflows: 8 Per 1,000 properties: 2</i>	<i>Total overflows: 5 Per 1,000 properties: 1</i>	5 dry weather sewerage overflows were reported in the 2016-17. 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

What we're measuring	How we'll measure	2016/2017 target	2015/2016 measure	2016/2017 measure	Notes
					number of system upgrades occurring over the next 10 – 20 years that are aimed at alleviating this.
	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	<i>Achieved</i>	Achieved	Achieved	There were no reports of non-compliance in 2016-17, 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	.92 hour 4.7 hours	45 minutes 4.56 hours	Council's median response times are close to target and often depend on contractor availability. There were 48 reported faults reported in 2016-17.
	All planned shutdowns are notified at least 24 hours prior	<i>Achieved</i>	Achieved	Achieved	There were no planned shutdowns for wastewater in 2016-17.
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	50%	86%	83%	This is measured as a percentage of the revenue that Council receives (excluding any 'one off' grant/contribution) against the total operating expenditure. Anything less than 100% signals that 'catch up' expenditure may be required in the future to maintain existing levels of service.
Treated waste water discharges are managed without adversely affecting the receiving environment	Number of abatement notices	2	0	0	No enforcement action was required in 2016-17.
	Number of infringement notices	1	0	0	
	Number of enforcement orders	<i>Nil</i>	0	0	
	Number of successful prosecutions	<i>Nil</i>	0	0	
	Total for all enforcement actions	3	0	0	

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

	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2016 Actual \$000	2017 Annual Plan \$000	2017 Actual \$000
[A] SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates	2,385	2,463	2,422	2,435	2,416
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	97	100	83	98	91
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	-	-	1
Total operating funding [A]	2,482	2,563	2,505	2,533	2,508
[B] APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	885	917	928	899	943
Finance costs	943	974	900	974	459
Internal charges and overheads applied	188	193	236	188	250
Other operating funding applications	-	-	-	-	-
Total applications of operating funding [B]	2,016	2,084	2,064	2,061	1,652
Surplus (deficit) of operating funding [A - B]	466	479	441	472	856
[C] SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	-	-	235	-	-
Development and financial contributions	14	14	12	14	70
Increase (decrease) in debt	1,786	4	(1,113)	4	(138)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding [C]	1,800	18	(866)	18	(68)
[D] APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
—to meet additional demand	-	-	-	-	-
—to improve the level of service	3,020	141	690	141	435
—to replace existing assets	285	296	430	289	787
Increase (decrease) in reserves	(1,039)	60	(1,321)	60	60
Increase (decrease) of investments	-	-	(224)	-	(494)
Total applications of capital funding [D]	2,266	497	(425)	490	788
Surplus (deficit) of capital funding [C - D]	(466)	(479)	(441)	(472)	(856)
Funding balance: [A - B] + [C - D]	-	-	-	-	-

5 Activity revenue and expense statement

	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2016 Actual \$000	2017 Annual Plan \$000	2017 Actual \$000
REVENUE					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates (including targeted rates for water supply)	2,385	2,463	2,422	2,435	2,416
Subsidies and grants (operating and capital)	-	-	235	-	-
User charges & regulatory revenue (consent fees, infringements etc)	97	100	83	98	91
Internal charges and overheads recovered	-	-	-	-	-
Other revenue	27	28	12	28	71
Total revenue	2,509	2,591	2,752	2,561	2,578
EXPENDITURE					
Staff costs	-	-	-	-	-
Operating & maintenance costs	885	917	928	899	943
Finance costs	943	974	900	974	459
Internal charges and overheads applied	188	193	236	188	250
Other expenses	-	-	-	-	-
Depreciation	959	963	855	963	1,383
Total expenditure	2,975	3,047	2,919	3,024	3,035
Surplus (deficit) of activities	(466)	(456)	(167)	(463)	(457)

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

	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2016 Actual \$000	2017 Annual Plan \$000	2017 Actual \$000
General renewals & miscellaneous new capital	305	316	193	309	94
Runanga system replacement	-	-	237	-	693
Greymouth wastewater upgrade	3,000	121	395	121	294
Runanga Pond effluent discharge upgrade	-	-	13	-	26
Dobson/Kaiata/Taylorville scheme	-	-	282	-	115
Total capital expenditure	3,305	437	1,120	430	1,222

7 Variations from budget

1. Finance costs are less than budget by \$515,000 due to a combination of factors:
 - a. Council's borrowing costs are lower than budgeted - budget approximately 6% whilst actual just less than 5%. Council budgets conservatively and at what it expects medium term interest rates to be (rather than having to change expenditure often as interest rates fluctuate);
 - b. Overall borrowing requirements are less than budget as some projects requiring external loans not progressed as far as originally budgeted (notably Greymouth Wastewater Scheme); and
 - c. Finance costs include a net reduction in the fair valuation of derivatives (interest rate swaps). This net movement is not factored into the budgets as does not have a direct operational impact. The fair value reflects the cost to settle the interest rate swap agreements as at 30 June 2017, which Council has no intention of doing (nor has done).
2. Internal charges and overheads applied are greater than budget by \$62,000 as more staff resource was provided responding to customer demands.
3. Debt has decreased by \$138,000 as opposed to the budget forecasting a net increase in debt of \$4,000 (variance \$142,000). Council's debt repayment plan is overall slightly ahead of what was originally forecast given some final stages of the Greymouth Wastewater upgrade are to proceed in future years.
4. Capital expenditure to improve the level of service: \$294,000 greater than budget due to some aspects of the Greymouth Wastewater Upgrade and Dobson/Kaiata/Taylorville scheme being carried forward from prior year budgets.
5. Capital expenditure to replace existing assets is \$498,000 greater than budget due to uncompleted works from prior years carried forward and done in 2016/2017 (notably Runanga System Renewals).
6. Increase (decrease) of investments is less than budget by \$478,000. 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 \$420,000 greater than budget mainly due to the impact of depreciation on new assets recently commissioned (Dobson/Kaiata/Taylorville scheme and Greymouth Wastewater Treatment Plant) being greater than allowed for in the budget.

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 firefighting)
- Industrial and residential development

3 Performance measurement

What we're measuring	How we'll measure	2016/2017 target	2015/2016 measure	2016/2017 measure	Notes
Customer satisfaction	% of residents are satisfied with the appearance and taste of water	90%	79%	83%	The Resident's Satisfaction Survey was conducted in November 2016. The full report is available on Council's website. The Stillwater, Dobson & Taylorville reticulation was connected to Greymouth Water Supply which improved the quality of water supplied to that community and compliance with the Drinking Water Standard. This may account for the minor increase in satisfaction levels.
	% of residents are satisfied with the pressure and flow of water	80%	89%	94%	The Resident's Satisfaction Survey was conducted in November 2016. The full report is available on Council's website.
	% of residents are satisfied with overall water supply service	75%	73%	73%	The Resident's Satisfaction Survey was conducted in November 2016. 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: 4,679	<i>Total complaints: 135 Per 1,000 properties: 26.7</i>	<i>Total complaints: 79 Per 1,000 properties: 16.5</i>	<i>Total complaints: 102 Per 1,000 properties: 21.8</i>	102 complaints were received and resolved in 2016-17.
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	<i>Achieved</i>	<i>Achieved</i>	<i>Achieved</i>	There were three boil water notices 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: - Greymouth - Blackball	<i>Nil Nil</i>	<i>Nil Nil</i>	<i>2 5</i>	Two non-compliance were recorded in the Greymouth Water Supply in the 2016/17 year. The Boddytown zone saw a result in excess of the permitted HAA (Haloacetic Acids)

What we're measuring	How we'll measure	2016/2017 target	2015/2016 measure	2016/2017 measure	Notes
	- Runanga/Rapahoe - Dobson/Taylorville/Stillwater	1 Nil	Nil 1	2 Nil – Connected to Greymouth Supply	<p>levels on one occasion. The Stanton Crescent reservoir had a positive presence for E.coli in February which was notified to the Ministry of Health.</p> <p>The Blackball scheme suffered from a number of transgression over this period, six in total. Two transgressions resulted in Boiled Water Notice being issued to the community. One occasion was as a result of an extended wet period which resulted in no raw water storage and the need to take water directly from Blackball Creek, two occasions were due to high Turbidity results and three occasions were attributed to operator error.</p> <p>Two positive E.coli presences were identified over the 2016/17 period. One in the zone and one at the Treatment plant. The zone positive resulted in a boiled Water Notice being put in place for the Supply.</p>
	All planned shutdowns are notified at least 24 hours prior	Achieved	Achieved	Achieved	There were 10 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	10% 5% 15% 14%	Not measured	Not measured	Council has been talking with a contractor specialising in water loss analysis to undertake this work in the near future.
	Drinking water supply compliance with following sections of the drinking water standards: Part 4 – bacteria compliance criteria: - Greymouth - Blackball - Runanga/Rapahoe - Taylorville/Dobson/Stillwater	Bacteriological compliance: Achieved Achieved Achieved Achieved	Bacteriological compliance: Achieved Achieved Achieved Not achieved	Bacteriological compliance: Achieved Not achieved Not achieved NA – Connected to Greymouth Supply	<p>Bacteriological compliance: The Blackball scheme suffered from a number of transgression over this period, six in total. Two transgressions resulted in Boiled Water Notice being issued to the community. One occasion was as a result of an extended wet period which resulted in no raw water storage and the need to take water directly from Blackball Creek, two occasions were due to high Turbidity results and three occasions were attributed to operator error.</p> <p>Two positive E.coli presences were identified over the 2016/17 period. One in the zone and one at the Treatment plant. The zone positive resulted in a boiled Water Notice being put in place for the Supply.</p>
	Part 5 – protozoal compliance criteria: - Greymouth - Blackball	Protozoa compliance: Achieved Achieved Achieved	Protozoa compliance: Not achieved Not achieved Not achieved	Protozoa compliance: Achieved Not achieved Not achieved	Protozoa compliance: The new UV treatment system for Greymouth is performing well.

What we're measuring	How we'll measure	2016/2017 target	2015/2016 measure	2016/2017 measure	Notes
	- Runanga/Rapahoe - Taylorville/Dobson/Stillwater	Achieved	Not achieved	NA – Connected to Greymouth Supply	Please refer above for the other water supply transgressions.

What we're measuring	How we'll measure	2016/2017 target	2015/2016 measure	2016/2017 measure	Notes	
Average consumption of drinking water per day per resident	Figures below are from Jul 2016 – Jun 2017					
	Breakdown –					
	Scheme	Litres supplied per year	Population serviced ²	Consumption ³		
	Greymouth including Dobson/Taylorville/Stillwater	2,351,500,000	9,717	663		
	Runanga/Rapahoe	238,162,000	1,519	429		
	Blackball	51,826,000	468	303		
	Dobson/Taylorville/Stillwater	Included in Greymouth	Included in Greymouth	Included in Greymouth		
	Totals	2,641,488,000	11,704	618		
	¹ Supply and consumption includes industrial/commercial use					
	² Normal resident population ex 2013 Census					
	³ Consumption expressed as litres per person per day.					
			< 640 ¹ litres per person per day	627 litres per resident per day	618 litres per resident per day	Approximately 618 litres per person per day is consumed in the Grey District.

What we're measuring	How we'll measure	2016/2017 target	2015/2016 measure	2016/2017 measure	Notes
Our response times to reported faults	Median response times to faults or unplanned interruptions:				Council's median response times are close to target and often depend on contractor availability.
	Attendance time for urgent call-outs (from notification)	1 hour	0.48 hours	45 minutes	
	Resolution time for urgent call-outs (from notification)	3 hours	4.19 hours	5.46 hours	
	Attendance time for non-urgent call-outs	1 working day	1.195 days	1.22 days	
	Resolution time for non-urgent call-outs	5 working days	3.9 days	4.56 days	
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%	96%	112%	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

	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2016 Actual \$000	2017 Annual Plan \$000	2017 Actual \$000
[A] SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates	2,117	2,184	1,995	2,145	2,115
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	-	-	5	-	3
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	-	-	-
Total operating funding [A]	2,117	2,184	2,000	2,145	2,118
[B] APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	1,067	1,085	877	1,060	842
Finance costs	385	395	390	395	225
Internal charges and overheads applied	110	112	279	109	310
Other operating funding applications	-	-	-	-	-
Total applications of operating funding [B]	1,562	1,592	1,546	1,564	1,377
Surplus (deficit) of operating funding [A - B]	555	592	454	581	741
[C] SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	267	-	-	-	316
Development and financial contributions	-	-	5	-	18
Increase (decrease) in debt	326	(114)	455	(114)	(114)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding [C]	593	(114)	460	(114)	220
[D] APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
—to meet additional demand	-	-	-	-	-
—to improve the level of service	700	-	628	-	195
—to replace existing assets	472	502	639	491	262
Increase (decrease) in reserves	(24)	(24)	-	(24)	(24)
Increase (decrease) of investments	-	-	(353)	-	528
Total applications of capital funding [D]	1,148	478	914	467	961
Surplus (deficit) of capital funding [C - D]	(555)	(592)	(454)	(581)	(741)
Funding balance: [A - B] + [C - D]	-	-	-	-	-

5 Activity revenue and expense statement

	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2016 Actual \$000	2017 Annual Plan \$000	2017 Actual \$000
REVENUE					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates (including targeted rates for water supply)	2,117	2,184	1,995	2,145	2,115
Subsidies and grants (operating and capital)	267	-	-	-	316
User charges & regulatory revenue (consent fees, infringements etc)	-	-	5	-	3
Internal charges and overheads recovered	-	-	-	-	-
Other revenue	14	14	5	14	18
Total revenue	2,398	2,198	2,005	2,159	2,452
EXPENDITURE					
Staff costs	-	-	-	-	-
Operating & maintenance costs	1,067	1,085	877	1,060	842
Finance costs	385	395	390	395	225
Internal charges and overheads applied	110	112	279	109	310
Other expenses	-	-	-	-	-
Depreciation	546	563	530	563	506
Total expenditure	2,108	2,155	2,076	2,127	1,883
Surplus (deficit) of activities	290	43	(71)	32	569

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

	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2016 Actual \$000	2017 Annual Plan \$000	2017 Actual \$000
General renewals & miscellaneous new capital	472	503	691	491	305
Greymouth water supply upgrades	-	-	146	-	18
Runanga Water Supply - Plant upgrade	700	-	7	-	10
Dobson/Taylorville - connect to Greymouth	-	-	413	-	124
Stillwater - connect to Greymouth	-	-	10	-	-
Total capital expenditure	1,172	503	1,267	491	457

7 Variations from budget

1. Payments to staff and suppliers less than budget by \$218,000 due to some works being deferred due to a priority being given to other activities, notably wastewater.
2. Finance costs are less than budget by \$170,000 due to a combination of factors:
 - a. Council's borrowing costs are lower than budgeted - budget approximately 6% whilst actual just less than 5%. Council budgets conservatively and at what it expects medium term interest rates to be (rather than having to change expenditure often as interest rates fluctuate); and
 - b. Finance costs include a net reduction in the fair valuation of derivatives (interest rate swaps). This net movement is not factored into the budgets as does not have a direct operational impact. The fair value reflects the cost to settle the interest rate swap agreements as at 30 June 2017, which Council has no intention of doing (nor has done).
3. Internal charges and overheads applied higher than budget by \$201,000. 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 \$316,000 greater than budget due to the final claim for Ministry of Health subsidies (Dobson/Taylorville supply upgrade) being made in this financial year with the completion of the project.
5. Capital expenditure to improve the level of service is \$195,000 greater than budget due to projects being carried forward from prior years, notably the Dobson/Taylorville supply upgrade.
6. Capital expenditure to replace existing assets is \$195,000 less than budget as a number of renewals have been deferred with resources committed to other projects. The deferral has been on the basis that there would be no detriment to levels of service.
7. Increase (decrease) of investments is greater than budget by \$534,000. 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 its 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 now both supplies have been connected to the Greymouth supply/treatment.

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	2016/2017 target	2015/2016 measure	2016/2017 measure	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%	81%	75%	The Resident's Satisfaction Survey was conducted in November 2016. The full report is available on Council's website. Over the past year Council's contractor has faced many challenges which has resulted in the contractor novating their contract agreement to a new contractor. Over this period the performance of the original contractor had slipped and items of plant began to fail. Council is pleased to have a new Contractor on board with newer plant and systems.
	% of residents are satisfied with overall service	92%	87%	86%	The Resident's Satisfaction Survey was conducted in November 2016. The full report is available on Council's website.
	% of waste collected is recycled	15%	10%	13%	Of the total 5,889 tonnes of rubbish and recycling collected, 785 tonnes of recycling went to market.
	% of residents are satisfied that waste and recyclables are collected on time (where services are provided)	90%	95%	91%	The Resident's Satisfaction Survey was conducted in November 2016. The full report is available on Council's website. Over the past year Council's contractor has faced many challenges which has resulted in the contractor novating their contract agreement to a new contractor. Over this period the performance of the original contractor had slipped and items of plant began to fail. Plant failures resulted in times of kerb side collections not being consistent. Council is pleased to have a new Contractor on board with newer plant and systems.

What we're measuring	How we'll measure	2016/2017 target	2015/2016 measure	2016/2017 measure	Notes
	Basic information is provided on Council's website. More detailed information is provided within 10 working days	<i>Achieved</i>	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 over their useful life (i.e. depreciation is funded) ⁵	100%	114%	121%	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.
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	N/A	N/A	Cell 3 has been deferred as Council consider other options for waste disposal.
	Maximum number of resource consent infringements	<i>Nil</i>	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

	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2016 Actual \$000	2017 Annual Plan \$000	2017 Actual \$000
[A] SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties	124	213	128	212	220
Targeted rates	1,263	1,295	1,324	1,278	1,340
Subsidies and grants for operating purposes	44	46	51	45	54
Fees and charges	657	735	786	721	574
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	-	-	-
Total operating funding [A]	2,088	2,289	2,289	2,256	2,188
[B] APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	1,620	1,638	1,527	1,608	1,335
Finance costs	64	351	35	351	23
Internal charges and overheads applied	111	114	123	111	133
Other operating funding applications	-	-	292	-	72
Total applications of operating funding [B]	1,795	2,103	1,977	2,070	1,563
Surplus (deficit) of operating funding [A - B]	293	186	312	186	625
[C] SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(89)	4,572	(44)	4,572	(12)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding [C]	(89)	4,572	(44)	4,572	(12)
[D] APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
—to meet additional demand	-	-	-	-	-
—to improve the level of service	194	4,748	222	4,748	316
—to replace existing assets	-	-	37	-	7
Increase (decrease) in reserves	10	10	-	10	10
Increase (decrease) of investments	-	-	9	-	280
Total applications of capital funding [D]	204	4,758	268	4,758	613
Surplus (deficit) of capital funding [C - D]	(293)	(186)	(312)	(186)	(625)
Funding balance: [A - B] + [C - D]	-	-	-	-	-

5 Activity revenue and expense statement

	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2016 Actual \$000	2017 Annual Plan \$000	2017 Actual \$000
REVENUE					
General rates, uniform annual general charges, rates penalties	124	213	128	212	220
Targeted rates (including targeted rates for water supply)	1,263	1,295	1,324	1,278	1,340
Subsidies and grants (operating and capital)	44	46	51	45	54
User charges & regulatory revenue (consent fees, infringements etc)	657	735	786	721	574
Internal charges and overheads recovered	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenue	2,088	2,289	2,289	2,256	2,188
EXPENDITURE					
Staff costs	-	-	-	-	-
Operating & maintenance costs	1,620	1,638	1,527	1,608	1,335
Finance costs	64	351	35	351	23
Internal charges and overheads applied	111	114	123	111	133
Other expenses	-	-	292	-	72
Depreciation	116	119	39	117	136
Total expenditure	1,911	2,222	2,016	2,187	1,699
Surplus (deficit) of activities	177	67	273	177	489

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

	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2016 Actual \$000	2017 Annual Plan \$000	2017 Actual \$000
Miscellaneous renewals & new capital	26	27	37	27	7
Expand dry storage capacity at McLeans landfill/recycling facility	-	-	167	-	156
Establish cleanfill site at McLeans landfill	-	-	19	-	10
New landfill cell design and construction (cell 3)	168	4,721	27	4,721	137
Old Cobden landfill - reinstatement of area	-	-	9	-	13
Total capital expenditure	194	4,748	259	4,748	323

7 Variations from budget

- Fees, charges less than budget by \$273,000 due to a decrease in the volume of non-recyclable (i.e. chargeable) refuse being brought to Council facilities. This is partly due to an increase in the amount of material being recycled.
- Payments to staff and suppliers lower than budget by \$165,000 due to cost savings being delivered across a number of operational lines.
- Finance costs are less than budget by \$328,000 due to a combination of factors:
 - Council's borrowing costs are lower than budgeted - budget approximately 6% whilst actual just less than 5%. Council budgets conservatively and at what it expects medium term interest rates to be (rather than having to change expenditure often as interest rates fluctuate);
 - Overall borrowing requirements are less than budget as the new landfill cell (cell 3) has not progressed due to Council continuing to explore alternative options; and
 - Finance costs include a net reduction in the fair valuation of derivatives (interest rate swaps). This net movement is not factored into the budgets as does not have a direct operational impact. The fair value reflects the cost to settle the interest rate swap agreements as at 30 June 2017, which Council has no intention of doing (nor has done).

4. Debt has decreased by \$12,000 as opposed to the budget forecasting a net increase in debt of \$4.6m due to the fact Council has not yet committed to the expansion of the current landfill (which would be loan funded) whilst it continues to look at alternative solutions.
5. Capital expenditure to improve the level of service is less than budget by \$4.4m as referred to in 5. Above
6. Increase (decrease) of investments is greater than budget by \$172,000. 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 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. It is noted that Council responsibility for this function ceases from 1 July 2017 and notwithstanding a transitional role will no longer be involved in this activity from the 2017/2018 year.

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	2016/2017 target	2015/2016 measure	2016/2017 measure	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	1	1	One exercise, Op Tangaroa, was carried out in 2016. This Exercise had 3 separate phases over 3 separate days.
	Minimum % of personnel trained to CIMS 4 standard	85%	59%	66%	23 out 35 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	90%	47%	53%	8 out of 15 schools and preschools were visited, including Runanga, Greymouth High, John Paul High, St Patrick's, Cobden, Grey Valley Play Centre, and Paroa schools.
	Relevant details and plans are posted on Council's website	<i>Achieved</i>	Achieved	Achieved	Maintained and updated by Council's Senior Communications Officer.
	Minimum % of residents who feel they are prepared to cope in an emergency	90%	73%	77%	The Resident's Satisfaction Survey was conducted in November 2016. The full report is available on Council's website.

RURAL FIRE

What we're measuring	How we'll measure	2016/2017 target	2015/2016 measure	2016/2017 measure	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	542 of 542 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	Achieved	Achieved	Maintained and updated by Council's Senior Communications Officer.

4 Activity funding impact statement

	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2016 Actual \$000	2017 Annual Plan \$000	2017 Actual \$000
[A] SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties	203	217	210	213	219
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	6	6	2	6	-
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	-	-	-
Total operating funding [A]	209	223	212	219	219
[B] APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	124	126	92	125	87
Finance costs	17	17	-	17	-
Internal charges and overheads applied	59	60	48	57	49
Other operating funding applications	-	-	-	-	-
Total applications of operating funding [B]	200	203	140	199	136
Surplus (deficit) of operating funding [A - B]	9	20	72	20	83
[C] SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(7)	(5)	(7)	(5)	(5)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding [C]	(7)	(5)	(7)	(5)	(5)
[D] APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
—to meet additional demand	-	-	-	-	-
—to improve the level of service	2	15	-	15	-
—to replace existing assets	-	-	-	-	1
Increase (decrease) in reserves	-	-	18	-	40
Increase (decrease) of investments	-	-	47	-	37
Total applications of capital funding [D]	2	15	65	15	78
Surplus (deficit) of capital funding [C - D]	(9)	(20)	(72)	(20)	(83)
Funding balance: [A - B] + [C - D]	-	-	-	-	-

5 Activity revenue and expense statement

	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2016 Actual \$000	2017 Annual Plan \$000	2017 Actual \$000
REVENUE					
General rates, uniform annual general charges, rates penalties	203	217	210	213	219
Targeted rates (including targeted rates for water supply)	-	-	-	-	-
Subsidies and grants (operating and capital)	-	-	-	-	-
User charges & regulatory revenue (consent fees, infringements etc)	6	6	2	6	-
Internal charges and overheads recovered	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenue	209	223	212	219	219
EXPENDITURE					
Staff costs	42	43	45	43	47
Operating & maintenance costs	82	83	47	82	40
Finance costs	17	17	-	17	-
Internal charges and overheads applied	59	60	48	57	49
Other expenses	-	-	-	-	-
Depreciation	11	12	5	11	5
Total expenditure	211	215	145	210	141
Surplus (deficit) of activities	(2)	8	67	9	78

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

	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2016 Actual \$000	2017 Annual Plan \$000	2017 Actual \$000
Miscellaneous renewals & new capital	2	15	-	15	1
New rural fire equipment	-	-	-	-	-
Total capital expenditure	2	15	-	15	1

7 Variations from budget

1. Payments to staff and suppliers lower than budget by \$38,000 less financial input into the West Coast rural Fire Authority required than originally budgeted for. It is noted that Council has no direct responsibility for this function from 1 July 2017.

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 aim 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	2016/2017 target	2015/2016 measure	2016/2017 measure	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%	94%	95%	172 of 182 LIMs were issued within 10 working days in 2016/2017.
	% of non-notified land use consents processed within 20 working days	100%	88%	50%	22 out of 44 non-notified land use consents were processed within 20 days in 2016-17. Some of the consents were delayed due to their complexity and required in-depth research before responding officially. In some cases, staff time was limited and delayed the processing of the consent.
	% of building consents and Code Compliance Certificates issued with statutory time limits	98.5%	100%	100%	394 of 400 (98.5%) Building consent applications were issued within the statutory time limit of 20 days for 2016-17.
		99.5%			209 of 210 Code Compliance Certificates were issued within the statutory time limit of 20 days for 2016-17.
% 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. Also information in newspaper articles and on website
	Grey District Council maintains accreditation as a building consent authority	<i>Achieved</i>	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%	84%	84%	2,304 of 2,747 (84%) of known dogs were registered by August 2017. Council has noticed an increase in the number of people who struggle to afford the upfront registration fee within the one-month payment period. As a result, the part payment facility was reinstated. Also a prize draw for those who registered on or before the due date was run again and the Animal Control vehicle had sign writing on it detailed compliance date – this initiative contributed to the increase and response.
	% food premises inspected each year	100%	100%	100%	All food premises were inspected in 2016-17.
	% 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 2016-17.
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.

What we're measuring	How we'll measure	2016/2017 target	2015/2016 measure	2016/2017 measure	Notes
We will recover actual and reasonable costs as necessary	Minimum % recovery of actual and reasonable costs for consent applications	80%	47%	64%	This has been expressed as the percentage of user fee revenue against total operating expenditure. The recovery from building consenting was 92%, but has been offset by the reduced volume of resource consents being processed, which only had a 19% recovery from user fees
	Minimum % recovery of actual and reasonable costs for enforcement related activities	80%	47%	46%	This has been expressed as the percentage of user fee revenue against total operating expenditure. Recoveries in these activities are inherently difficult.
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	23%	As required	As required	We are unable to measure this target as the monitoring needs of all land use consents is determined as Council issues them i.e. no monitoring required/complete, or will be monitored by the building inspectors/engineers /finance team, or will need to be monitored so an appropriate bring-back is assigned and do so accordingly. Monitoring is fluid as it can only occur when the consented activity is established and may require one or more frequent inspections and in some cases is on an on-going basis e.g. once per year.
	The District Plan is reviewed and updated in line with agreed programme	<i>In line with programme</i>	Programme commenced	Working on programme	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%	54%	57%	The Resident's Satisfaction Survey was conducted in November 2016. The full report is available on Council's website.
<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

	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2016 Actual \$000	2017 Annual Plan \$000	2017 Actual \$000
[A] SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties	819	829	847	822	853
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	9
Fees and charges	958	982	833	964	1,061
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	64	66	172	66	119
Total operating funding [A]	1,841	1,877	1,852	1,852	2,042
[B] APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	320	329	322	321	370
Finance costs	-	-	-	-	-
Internal charges and overheads applied	1,489	1,517	1,585	1,500	1,578
Other operating funding applications	-	-	-	-	-
Total applications of operating funding [B]	1,809	1,846	1,907	1,821	1,948
Surplus (deficit) of operating funding [A - B]	32	31	(55)	31	94
[C] SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	44	46	38	45	6
Increase (decrease) in debt	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding [C]	44	46	38	45	6
[D] APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
—to meet additional demand	-	-	-	-	-
—to improve the level of service	-	-	3	-	-
—to replace existing assets	6	7	9	6	7
Increase (decrease) in reserves	70	70	64	70	34
Increase (decrease) of investments	-	-	(93)	-	59
Total applications of capital funding [D]	76	77	(17)	76	100
Surplus (deficit) of capital funding [C - D]	(32)	(31)	55	(31)	(94)
Funding balance: [A - B] + [C - D]	-	-	-	-	-

5 Activity revenue and expense statement

	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2016 Actual \$000	2017 Annual Plan \$000	2017 Actual \$000
REVENUE					
General rates, uniform annual general charges, rates penalties	819	829	847	822	853
Targeted rates (including targeted rates for water supply)	-	-	-	-	-
Subsidies and grants (operating and capital)	-	-	-	-	9
User charges & regulatory revenue (consent fees, infringements etc)	958	982	833	964	1,061
Internal charges and overheads recovered	-	-	-	-	-
Other revenue	108	112	210	111	125
Total revenue	1,885	1,923	1,890	1,897	2,048
EXPENDITURE					
Staff costs	10	11	14	10	31
Operating & maintenance costs	310	318	308	311	339
Finance costs	-	-	-	-	-
Internal charges and overheads applied	1,489	1,517	1,585	1,500	1,578
Other expenses	-	-	-	-	-
Depreciation	39	40	2	40	3
Total expenditure	1,848	1,886	1,909	1,861	1,951
Surplus (deficit) of activities	37	37	(19)	36	97

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

	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2016 Actual \$000	2017 Annual Plan \$000	2017 Actual \$000
Replacement of operational vehicles	6	7	-	-	-
Miscellaneous renewals & new capital	-	-	12	6	7
Total capital expenditure	6	7	12	6	7

7 Variations from budget

1. Fees and charges are greater than budget by \$97,000 mainly due to the processing of a large commercial building consent bringing in additional revenue.
2. Local authorities fuel tax, fines, infringement fees, & other receipts are higher than budget by \$53,000. This is mainly due to additional fines being issued for 'freedom camping' infringements.
3. Internal charges and overheads applied \$78,000 higher than budget. This is due to additional staff resources being required to support key functions including Animal Control and Liquor Licensing.

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 two 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	2016/2017 target	2015/2016 measure	2016/2017 measure	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	50%	43%	48%	The Resident's Satisfaction Survey was conducted in November 2016. The full report is available on Council's website.
	Basic information provided on Council's website. More detailed information is provided within 10 working days of request.	Achieved	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,	100%	161%	124%	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	2016/2017 target	2015/2016 measure	2016/2017 measure	Notes
	spread over their useful life (i.e. depreciation is funded) ⁶				less than 100% signals that 'catch up' expenditure may be required in the future to maintain existing levels of service.

PARKING

What we're measuring	How we'll measure	2016/2017 target	2015/2016 measure	2016/2017 measure	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 remedial action was required in at rear of Duke Backpackers and Rental Carparks on Mackay Street
Customer satisfaction	% of residents are satisfied with the availability of public parking	80%	81%	76%	The Resident's Satisfaction Survey was conducted in November 2016. 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	In progress	In progress	Council prepared a Draft Parking Strategy and opened it up to consultation in April 2017. Council considered the submissions and adopted the Strategy in August 2017, after the 2016/2017 financial year ended.

PORT OF GREYMOOUTH

What we're measuring	How we'll measure	2016/2017 target	2015/2016 measure	2016/2017 measure	Notes
Financial sustainability	Port deficit/surplus as percentage of turnover	-10%	-49%	-56%	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	100%	Achieved	Achieved (104%)	To achieve this in future years will be difficult as ratepayer input will continue to rise.
Accessibility of the service	Certification standard of Richmond Quay pad wharf	20 tonnes	Achieved	Achieved	Certification in place.
	Frequency of depth sounding of Port access/bar	2 monthly	Achieved	Achieved	In some case at shorter intervals and others longer. On average 2 monthly.

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

4 Activity funding impact statement

	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2016 Actual \$000	2017 Annual Plan \$000	2017 Actual \$000
[A] SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties	309	353	320	348	360
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	444	476	445	467	385
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	31	32	32	31	43
Total operating funding [A]	784	861	797	846	788
[B] APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	609	1,108	642	794	621
Finance costs	114	132	132	132	84
Internal charges and overheads applied	239	246	236	249	241
Other operating funding applications	-	-	-	-	-
Total applications of operating funding [B]	962	1,486	1,010	1,175	946
Surplus (deficit) of operating funding [A - B]	(178)	(625)	(213)	(329)	(158)
[C] SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	221	690	(1)	386	(1)
Gross proceeds from sale of assets	20	20	65	20	460
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding [C]	241	710	64	406	459
[D] APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
—to meet additional demand	-	-	-	-	-
—to improve the level of service	-	-	302	-	87
—to replace existing assets	3	44	35	44	31
Increase (decrease) in reserves	60	41	88	33	186
Increase (decrease) of investments	-	-	(574)	-	(3)
Total applications of capital funding [D]	63	85	(149)	77	301
Surplus (deficit) of capital funding [C - D]	178	625	213	329	158
Funding balance: [A - B] + [C - D]	-	-	-	-	-

5 Activity revenue and expense statement

	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2016 Actual \$000	2017 Annual Plan \$000	2017 Actual \$000
REVENUE					
General rates, uniform annual general charges, rates penalties	309	353	320	348	360
Targeted rates (including targeted rates for water supply)	-	-	-	-	-
Subsidies and grants (operating and capital)	-	-	-	-	-
User charges & regulatory revenue (consent fees, infringements etc)	444	476	445	467	385
Internal charges and overheads recovered	-	-	-	-	-
Other revenue	51	52	32	51	43
Total revenue	804	881	797	866	788
EXPENDITURE					
Staff costs	154	210	168	233	170
Operating & maintenance costs	455	898	474	561	451
Finance costs	114	132	132	132	84
Internal charges and overheads applied	239	246	236	249	241
Other expenses	-	-	-	-	-
Depreciation	283	288	222	284	188
Total expenditure	1,245	1,774	1,232	1,459	1,134
Surplus (deficit) of activities	(441)	(893)	(435)	(593)	(346)

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

	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2016 Actual \$000	2017 Annual Plan \$000	2017 Actual \$000
Miscellaneous renewals & new capital	3	3	35	3	34
Purchase and set-up of dredge for Port of Greymouth	-	-	302	-	84
Renew aerodrome lighting controller	-	-	-	-	-
Port Beacon/Light Replacement	-	41	-	41	-
Total capital expenditure	3	44	337	44	118

7 Variations from budget

1. Fees and charges \$82,000 less than budget due to Port User charges, Car-Park rentals, and rental received from ex Harbour Board leases being less than budget.
2. Payments to staff and suppliers less than budget by \$173,000 due to:
 - a. Reduced expenditure than forecast with the Port Dredge not fully operational during 2016/2017
 - b. expenditure reductions across the board to accommodate revenue decreases per 1. Above
3. Finance costs are less than budget by \$48,000 due to a combination of factors:
 - a. Council's borrowing costs are lower than budgeted - budget approximately 6% whilst actual just less than 5%. Council budgets conservatively and at what it expects medium term interest rates to be (rather than having to change expenditure often as interest rates fluctuate);
 - b. Finance costs include a net reduction in the fair valuation of derivatives (interest rate swaps). This net movement is not factored into the budgets as does not have a direct operational impact. The fair value reflects the cost to settle the interest rate swap agreements as at 30 June 2017, which Council has no intention of doing (nor has done).

4. Increase (decrease) in debt is less than budget by \$387,000. The budget forecast an additional \$387,000 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 sufficient proceeds available from land sales to support deficits.
5. Gross proceeds from sale of assets \$440,00 greater than budget due to two significant land sales being finalised in 2016/2017 that weren't included in the budget.
6. Capital expenditure to improve the level of service is greater than budget by \$71,000 as an additional \$84,000 has been spent purchasing and commissioning a new dredge for the Port of Greymouth (\$302,000 spent last year). 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.
7. Increase (decrease) in reserves is greater than budget by \$153,000. This relates to additional unspent funds for the aerodrome being transferred to a dedicated aerodrome maintenance reserve.

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 Incorporation regarding 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	2016/2017 target	2015/2016 measure	2016/2017 measure	Notes
The provision of a safe service	Building Authority requirements are met	<i>Achieved</i>	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)	82%	81%	98%	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	2016/2017 target	2015/2016 measure	2016/2017 measure	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.)	<i>Achieved</i>	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.	<i>Achieved</i>	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	<i>Achieved</i>	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	<i>Achieved</i>	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	<i>Achieved</i>	Not achieved	Not achieved	No formal review was undertaken in 2015-16.

4 Activity funding impact statement

	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2016 Actual \$000	2017 Annual Plan \$000	2017 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	812	832	808	820	769
Internal charges and overheads recovered	260	267	289	258	255
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	14	-	-
Total operating funding [A]	1,072	1,099	1,111	1,078	1,024
[B] APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	675	692	716	701	714
Finance costs	60	58	58	63	39
Internal charges and overheads applied	173	177	175	169	181
Other operating funding applications	-	-	-	-	-
Total applications of operating funding [B]	908	927	949	933	934
Surplus (deficit) of operating funding [A - B]	164	172	162	145	90
[C] SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(77)	(81)	313	38	(47)
Gross proceeds from sale of assets	100	100	49	100	126
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding [C]	23	19	362	138	79
[D] APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
—to meet additional demand	-	-	-	-	-
—to improve the level of service	-	-	405	-	315
—to replace existing assets	54	55	143	178	173
Increase (decrease) in reserves	133	136	8	105	25
Increase (decrease) of investments	-	-	(32)	-	(344)
Total applications of capital funding [D]	187	191	524	283	169
Surplus (deficit) of capital funding [C - D]	(164)	(172)	(162)	(145)	(90)
Funding balance: [A - B] + [C - D]	-	-	-	-	-

5 Activity revenue and expense statement

	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2016 Actual \$000	2017 Annual Plan \$000	2017 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)	812	832	808	820	769
Internal charges and overheads recovered	260	267	289	258	255
Other revenue	100	100	14	100	251
Total revenue	1,172	1,199	1,111	1,178	1,275
EXPENDITURE					
Staff costs	-	-	-	-	-
Operating & maintenance costs	675	692	716	701	714
Finance costs	60	58	58	63	39
Internal charges and overheads applied	173	177	175	169	181
Other expenses	-	-	573	-	21
Depreciation	380	380	381	380	401
Total expenditure	1,288	1,307	1,903	1,313	1,356
Surplus (deficit) of activities	(116)	(108)	(792)	(135)	(81)

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

	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2016 Actual \$000	2017 Annual Plan \$000	2017 Actual \$000
Miscellaneous renewals & new capital	54	55	18	50	312
Council main offices - waterproofing and miscellaneous renewal	-	-	390	-	1
Retirement Housing - wastewater connections	-	-	-	128	42
Increase file and yard storage capacity	-	-	14	-	5
Retirement Housing insulation upgrades	-	-	14	-	71
Retirement Housing renewals	-	-	126	-	57
Total capital expenditure	54	55	548	178	488

7 Variations from budget

1. Increase (decrease) in debt less than budget by \$85,000. The budgeted forecast a larger new loan required than eventuated for sewerage separations at Council flats. This project is being undertaken over a number of years and the amount borrowed is based on the net requirement taking into account activity revenue, normal operational expenditure, and available reserve funds.
2. Capital expenditure is greater than budget by \$310,000 which relates to funds Council has spent constructing the Moana Health Clinic on behalf of the community. This facility has been transferred to the Canterbury District Health Board, with funding forthcoming from community donations and the Health Board.
3. Increase (decrease) in reserves is \$80,000 less than budget, mainly due to the additional expenditure on Council's retirement flats meaning that less funds available to transfer to the property reserve.
4. Increase (decrease) of investments is less than budget by \$344,000. 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

- 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

1 Activities included in this group

Community facilities include:

- Libraries, made up of
 - Greymouth Library (incl. Pioneer Library)
 - Runanga Library
- Swimming Pools, involving:
 - Westland Recreation Centre pool
 - Spring Creek Pool, Runanga
- Heritage, involving:
 - History House
 - Financial support to other Arts, Culture and Heritage bodies
- Indoor sport Centres, including:
 - 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	2016/2017 target	2015/2016 measure	2016/2017 measure	Notes
Customer satisfaction	% of residents are satisfied with service	80%	86%	82%	The Resident's Satisfaction Survey was conducted in November 2016. The full report is available on Council's website.
	No more than 10 complaints per year	<i>Achieved</i>	Achieved	Achieved	There were no complaints in 2016-17.
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	180	232	247	The Library averages 20 events per month, providing a range of activities to all sectors of the Grey District community.
	% of residents who are members of the Library	75%	75%	77.5%	10,365 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	<i>Achieved</i>	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	<i>Achieved</i>	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	<i>Achieved</i>	Achieved	Achieved	Access to the online library service is available via Council's website or directly via the link: https://ent.kotui.org.nz/client/en_AU/grey . 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%	81%	82.5%	27,228 of 33,000 items in the collection are less than ten years old as at 30 June 2017.
	Retain free public internet access for New Zealand citizens	<i>Achieved</i>	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	22,000	20,791	23,438	These usage statistics are provided by APNK: http://www.aotearoa-peoples-network.org/content/wifi-stats .
	Increased traffic to Library website	5%	4.9%	1.7%	Statistics on traffic to the Library website differ widely from one month to the next with the most notable demand occurring during school holidays. There is a gap in the available data between September 2016 and January 2017, however based on a comparison of the data available the annual increase has been measured at 1.7%.
	Developing the library collection and building our local identity	% of new items acquired each year for the Pioneer and West Coast collections	0.5%	1.36%	0.49%
	% of new items acquired each year – New Zealand material or written by New Zealand authors	3%	5.8%	6.8%	281 of the 4,116 new items added to the library collection were New Zealand material or written by New Zealand authors in 2016-17.
	Number of digitised items added to Kete West Coast each year	20	15	20	Twenty photos were digitised and added to Kete West Coast in 2016-17.

SWIMMING POOLS

What we're measuring	How we'll measure	2016/2017 target	2015/2016 measure	2016/2017 measure	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%	83%	83%	The Resident's Satisfaction Survey was conducted in November 2016. The full report is available on Council's website.
Availability, accessibility and quality of the service	Number of users annually - Greymouth	90,000	97,951	105,631	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	1,339	1,651	This reflects the relationship with the local school.
	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 and WRC Facebook Page.
	Number of Swim School registrations per term	380	520	518	Enrolments are slightly down from the previous year.
	Minimum total swims per capita (national per capita swim averages is 5.5)	6.5	7.3	7.9	105,631 divided by 13,371 is about 7.9 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	2016/2017 target	2015/2016 measure	2016/2017 measure	Notes
Customer satisfaction	% of users that are satisfied with the service	70%	94%	97%	The Resident's Satisfaction Survey was conducted in November 2016. The full report is available on Council's website.
	No complaints received	Achieved	Achieved	Achieved	There were no complaints received in the 2016-17 year about the Museum service, apart from those associated with the closure to the public of the Museum.
Our response to customer requests	Customer enquiries are responded to within three days	Achieved	Achieved	Achieved	All customer enquiries were responded to within 3 days until the Museum's closure to the public on 24 th February 2017. Following the closure, the aim was to respond to queries within a week.
	Requests for research are appropriately recorded, actioned and material is provided in a timely manner	Achieved	Achieved	Achieved	All requests for research were appropriately recorded, actioned and material was provided in a timely manner until the Museum closure in February 2017 when the research service primarily ceased.
Availability, accessibility and quality of the service	Facilities are accessible six days per week	Achieved	Not achieved	Not achieved	In February 2017 the Museum building closed to the public as a result of an updated seismic assessment that rated the building at 10% NBS compliant.
	New displays prepared each year	2	4	5	Five displays were prepared as reported in the monthly reports including: - Sir Arthur Guinness October 2016;

What we're measuring	How we'll measure	2016/2017 target	2015/2016 measure	2016/2017 measure	Notes
					<ul style="list-style-type: none"> - A new welcome sign inviting visitors to look around 'on land, on sea, underground, in town' and to meet 'our folks and climate' November 2016; - Ten Mile Valley November 2016; - Strongman Mine anniversary January 2017; and - The Barber January 2017.
	Informative rack cards and flyers are provided and distributed to tourist locations annually as required	Achieved	Achieved	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	5	6	<p>There were 4 articles in the local newspaper promoting the following objects and/or events:</p> <ul style="list-style-type: none"> - Restoration of horse-drawn grader - Local offenders on community work sentences restore historic pump - Greymouth St Mary's old girls hold reunion at History House Museum - Donation of Dungaville silver tray. <p>There were 2 articles in Memories Magazine:</p> <p>'Well bred and well fed' October 2016 'Ten Mile Valley', April 2017</p>

CIVIC CENTRE/WESTLAND RECREATION CENTRE

What we're measuring	How we'll measure	2016/2017 target	2015/2016 measure	2016/2017 measure	Notes
Customer satisfaction	% of users that are satisfied with the service (<i>this measure is now superseded</i>).	70%	78%	N/A	No longer measured.
	% of users satisfied with sports stadiums (<i>new measure from 2016</i>)	<i>New measure</i>	-	67%	The Resident's Satisfaction Survey was conducted in November 2016. The full report is available on Council's website. Whilst this is a new measure with no formally adopted target, Council is looking to improve on this initial result.
	% of users satisfied with fitness centres of gyms (<i>new measure from 2016</i>)	<i>New measure</i>	-	57%	The Resident's Satisfaction Survey was conducted in November 2016. The full report is available on Council's website. Whilst this is a new measure with no formally adopted target, Council is looking to improve on this initial result.
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. The WRC is available 7 days per week 17 hours per day Mon-Fri and 12 hours per day Sat –Sun.
	Details of facilities and charges are available on Council's website	Achieved	Achieved	Achieved	Maintained and updated by Council's Senior Communications Officer and WRC Facebook Page.

CEMETERIES

What we're measuring	How we'll measure	2016/2017 target	2015/2016 measure	2016/2017 measure	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 one year.
Availability of on-line cemetery records	On-line register updated with each new interment	Achieved	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 2016-17.

PARKS AND TRACKS

What we're measuring	How we'll measure	2016/2017 target	2015/2016 measure	2016/2017 measure	Notes
Customer satisfaction	% of residents are satisfied with the service	80%	91%	91%	The Resident's Satisfaction Survey was conducted in November 2016. 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.

PUBLIC TOILETS

What we're measuring	How we'll measure	2016/2017 target	2015/2016 measure	2016/2017 measure	Notes
Customer satisfaction	% of residents are satisfied with the service	75%	69%	70%	The Resident's Satisfaction Survey was conducted in November 2016. The full report is available on Council's website.

4 Activity funding impact statement

	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2016 Actual \$000	2017 Annual Plan \$000	2017 Actual \$000
[A] SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties	2,728	2,833	2,830	2,793	2,874
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	30	31	978	30	76
Fees and charges	646	1,322	648	1,298	1,049
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	-	-	1
Total operating funding [A]	3,404	4,186	4,456	4,121	4,000
[B] APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	2,657	3,199	3,024	3,132	3,940
Finance costs	302	410	301	410	199
Internal charges and overheads applied	479	530	452	545	492
Other operating funding applications	-	-	(28)	-	(272)
Total applications of operating funding [B]	3,438	4,139	3,749	4,087	4,359
Surplus (deficit) of operating funding [A - B]	(34)	47	707	34	(359)
[C] SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	6,471	400	2,220	400	1,647
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(66)	1,482	429	1,482	559
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding [C]	6,405	1,882	2,649	1,882	2,206
[D] APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
—to meet additional demand	-	-	-	-	-
—to improve the level of service	7,222	1,849	7,640	1,870	1,517
—to replace existing assets	96	140	181	141	138
Increase (decrease) in reserves	(947)	(60)	(2,953)	(95)	(552)
Increase (decrease) of investments	-	-	(1,512)	-	744
Total applications of capital funding [D]	6,371	1,929	3,356	1,916	1,847
Surplus (deficit) of capital funding [C - D]	34	(47)	(707)	(34)	359
Funding balance: [A - B] + [C - D]	-	-	-	-	-

5 Activity revenue and expense statement

	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2016 Actual \$000	2017 Annual Plan \$000	2017 Actual \$000
REVENUE					
General rates, uniform annual general charges, rates penalties	2,728	2,833	2,830	2,793	2,874
Targeted rates (including targeted rates for water supply)	-	-	-	-	-
Subsidies and grants (operating and capital)	6,501	431	3,198	430	1,723
User charges & regulatory revenue (consent fees, infringements etc)	646	1,322	648	1,298	1,049
Internal charges and overheads recovered	-	-	-	-	-
Other revenue	-	-	-	-	1
Total revenue	9,875	4,586	6,676	4,521	5,647
EXPENDITURE					
Staff costs	1,070	1,315	1,183	1,289	1,587
Operating & maintenance costs	1,587	1,884	1,841	1,843	2,353
Finance costs	302	410	301	410	199
Internal charges and overheads applied	479	530	452	545	492
Other expenses	-	-	(14)	-	(272)
Depreciation	740	850	1,021	845	1,223
Total expenditure	4,178	4,989	4,784	4,932	5,582
Surplus (deficit) of activities	5,697	(403)	1,892	(411)	65

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

	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2016 Actual \$000	2017 Annual Plan \$000	2017 Actual \$000
Miscellaneous renewals & new capital	102	189	137	211	71
Vehicle/plant replacement	-	-	-	-	-
New Toilet - Northern Breakwater/Cobden Eco-sanctuary	216	-	-	-	727
Westland Recreation Centre	6,000	1,800	7,577	1,800	248
Library collection purchases	-	-	58	-	67
CBD Renewal Projects	1,000	-	49	-	542
Total capital expenditure	7,318	1,989	7,821	2,011	1,655

7 Variations from budget

1. Fees and charges less than budget by \$249,000 mainly due to revenue received at the Westland Recreation Centre being less than budget. This is due to a combination of the facility not being open for the entire year and the anticipated membership/user numbers taking longer to reach forecasts.
2. Payments to staff and suppliers \$808,000 higher than budget, for various reasons, including:
 - a. Additional staff costs at the Westland Recreation Centre compared to that forecast in the Annual Plan budget (\$293,000).; and
 - b. \$400,000 of the expenditure relating to the development of the Westland Recreation Centre being recorded as operational expenditure whilst was budgeted as capital. This was still funded as part of the overall project.
3. Finance costs are less than budget by \$211,000 due to a combination of factors:
 - a. Council's borrowing costs are lower than budgeted - budget approximately 6% whilst actual just less than 5%. Council budgets conservatively and at what it expects medium term interest rates to be (rather than having to change expenditure often as interest rates fluctuate);

- b. The overall loan requirements for the Westland Recreation Centre being less than originally budgeted due to other funding sources being applied; and
 - c. Finance costs include a net reduction in the fair valuation of derivatives (interest rate swaps). This net movement is not factored into the budgets as does not have a direct operational impact. The fair value reflects the cost to settle the interest rate swap agreements as at 30 June 2017, which Council has no intention of doing (nor has done).
4. Other operating costs are \$272,000 less than budget as this reflects the reduction in the liability provision Council has made regarding its obligation as a guarantor for 2 West Coast Theatre Loans (refer note 23 for further detail).
 5. Subsidies and grants for capital expenditure –additional grants were received for the Westland Recreation Centre in 2016/2017 that were originally budgeted to be received in the previous year. These grants were not available until the centre was completed in this financial year.
 6. Increase (decrease) in debt overall is less than budget by \$923,000 . Due to the above timing issues with grants received for the Westland Recreation Centre some of the debt funding was drawn down in the previous financial year as opposed to 2016/17 as originally forecast in budgets. This is coupled with the fact that overall debt requirements for the centre ended up being \$300,000 lower than originally budgeted.
 7. Capital expenditure to improve the level of service is less than budget by \$353,000. Per 2.b. above a portion of the development expenditure on the Westland Recreation Centre was classified as operational whereas was originally all budgeted as capital.
 8. Increase (decrease) in reserves – less than budget by \$457,000 which is related to the reserve funding being applied towards the Town Square/Shared Street project. This was originally budgeted to happen in a previous financial year.
 9. Increase (decrease) of investments is greater than budget by \$448,000. This line represents the overall difference between the sources of funds and the funds applied for this activity. Council represents this as either an increase or decrease in bank/investment balances. As Council budgets to apply (spend) the same amount of funds as it sources (raises), this line is normally nil for budgets. The reality is that there are issues that delay receiving funds as well as spending the funds that result in differences in the actual result.
 10. Depreciation is \$378,000 greater than budget, due to a higher depreciation expense on the Westland Recreation Centre (including Aquatic facilities) 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	2016/2017 target	2015/2016 measure	2016/2017 measure	Notes
Customer satisfaction	% of residents are satisfied with the service they received when they have contacted Council offices	85%	82%	82%	The Resident’s Satisfaction Survey was conducted in November 2016. The full report is available on Council’s website.
	% of residents are satisfied with the information they receive from Council	85%	81%	82%	The Resident’s Satisfaction Survey was conducted in November 2016. The full report is available on Council’s website.
	% of residents are satisfied with the performance of Mayor and Councillors	85%	83%	86%	The Resident’s Satisfaction Survey was conducted in November 2016. 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	<i>Achieved</i>	<i>Achieved</i>	<i>Achieved</i>	A public forum has been available before every ordinary meeting of Council.
	Minimum % of Council business conducted in open	>80%	80%	89%	Those items not included in the open agenda mainly relate mainly to commercially sensitive issues.
	% of residents are satisfied that Council consults with them on important issues	90%	66%	64%	The Resident’s Satisfaction Survey was conducted in November 2016. 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	<i>Achieved</i>	Awaiting the Regional Growth Study	Under review	MBIE and MPI have commissioned a Growth Study and Action Plan for the West Coast Region. Council is currently reviewing this work and the Community Economic Development

What we're measuring	How we'll measure	2016/2017 target	2015/2016 measure	2016/2017 measure	Notes
					Strategy together for alignment and optimisation of opportunities.
	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 November 2016. The full report is available on Council's website.

4 Activity funding impact statement

	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2016 Actual \$000	2017 Annual Plan \$000	2017 Actual \$000
[A] SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties	1,284	1,352	1,385	1,296	1,356
Targeted rates	266	273	278	268	295
Subsidies and grants for operating purposes	81	-	88	5	2
Fees and charges	72	105	115	116	129
Internal charges and overheads recovered	5,387	5,498	5,424	5,472	5,478
Local authorities fuel tax, fines, infringement fees, & other receipts	620	676	648	668	544
Total operating funding [A]	7,710	7,904	7,938	7,825	7,804
[B] APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	5,589	5,506	5,577	5,487	5,262
Finance costs	1	1	2	1	1
Internal charges and overheads applied	1,714	1,729	1,695	1,745	1,683
Other operating funding applications	-	-	-	-	-
Total applications of operating funding [B]	7,304	7,236	7,274	7,233	6,946
Surplus (deficit) of operating funding [A - B]	406	668	664	592	858
[C] SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	-	-	-	46	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(4)	(4)	-	(4)	-
Gross proceeds from sale of assets	1	1	21	1	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding [C]	(3)	(3)	21	43	-
[D] APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
—to meet additional demand	-	-	-	-	-
—to improve the level of service	3	3	3	31	41
—to replace existing assets	133	204	96	216	137
Increase (decrease) in reserves	267	458	496	388	539
Increase (decrease) of investments	-	-	90	-	141
Total applications of capital funding [D]	403	665	685	635	858
Surplus (deficit) of capital funding [C - D]	(406)	(668)	(664)	(592)	(858)
Funding balance: [A - B] + [C - D]	-	-	-	-	-

5 Activity revenue and expense statement

	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2016 Actual \$000	2017 Annual Plan \$000	2017 Actual \$000
REVENUE					
General rates, uniform annual general charges, rates penalties	1,284	1,352	1,385	1,296	1,356
Targeted rates (including targeted rates for water supply)	266	273	278	268	295
Subsidies and grants (operating and capital)	81	-	88	51	2
User charges & regulatory revenue (consent fees, infringements etc)	72	105	115	116	129
Internal charges and overheads recovered	5,387	5,498	5,424	5,472	5,478
Other revenue	621	677	667	669	544
Total revenue	7,711	7,905	7,957	7,711	7,804
EXPENDITURE					
Staff costs	3,268	3,544	3,374	3,520	3,423
Operating & maintenance costs	2,321	1,962	2,203	1,967	1,839
Finance costs	1	1	2	1	1
Internal charges and overheads applied	1,714	1,729	1,695	1,745	1,683
Other expenses	-	-	-	-	-
Depreciation	218	223	249	219	263
Total expenditure	7,522	7,459	7,523	7,452	7,209
Surplus (deficit) of activities	189	446	434	420	595

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

	2016 LTP Year 1 \$000	2017 LTP Year 2 \$000	2016 Actual \$000	2017 Annual Plan \$000	2017 Actual \$000
Miscellaneous renewals & new capital	22	24	14	67	93
Vehicle and plant item replacements	3	70	38	70	38
Office equipment (including IT)	111	113	47	110	47
Total capital expenditure	136	207	99	247	178

7 Variations from budget

- Local authorities fuel tax, fines, infringement fees, & other receipts is less than budget by \$102,000 due to an overall lower return on Council investments than forecast in the budget. These funds are not used for any direct operational requirements and therefore there is no immediate impact on Council operations through a lower return.
- Staff costs are lower than budget by \$97,000 due to a higher number of staff vacancies than budgeted for in the Annual Plan.
- Operating and maintenance costs \$128,000 less than budget where various costs savings have been identified and implemented and some projects deferred due to other commitments.
- Capital expenditure to replace existing assets is lower than budget by \$79,000 due to vehicle replacements being deferred as not deemed necessary in 2016/2017.
- Increase (decrease) in reserves is higher than budget by \$151,000 due to some funds originally budgeted for projects deferred (refer 3. above) being transferred to reserves for future expenditure when the projects proceed.
- Increase (decrease) of investments is greater than budget by \$163,000. 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

- 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 128.
- West Coast Rural Fire Authority: [d] [6] emergency management, page 102.

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 9 March 2015. It is also noted that Council has no direct responsibility for Rural Fire responsibilities from 1 July 2017 and therefore will cease to be a member of the Rural Fire Authority.