

Grey District Council Annual Report



For the year
01 July 2017 – 30 June 2018



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Contents

PART A: INTRODUCTION	7
1 FOREWORD FROM HIS WORSHIP THE MAYOR AND THE CHIEF EXECUTIVE OFFICER	8
2 COUNCILLORS AND THEIR PORTFOLIOS	9
3 SENIOR STAFF AND CONTACT DETAILS	10
PART B: INDEPENDENT AUDITOR'S REPORT	11
PART C: FINANCIAL STATEMENTS AND NOTES	16
1 STATEMENT OF COMPLIANCE AND RESPONSIBILITY	17
2 STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE	18
3 STATEMENT OF FINANCIAL POSITION	19
4 STATEMENT OF CHANGES IN EQUITY	20
5 STATEMENT OF CASH FLOWS.....	20
6 NOTES TO THE FINANCIAL STATEMENTS	21
7 FUNDING IMPACT STATEMENT FOR WHOLE OF COUNCIL	68
8 FINANCIAL REPORTING AND PRUDENCE DISCLOSURES.....	70
PART D: GROUP OF ACTIVITY STATEMENTS	76
1 LAND TRANSPORT.....	77
2 STORMWATER	82
3 WASTEWATER (SEWERAGE)	87
4 WATER SUPPLY	92
5 SOLID WASTE (REFUSE AND RECYCLING).....	98
6 EMERGENCY MANAGEMENT.....	102
7 ENVIRONMENTAL SERVICES.....	105
8 OTHER TRANSPORT	110
9 PROPERTY AND HOUSING.....	115
10 COMMUNITY FACILITIES	120
11 DEMOCRACY AND ADMINISTRATION.....	128
PART E: CONSULTATION WITH MAORI	132
PART F: COUNCIL CONTROLLED ORGANISATIONS	133
1 TOURISM WEST COAST.....	133

PART A: Introduction

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

Welcome to the 2017/2018 Annual Report. This is our report to the community on Council's performance for the period 1 July 2017 to 30 June 2018 and included in this report is:

- 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; and
- What we delivered for the money that we spent – as outlined in our performance reporting under each group of activity statement.

We are committed to being open, honest, accountable and transparent when reporting to our community and we also have certain statutory requirements which need to be met – this makes the report quite long and detailed in parts. However, we encourage you to please take the time to read this report and be informed on what your Council is doing to make the Grey District a progressive, sustainable area where people want to live, work, play and invest in. We also produce a summary version of this report that focuses on the key performance areas and items of interest to the community and this will be published by the end of November.

This document reports a deficit of \$2,149,000 compared with our budgeted deficit of \$1,414,000. The variances contributing to the additional deficit are detailed further in this document (note 39). The background as to why Council has a budgeted deficit and Council's strategy for addressing those underlying issues are fully explained in Council's 2018 – 2018 Long Term Plan. Residents and ratepayers with an interest in Council finances are encouraged to familiarise themselves with the Long Term Plan.

Two key Council projects were completed in 2017/2018. The town square was officially opened on 8 December 2017 as part of the very successful Christmas Carnival (there were delays with the architectural shelter, which is being finalised now). We are incredibly proud of this space – it is a great asset for our community and we're working on ensuring there are lots of activities planned for the summer.

Also completed were the repairs to the sagging beams in the Westland Recreation Centre pool roof. This was an extremely complex project and it meant that the pool was shut for seven months. However, it should be noted that this was the first time this methodology was used in New Zealand - replacing the beams while leaving the roof in place – and this ingenuity from the contractor and engineer resulted in significant project savings.

Our District has faced some tough times in recent years, including mine and business closures, severe weather events and the global economic recession, but key stakeholders are working together on plans for diversifying our economy to make it more sustainable

and self-reliant into the future. We have received funding from the Government's Provincial Growth Fund for feasibility studies on several exciting initiatives, including the next stage of the CBD development, proposed Discovery Centre and more.

Council has a strong future focus on the maintenance and management of our assets, now and into the future, to provide the levels of service the community expects. We remain committed to maintaining efficient and accountable local government and, in the process, the provision of quality service delivery for our residents. If you have any questions about any aspect of 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 (to 22 December 2017)
Community Development Manager	Kiri Pope (from 8 October 2018)
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: @GreyDistrict

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 2018

The Auditor-General is the auditor of Grey District Council (the District Council). The Auditor-General has appointed me, Chantelle Gernetzky, 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 31 October 2018. 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 67:
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2018;
 - 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 Reporting Standards;
- the funding impact statement on pages 68 to 69, 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 statement of service provision referred to as the Group of Activity Statements on pages 79 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 2018, 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 79 to 131, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's Annual plan; and
- the funding impact statement for each group of activities on pages 79 to 131, 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 performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 70 to 75, 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 our 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 statement of service provision referred to as the Group of Activity 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 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.

In addition to our audit of the audited information and our report on the disclosure requirements, we have audited the District Council's 2018-28 long term plan, and performed a limited assurance engagement related to the District Council's debenture trust deed. Other than these engagements, we have no relationship with, or interests in, the District Council.



Chantelle Gernetzky
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 2018 fairly reflect the financial position and operations of Grey District Council.



A F Kokshoorn
MAYOR



P G Pretorius
CHIEF EXECUTIVE OFFICER

Dated this 31st day of October 2018.

2 Statement of comprehensive revenue and expense

For the year ended 30 June 2018

	Note	Actual 2017 \$000	Annual Plan 2018 \$000	Actual 2018 \$000
REVENUE				
Rates, including targeted water supply rates	3	15,910	16,119	16,668
Subsidies and grants	4	4,837	4,482	4,044
Development and financial contributions		94	39	98
Fees and charges	5	4,066	4,496	3,922
Interest revenue	6	509	626	510
Other revenue	7	712	503	542
Total revenue		26,128	26,265	25,784
EXPENDITURE				
Personnel costs	8	(5,258)	(5,417)	(5,322)
Depreciation and amortisation expense	16	(8,701)	(8,552)	(9,112)
Finance costs	6	(1,056)	(2,025)	(1,405)
Other expenses	9	(11,093)	(11,685)	(12,094)
Total expenses		(26,108)	(27,679)	(27,933)
Net surplus/(deficit) before tax		20	(1,414)	(2,149)
Income tax expense		-	-	-
Surplus/(deficit) after tax attributable to Grey District Council		20	(1,414)	(2,149)
OTHER COMPREHENSIVE REVENUE AND EXPENSE				
Movement in asset revaluation reserve		9,775	-	-
Total other comprehensive revenue and expense		9,775	-	-
Total comprehensive revenue and expense		9,795	(1,414)	(2,149)

The accompanying notes form part of these financial statements.

3 Statement of financial position

As at 30 June 2018

	Note	Actual 2017 \$000	Annual Plan 2018 \$000	Actual 2018 \$000
ASSETS				
Current assets				
Cash and cash equivalents	10	5,470	7,287	4,114
Receivables	11	3,830	2,817	5,386
Other financial assets	12	11,767	5,715	10,236
Inventory	13	422	305	307
Non-current assets held for sale		-	-	-
		21,489	16,124	20,043
Non-current assets				
Receivables	11	35	202	35
Property, plant and equipment	14	403,987	421,964	403,502
Intangible assets	15	222	287	168
Other financial assets	12	368	715	291
Investment property	17	2,731	3,359	2,709
		407,343	426,527	406,705
TOTAL ASSETS		428,832	442,651	426,748
LIABILITIES				
Current liabilities				
Bank overdraft		-	-	-
Payables	18	3,224	3,115	4,311
Employee entitlements	19	388	537	577
Deferred revenue		282	212	272
Borrowings	20	5,000	5,000	5,010
Derivative financial instruments	21	28	-	28
		8,922	8,864	10,198
Non-current liabilities				
Provisions	22	2,159	2,059	2,050
Employee entitlements	19	500	436	443
Borrowings	20	25,425	29,103	24,303
Derivative financial instruments	21	495	-	572
		28,579	31,598	27,368
TOTAL LIABILITIES		37,501	40,462	37,566
EQUITY				
Retained earnings	23	229,552	229,527	228,098
Special funds	23	10,031	8,566	9,315
Trusts bequests and other reserves	23	177	173	198
Revaluation reserve	23	151,571	163,923	151,571
Total equity attributable to the Council		391,331	402,189	389,182
TOTAL EQUITY AND LIABILITIES		428,832	442,651	426,748

The accompanying notes form part of these financial statements.

4 Statement of changes in equity

For the year ended 30 June 2018

	Actual 2017 \$000	Annual Plan 2018 \$000	Actual 2018 \$000
Balance at 01 July	381,536	403,603	391,331
Total comprehensive revenue and expense	9,795	(1,414)	(2,149)
Balance at 30 June	391,331	402,189	389,182

The accompanying notes form part of these financial statements.

5 Statement of cash flows

For the year ended 30 June 2018

	Note	Actual 2017 \$000	Annual Plan 2018 \$000	Actual 2018 \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from rates revenue		15,873	16,081	16,566
Subsidies and grants received		4,923	4,482	3,297
Development and financial contributions received		94	39	98
Interest received		533	625	413
Dividends received		-	-	-
Receipts from other revenue		4,993	5,740	4,108
Payments to suppliers		(11,774)	(12,433)	(10,790)
Payments to employees		(5,337)	(5,411)	(5,190)
Interest paid		(1,524)	(2,025)	(1,461)
Income tax paid (refund)		-	-	-
Goods and services tax (net)		108	(118)	(236)
Net cash from operating activities	24	7,889	6,980	6,805
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of property, plant and equipment		207	-	88
Proceeds from sale of investment property		386	51	23
Receipts from sale of investments		24,347	15,865	27,918
Purchase of property, plant and equipment		(6,927)	(8,267)	(8,880)
Purchase of intangible assets		(2)	-	-
Acquisition of investments		(22,647)	(15,656)	(26,310)
Net cash from investing activities		(4,636)	(8,007)	(7,161)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings		5,000	6,973	4,000
Repayment of borrowings		(4,789)	(6,151)	(5,000)
Dividends paid		-	-	-
Net cash from financing activities		211	822	(1,000)
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		3,464	(205)	(1,356)
Cash, cash equivalents and bank overdrafts at the beginning of the year		2,006	7,492	5,470
Cash, cash equivalents and bank overdrafts at the end of the year	10	5,470	7,287	4,114

The accompanying notes form part of these financial statements.

6 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. The Council has designated itself as a public benefit entity (PBE) for the purposes of complying with generally accepted accounting practice.

The financial statements of Council are for the year ended 30 June 2018. The financial statements were authorised for issue by Council on 31 October 2018.

[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.

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] 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 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.

Insurance proceeds

Insurance proceeds are recognised as revenue when the compensation becomes receivable. Claims accepted after balance date are not recognised where their receipt was not virtually certain

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 four 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 backing, 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.

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	10 – 20	5.0 – 10
- 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 – 90	1.11 – 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 – 100	1 – 2
- Pumps and electrical	Straight line	10 – 80	1.25 – 10

Asset Class	Depreciation Method	Life (years)	%
- 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
- Streetlights	Straight line	25 – 40	2.5 – 4.0
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	Historical 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.

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 1.8% - 4.4%

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:

Landfill aftercare provision

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

Financial guarantees

Note 22 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 2018:

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

Interests in other entities

In January 2017, the XRB issued new standards for interests in other entities (PBE IPSAS 34 - 38). These new standards replace the existing standards for interests in other entities (PBE IPSAS 6 - 8). The new standards are effective for annual periods beginning on or after 1 January 2019, with early application permitted. The Council plans to apply the new standards in preparing the 30 June 2020 financial statements. The Council has not yet assessed the effects of these new standards.

Financial instruments

In January 2017, the XRB issued PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IFRS 9 is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The main changes under PBE IFRS 9 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management of risks.

The Council plans to apply this standard in preparing its 30 June 2022 financial statements. The Council has not yet assessed the effects of the new standard.

Impairment of revalued assets

In April 2017, the XRB issued Impairment of Revalued Assets, which now clearly scopes revalued property, plant, and equipment into the impairment accounting standards. Previously, only property, plant, and equipment measured at cost were scoped into the impairment accounting standards.

Under the amendment, a revalued asset can be impaired without having to revalue the entire class-of asset to which the asset belongs. This amendment is effective for the 30 June 2020 financial statements, with early

adoption permitted. The Council plans to apply the new standards in preparing the 30 June 2020 financial statements. The Council has not yet assessed the effects of these new standards.

2 Summary revenue and expenditure for groups of activities

	Actual 2017 \$000	Annual Plan 2018 \$000	Actual 2018 \$000
REVENUE			
Land transport	5,867	7,073	5,955
Stormwater	995	1,095	1,119
Wastewater	2,578	2,550	2,651
Water Supply	2,452	2,220	2,221
Solid waste management	2,188	2,326	2,409
Emergency management	219	127	129
Environmental services	2,048	2,011	2,070
Other transport	788	869	889
Property and housing	1,275	1,179	1,335
Community facilities and events	5,647	4,779	4,845
Democracy and administration	7,804	8,296	7,975
Total activity revenue	31,861	32,525	31,598
Less internal recoveries	(5,733)	(6,260)	(5,814)
Total revenue	26,128	26,265	25,784
EXPENDITURE			
Land transport	6,364	6,803	7,276
Stormwater	1,487	1,426	1,289
Wastewater	3,035	2,921	2,911
Water Supply	1,883	2,177	2,115
Solid waste management	1,699	2,357	2,165
Emergency management	141	128	104
Environmental services	1,951	2,018	2,248
Other transport	1,134	1,360	1,166
Property and housing	1,356	1,454	1,503
Community facilities and events	5,582	5,332	5,596
Democracy and administration	7,209	7,963	7,374
Total activity expenditure	31,841	33,939	33,747
Less internal recoveries	(5,733)	(6,260)	(5,814)
Total Expenditure	26,108	27,679	27,933

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 2017 \$000	Annual Plan 2018 \$000	Actual 2018 \$000
GENERAL RATES			
General Rate	6,502	6,581	6,854
Uniform Annual General Charge	3,030	3,097	3,156
Total general rates	9,532	9,678	10,010
TARGETED RATES ATTRIBUTABLE TO ACTIVITIES:			
District Promotion	295	344	365
Refuse Collection	1,340	1,297	1,369
Sewerage Collection	2,416	2,414	2,489
Water Supplies	1,874	1,973	1,943
Water Meter Rates	241	233	269
Lump sum contributions	-	-	-
PENALTIES			
Rate Penalties	212	180	223
Total rates	15,910	16,119	16,668

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 2017 \$000	Annual Plan 2018 \$000	Actual 2018 \$000
Rates on land where GDC is the ratepayer	383	415	412
Rate discounts	40	40	32
Rates remitted per Council policy	85	38	81
Total rates remitted	508	493	525

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 2016	As at 30 June 2017
Total number of rating units	9,029	9,027
Total capital value of rating units	2,875,664,050	2,931,651,550
Total land value of rating units	1,385,877,350	1,391,031,350

4 Subsidies and grants

	Actual 2017	Annual Plan 2018	Actual 2018
	\$000	\$000	\$000
New Zealand Transport Agency subsidies	2,733	3,996	2,715
Ministry of Health drinking water related subsidies	316	-	-
Ministry of Health wastewater related subsidies	-	-	-
Other grants and subsidies	1,788	486	1,329
Total subsidies and grants	4,837	4,482	4,044

There are no unfulfilled conditions and other contingencies attached to subsidies and grants recognised (2017 nil).

5 Fees and charges

	Actual 2017	Annual Plan 2018	Actual 2018
	\$000	\$000	\$000
Wastewater - trade waste user charges	88	94	87
Building and resource consent charges	718	658	667
Dog registration and other user charges	215	207	179
Liquor licencing fees	66	51	73
Landfill charges	573	732	648
Swimming pool and stadium user charges	918	1,175	659
Parking fees	42	46	44
Lease revenue	322	432	324
Retirement housing rental revenue	618	602	638
Port berthage and user access fees	160	192	196
Other fees and charges	346	307	407
Total fees, charges, and targeted rates for water supply	4,066	4,496	3,922

6 Interest revenue and finance costs

	Actual 2017	Annual Plan 2018	Actual 2018
	\$000	\$000	\$000
INTEREST REVENUE			
Interest Revenue:			
- term deposits	509	626	510
- local authority and government bonds	-	-	-
Total interest revenue	509	626	510
FINANCE COSTS			
Interest expense:			
- interest on borrowings	1,409	2,025	1,328
Interest derivatives (presented net):			
- Interest rate swaps - fair value through P&L	(353)	-	77
Total Finance Costs	1,056	2,025	1,405
Net finance costs	547	1,399	895

7 Other revenue

	Actual 2017 \$000	Annual Plan 2018 \$000	Actual 2018 \$000
Traffic and parking infringements	43	31	55
Freedom camping infringements	55		41
Petrol tax	149	175	156
Vested land and infrastructure from property development	-	92	-
Insurance recoveries	-	-	-
Non-current assets held for sale gains on disposal	-	-	-
Property plant & equipment gains on disposal	65	51	113
Investment property gains on disposal	230	-	-
Investment property revaluation gains	-	-	6
Other	170	154	171
Total other revenue	712	503	542

8 Personnel costs

	Actual 2017 \$000	Annual Plan 2018 \$000	Actual 2018 \$000
Wages and salaries	5,101	5,146	4,944
Contributions to defined contribution plans	236	217	246
Increase/(decrease) in employee benefit liabilities	(79)	54	132
Total employee expenses	5,258	5,417	5,322

9 Other expenses

	Note	Actual 2017 \$000	Annual Plan 2018 \$000	Actual 2018 \$000
Fees to principal auditor				
Audit of financial statements		98	107	99
Long Term Plan (LTP) audit		-	37	69
Debenture Trust Deed Audit		-	-	4
Insurance expenses		484	594	562
Consultants		510	479	1,054
Legal fees		174	205	63
Electricity		911	975	918
Grants & Donations		338	331	375
Remuneration of elected members	32	262	264	267
Directors' fees		-	-	-
Minimum lease payments under operating leases		273	369	163
Assets written off		-	-	-
Impairment of asset expense		-	-	-
Bad debt expense		-	1	3
Movement in impairment of receivables	11	81	-	-
Movement in provision for financial guarantee		(271)	-	(90)
Loss on sale of property, plant and equipment		-	-	4
Loss on sale of Investment Property		8	-	8
Investment property revaluation losses		13	-	(6)
Other operating expenses		8,212	8,323	8,740
Total other expenses		11,093	11,685	12,233

10 Cash and cash equivalents

	Actual 2017 \$000	Actual 2018 \$000
Cash at bank and on hand	5,470	4,114
Call deposits	-	-
Term deposits with maturities of less than 3 months at acquisition	-	-
Total cash and cash equivalents	5,470	4,114

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 2018 was 3.5 percent (2017: 3.7 percent). The deposits had an average maturity of 154 days (2017: 152 days).

11 Trade and other receivables

	Actual 2017 \$000	Actual 2018 \$000
Receivables		
Rates receivables	1,363	1,480
Water rate receivables	107	144
New Zealand Transport Agency receivable	131	1,398
Port receivables	71	95
Lease receivables	404	362
Sundry receivables	1,820	1,657
Community loans	35	35
Prepayments	-	-
Loans to related parties	-	-
Interest receivable	97	194
GST receivable	165	384
Receivables prior to impairment	4,193	5,749
Less provision for impairment of receivables	(328)	(328)
Total receivables	3,865	5,421
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)	3,364	4,865
Receivables from exchange transactions – (this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates)	501	556

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	2017 Impairment \$000	Net \$000	Gross \$000	2018 Impairment \$000	Net \$000
Not past due	1,191	-	1,191	3,057	-	3,057
Past due 1 - 30 days	78	-	78	49	-	49
Past due 31 - 90 days	1,033	-	1,033	491	-	491
Past due > 90 days	1,891	(328)	1,563	2,152	(328)	1,824
Total	4,193	(328)	3,865	5,749	(328)	5,421

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 2017 \$000	Actual 2018 \$000
At 1 July	247	328
Provisions reversed during the year	(11)	(16)
Additional provisions made during the year	92	16
Receivables written off during period	-	-
At 30 June	328	328

12 Other financial assets

	Actual 2017 \$000	Actual 2018 \$000
CURRENT PORTION		
Term deposits with original maturities greater than 3 months and remaining maturities less than 12 months	11,767	10,156
Borrower notes	-	80
Local authority stock	-	-
Available-for-sale financial assets	-	-
Total current investments	11,767	10,236
NON-CURRENT PORTION		
Borrower notes	320	240
Local authority stock	-	51
Unlisted shares	48	-
Total non-current investments	368	291

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 (2017 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 2017 \$000	Actual 2018 \$000
Land being developed for sale	307	307
Materials held for repair of Aquatic Centre	115	-
Total inventory	422	307

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 2018	Cost/ valuation 01-Jul-17	Accumulated depreciation & impairment charges 01-Jul-17	Carrying amount 01-Jul-17	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-18	Accumulated depreciation & impairment charges 30-Jun-18	Carrying amount 30-Jun-18
INFRASTRUCTURAL ASSETS												
Roading Network	165,288	-	165,288	2,219	-	-	-	(4,318)		167,507	(4,318)	163,189
Land Under Roads	68,733	-	68,733	-	-	-	-	-		68,733	-	68,733
Stormwater	31,462	-	31,462	506	-	-	-	(702)		31,968	(702)	31,266
Flood Protection System	8,615	(1,635)	6,980	-	-	-	-	(83)		8,615	(1,718)	6,897
Sewerage	54,547	-	54,547	522	-	-	-	(1,052)		55,069	(1,052)	54,017
Water Supply Systems	23,452	-	23,452	595	-	-	-	(549)		24,047	(549)	23,498
Landfill Site	3,685	(2,610)	1,075	22	-	-	-	(46)		3,707	(2,656)	1,051
Work in progress	208	-	208	1,885	-	-	-	-		2,093	-	2,093
TOTAL INFRASTRUCTURAL ASSETS	355,990	(4,245)	351,745	5,749	-	-	-	(6,750)	-	361,739	(10,995)	350,744
OTHER FIXED ASSETS												
General Land	4,220	-	4,220	40	-	-	-	-		4,260	-	4,260
Other Land	2,797	-	2,797	-	(3)	-	-	-		2,794	-	2,794
Buildings	36,176	-	36,176	1,389	-	-	-	(1,675)		37,565	(1,675)	35,890
Service concession asset - Civic Centre	153	(153)	-	-	(153)	153	-	-		-	-	-
Plant & Machinery	1,879	(1,098)	781	80	-	-	-	(182)		1,959	(1,280)	679
Furniture & Fittings	473	(387)	86	25	-	-	-	(9)		498	(396)	102
Computer Equipment	1,883	(1,510)	373	107	(1)	1	-	(145)		1,989	(1,654)	335
Library Stocks	2,035	(1,839)	196	56	-	-	-	(40)		2,091	(1,879)	212
Breakwaters & Wharves	4,848	(3,548)	1,300	-	-	-	(40)	(78)		4,808	(3,626)	1,182
Aerodrome	2,109	-	2,109	49	-	-	-	(52)		2,158	(52)	2,106
Parking Developments	443	(153)	290	-	-	-	-	(9)		443	(162)	281
Reserve Board Assets	290	-	290	-	-	-	-	-		290	-	290
Sports fields and Parks	2,675	(739)	1,936	61	-	-	-	(98)		2,736	(837)	1,899
Heritage Assets	1,062	(260)	802	52	-	-	-	(20)		1,114	(280)	834
Work in progress	886	-	886	1,292	(284)	-	-	-		1,894	-	1,894
TOTAL OTHER FIXED ASSETS	61,929	(9,687)	52,242	3,151	(441)	154	(40)	(2,308)	-	64,599	(11,841)	52,758
TOTAL PROPERTY, PLANT AND EQUIPMENT	417,919	(13,932)	403,987	8,900	(441)	154	(40)	(9,058)	-	426,338	(22,836)	403,502

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

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
2018				
Water Supply Systems				
- treatment plants and facilities	3,323	-	-	5,212
- other assets (such as reticulation systems)	20,175	595	-	36,373
Sewerage				
- treatment plants and facilities	13,494	-	-	16,201
- other assets (such as reticulation systems)	40,523	522	-	53,463
Stormwater	31,266	506	-	68,387
Roads and footpaths	163,189	2,219	-	256,444
Flood Protection System	6,897	-	-	n/a
	278,867	3,842	-	436,080
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

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), ZNZIV, 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 Cobden Breakwater 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.

Council owns and maintains the breakwaters at the mouth of the Grey River. The northern breakwater (Cobden side) was significantly damaged in early 2018 as a result of the ex Cyclone Fehi storm. Council has applied an impairment based on an estimate of the percentage of the breakwater damaged (50%) calculated against the carrying value of the asset.

Work in progress

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

	Actual 2017 \$000	Actual 2018 \$000
INFRASTRUCTURAL ASSETS		
Water supply systems		
- Taylorville Dobson supply	-	-
- Runanga supply	15	15
Landfill		
- Cell 3 design and development	193	938
- Recycling storage shed	-	-
Other		
- North breakwater and sea protection wall	-	1,140
	208	2,093
OTHER FIXED ASSETS		
Buildings		
- Shed - Greymouth Dog Park	-	-
- Greymouth CBD Town Square	591	1,838
- EQ Strengthening - Left Bank Art Gallery	11	56
- Moana Health Clinic	284	-
	886	1,894

Insurance of Assets

	Carrying value of assets covered by insurance contracts \$000	Maximum amount to which assets are insured \$000
Buildings	35,890	84,013
Contents	649	14,303
Work in progress	56	56
Vehicles	679	437
Stormwater network and plant	31,266	19,837
Sewerage network and plant	54,017	43,870
Water supply network and plant	23,498	15,988
Landfill	1,051	1,819
Flood Protection System	6,897	3,721
Breakwaters & Wharves	1,182	13,388
	155,185	197,432

ASSET VALUES FROM STATEMENT OF FINANCIAL POSITION

Property, plant and equipment 403,502

Less carrying value of those assets disclosed above:

Carrying value of assets covered by insurance contracts 155,185

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

Less uninsured asset classes

Roading Network 163,189

Land Under Roads 68,733

General Land 4,260

Other Land 2,794

Aerodrome 2,106

Parking Developments 281

Reserve Board Assets 290

Sports fields and Parks 1,899

Heritage Assets 834

Work in progress 3,931

-

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 2016	446
Additions	2
Disposals	-
Balance at 30 June 2017	448
Balance at 1 July 2017	448
Additions	-
Disposals	-
Balance at 30 June 2018	448
ACCUMULATED AMORTISATION AND IMPAIRMENT	
Balance at 1 July 2016	(172)
Amortisation charge	(54)
Disposals	-
Balance at 30 June 2017	(226)
Balance at 1 July 2017	(226)
Amortisation charge	(54)
Disposals	-
Balance at 30 June 2018	(280)
CARRYING AMOUNTS	
Balance at 1 July 2016	274
Balance at 30 June and 1 July 2017	222
Balance at 30 June 2018	168

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 2017 \$000	Annual Plan 2018 \$000	Actual 2018 \$000
Land transport	3,793	3,812	4,323
Stormwater	800	895	776
Wastewater	1,383	984	1,052
Water Supply	506	610	549
Solid waste management	136	293	57
Emergency management	5	5	5
Environmental services	3	2	3
Other transport	188	224	194
Property and housing	401	391	406
Community facilities and events	1,223	1,062	1,485
Democracy and administration	263	274	262
Total depreciation and amortisation expense	8,701	8,552	9,112

17 Investment property

	Actual 2017 \$000	Actual 2018 \$000
Balance 01 July	2,900	2,731
Transfer from <i>Assets held for sale</i>	-	-
Transfer from <i>Property, plant and equipment</i>	-	-
Disposals	(156)	(28)
Fair value gains/(losses) on valuation	(13)	6
Balance at 30 June	2,731	2,709

Valuation

At fair value as determined from market-based evidence. The most recent valuation was performed by Mark Bolland BCom (VPM), MPINZ, Registered Valuer of Preston Rowe Paterson and the valuation is effective as at 30 June 2018.

18 Payables

	Note	Actual 2017 \$000	Actual 2018 \$000
Payables under exchange transactions			
Trade payables and accrued expenses		1,960	3,148
Sundry Creditors		991	979
Directors fee payable		-	-
Accrued expenses		-	-
Amounts due to related parties	29	88	20
Interest Payable		185	164
Total		3,224	4,311
Payables under non-exchange transactions			
Grants payable		-	-
GST payable		-	-
Total		-	-
Total trade and other payables		3,224	4,311

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

19 Employee entitlements

	Actual 2017 \$000	Actual 2018 \$000
Accrued pay	-	190
Annual leave	600	559
Long service leave	77	89
Retirement gratuities	211	182
	888	1,020
COMPRISING:		
Current	388	577
Non-current	500	443
Total employee benefit liabilities	888	1,020

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 3.5% (2018 3.0%) and an inflation factor of 2.0% (2017 2.5%) were used.

20 Borrowings

	Actual 2017 \$000	Actual 2018 \$000
CURRENT		
Secured loans	5,000	5,010
Total current borrowings	5,000	5,010
NON-CURRENT		
Secured loans	25,425	24,303
Total non-current borrowings	25,425	24,303
Total borrowings	30,425	29,313

External borrowings	Maturity date	Interest rate (as at 30 Jun 18)	Balance at 30 June 2017 \$	Loans uplifted \$	Amortisation of fair value	Loans repaid \$	Balance at 30 June 2018 \$
LOAN NAME							
Westpac Multi Option Cash Loan	22 Sep 19	2.95%	-	4,000,000	-	-	4,000,000
Harbour Asset Management floating rate note	15 Jun 20	2.75%	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	2.89%	3,000,000	-	-	-	3,000,000
Local Government Funding Agency	15 Mar 19	5.00%	2,024,204	-	(13,929)	-	2,010,275
Local Government Funding Agency	15 May 21	6.00%	5,242,045	-	(57,154)	-	5,184,891
Local Government Funding Agency	15 May 21	6.00%	5,199,607	-	(47,132)	-	5,152,475
Local Government Funding Agency	15 Apr 23	5.50%	2,959,449	-	6,109	-	2,965,558
Local Government Funding Agency	15 Apr 23	2.97%	2,000,000	-	-	-	2,000,000
			30,425,305	4,000,000	(112,106)	(5,000,000)	29,313,199
Portion of Term Debt repayable within One year			5,000,000				5,010,275
Portion of Term Debt repayable in One to Two years			5,024,204				9,000,000
Portion of Term Debt repayable in Two to Five years			15,441,652				15,302,924
Portion of Term Debt repayable in Five years or more			4,959,449				-
Total Term Debt repayable			30,425,305				29,313,199

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

Carrying values are approximately equal to fair value.

21 Derivative financial instruments

	Actual 2017 \$000	Actual 2018 \$000
Interest rate swaps - fair value	523	600
	523	600
COMPRISING:		
Current	28	28
Non-current	495	572
Total derivative financial instruments	523	600

The notional principal amounts of the outstanding interest rate swap contracts for the Council were \$8,500,000 (2017 \$7,500,000). At 30 June 2018, the fixed interest rates of cash flow interest rate swaps vary from 3.39% to 4.95% (2017 4.63% to 4.95%).

22 Provisions

	Actual 2017 \$000	Actual 2018 \$000
Landfill aftercare provision	1,286	1,406
Financial guarantees	873	644
Total provisions	2,159	2,050

Movements for each class of provision are as follows:

Landfill aftercare provision

	Actual 2017 \$000	Actual 2018 \$000
Balance 01 July	1,322	1,286
Additional provisions made in the year	-	170
Amounts used in the year	(16)	(50)
Unused amounts reversed	(20)	-
Balance at 30 June	1,286	1,406

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 2048. 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 range of the discount rates of 1.8% to 4.4% (2017 2.0% to 4.8%).

Financial guarantees

	Actual 2017 \$000	Actual 2018 \$000
Balance 01 July	1,144	873
Additional provisions made in the year	-	-
Amounts used in the year	(33)	(33)
Unused amounts reversed	(238)	(196)
Balance at 30 June	873	644

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	\$132,470
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.

23 Equity

	Actual 2017 \$000	Actual 2018 \$000
RATEPAYERS EQUITY		
Opening balance	230,104	229,552
Plus net surplus/(deficit) for the year	20	(2,288)
Net transfer from/(to) Special Funds	(562)	716
Net transfer from/(to) Trusts & Bequests	(10)	(21)
Net Transfer from revaluation reserves on disposal	-	-
Closing balance	229,552	227,959
SPECIAL FUNDS		
Opening balance	9,469	10,031
Plus interest (transfer from ratepayer equity)	424	312
Other transfers from ratepayers equity	1,154	493
Transfer to ratepayers equity	(1,016)	(1,521)
Closing balance	10,031	9,315
TRUSTS, BEQUESTS & OTHER RESERVES		
Opening balance	167	177
Transfer from ratepayers equity	14	22
Transfer to ratepayers equity	(4)	(1)
Closing balance	177	198
REVALUATION RESERVES		
Opening balance	141,796	151,571
Reclassification to surplus or deficit on disposal	-	-
Net revaluation gains / (losses)	9,775	-
Impairment losses recognised in the revaluation reserve	-	-
Closing balance	151,571	151,571
TOTAL EQUITY	391,331	389,043
REVALUATION RESERVES ARE MADE UP OF THE FOLLOWING		
Land & Building Revaluation Reserve	20,984	20,984
Aerodrome revaluation reserve	436	436
Roading Revaluation Reserve	84,719	84,719
Water Revaluation Reserve	9,044	9,044
Investment Revaluation Reserve	52	52
Drainage & Sewerage Revaluation Reserve	36,336	36,336
	151,571	151,571

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

2018: Special Funds

Reserve	Activities to which the reserve relates	Balance 01 July \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance 30 June \$000
Special funds					
Special Fund Interest Suspense		-	-	-	-
Greymouth Sewerage Fund	Wastewater	-	-	-	-
Te Kinga Infra Upgrade Reserve	All activities	91	3	-	94
Rural Sewerage Capital Works Reserve	Wastewater	280	9	-	289
Cobden Stormwater Mitigation Reserve	Stormwater	51	2	-	53
Barrytown Area Infra Reserve	All activities	95	3	(34)	64
Atarau Area Infra Reserve	All activities	-	-	-	-
Ahaura Area Infra Reserve	All activities	168	5	-	173
Haupiri Area Infra Reserve	All activities	139	4	(24)	119
Nelson Creek Infrastructure Reserve	All activities	17	1	-	18
Ngahere Infrastructure Reserve	All activities	193	6	-	199
Blackball Area Infra Reserve	All activities	1	-	-	1
Runanga Area Infra Reserve	All activities	720	24	-	744
Kaiata Stillwater Area Infra Reserve	All activities	201	6	(8)	199
Karoro Infrastructure Development Reserve	All activities	622	20	-	642
South Beach/Paroa Infrastructure Reserve	All activities	414	14	-	428
Camerons Infrastructure Reserve	All activities	89	2	(11)	80
Gladstone Infrastructure Reserve	All activities	205	7	-	212
Arnold Valley Area Infra Reserve	All activities	103	4	(19)	88
Lake Brunner Area Infra Reserve	All activities	207	6	(38)	175
Hohonu Area Infra Reserve	All activities	47	1	(8)	40
Infra Renewal Reserve	All activities	139	41	-	180
Moana Water Supply	Water supply	9	-	-	9
Flood Protection Reserve	Stormwater/Flood protection	116	3	-	119
Cemetery Extension Reserve	Cemeteries	49	2	-	51
Cemetery Maintenance Reserve	Cemeteries	345	17	-	362
Footpath Reserve	Land transport	62	2	-	64
Roading Reserve - Exp Committed	Land transport	327	9	(122)	214
Land Fill Reserve	Solid waste management	34	11	-	45
Airport Maintenance Reserve	Airport	358	86	-	444
Disaster Recovery Reserve	All activities	2,072	68	-	2,140
Civil Defence Reserve	Emergency management	34	1	-	35
Rural Fire Authority Reserve	Rural fire authority	118	2	(90)	30
Economic Development Reserve	All activities	10	1	-	11
Harbour Endowment LS Reserves	Port	108	25	(108)	25
Land Sale Reserve	All activities	27	86	-	113
Reserves Subdivision Contributions	Community facilities and parks	23	80	(36)	67
Maori Land Compensation Reserve	Council property	198	6	(21)	183
TDS Reserve	Economic development	62	2	-	64
Town Clock Reserve	Community facilities and parks	22	1	-	23
Gas Management Plan Reserve	Council property	17	1	-	18
District Planning Reserve	District planning	63	1	(60)	4
Plant and Machinery Reserve	All activities	668	73	(305)	436
Building & Property Gen Reserve	Council property	71	2	(47)	26
Westland Rec Centre Maintenance Reserve	Westland Recreation Centre	19	1	-	20
Spring Creek Pool	Spring Creek Pool	80	3	-	83
Ogilvie Reserve Reserve	Spring Creek Pool	34	1	-	35
Corp Equip and Furniture Reserve	Council administration	750	159	(137)	772
Staff Costs Reserve	Council administration	-	-	-	-
Sunshine Coach Reserve	Council administration	7	-	-	7
Rental Housing Reserve	Retirement housing	131	4	(23)	112
Miners Rec Centre Reserve	Westland Recreation Centre	-	-	-	-
Library Reserve	Libraries	5	-	-	5
SPECIAL FUNDS - Committed Expenditure	All activities	430	-	(430)	-
Total special funds		10,031	805	(1,521)	9,315

2018: 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	16	-	18
E White Bequest	Community facilities and parks	40	2	-	42
Mayoral Flood Relief Fund	Democracy	8	-	-	8
Grey United Tennis Resurfacing Reserve	Community facilities and parks	-	-	-	-
Citizens Emergency Relief Fund	Democracy	68	3	-	71
Perotti Bequest	Community facilities and parks	-	-	-	-
Peters Bequest - Talking Books	Libraries	17	-	(1)	16
Vera Corbett Bequest	Libraries	32	1	-	33
Thomas Dehenry Bequest	Community facilities and parks	10	-	-	10
Total trusts and bequests		177	22	(1)	198
TOTAL SPECIAL FUNDS, TRUSTS, AND BEQUESTS		10,208	827	(1,522)	9,513

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
Hauptiri 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	All Activities	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

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).

24 Reconciliation of operating surplus/(deficit) to net cash inflows/(outflows) from operating activities

	Actual 2017 \$000	Actual 2018 \$000
Surplus from operations	20	(2,288)
ADD/(LESS) NON CASH ITEMS		
Depreciation	8,701	9,112
Impairment in value of Property, Plant and Equipment	-	40
Assets vested in Council	-	-
Unrealised landfill aftercare costs	(36)	120
Movement in provision for financial guarantee	(271)	(90)
Movement in employee entitlements (non current)	(86)	(57)
Assets vested by Council	-	284
Assets written off	-	-
	8,308	9,409
MOVEMENTS IN WORKING CAPITAL		
(Increase)/decrease in accounts receivable	740	(1,459)
(Increase)/decrease in interest receivable	24	(97)
(Increase)/decrease in inventory	-	115
Increase/(decrease) in accounts payable	(537)	1,108
Increase/(decrease) in interest payable	(9)	(21)
Increase/(decrease) in revenue in advance	68	(10)
Increase/(decrease) in employee entitlements	7	189
	293	(175)
LESS ITEM CLASSIFIED AS INVESTING ACTIVITY		
Net gain(loss) on sale of property, plant & equipment and non-current assets held for sale	(65)	(109)
Net gain(loss) on sale of investment property	(222)	8
Fair value (gains)/losses on valuation of investment property less amortisation of fair value of term loans	13	(6)
Change in fair value of interest swap	(106)	(111)
	(352)	77
	(732)	(141)
Net cash flow from operations	7,889	6,805

25 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 2017 \$000	Actual 2018 \$000
OFFICE EQUIPMENT		
Not later than one year	42	54
Later than one year and not later than two years	28	45
Later than two years but not later than five years	18	40
Later than five years	-	-
	88	139
LAND LEASES		
Not later than one year	237	223
Later than one year and not later than two years	221	223
Later than two years but not later than five years	597	570
Later than five years	2,243	2,000
	3,298	3,016
Total non-cancellable operating leases	3,386	3,155

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 2019
Utilities Maintenance (incl. Maintenance and Operation of the Greymouth Flood Scheme)	To 30 th September 2018*
Roading Maintenance Works	To 30 th June 2021

Smart Environmental New Zealand Limited

Solid Waste Operation Contract	To 30 th June 2022
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Provision of Services for Civil Defence

Tied in to Contracts

*New contract signed

Paul Smith Earthmoving 2002 Limited

To 30th June 2022

Utilities Maintenance (incl. Maintenance and Operation of the Greymouth Flood Scheme)

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 2018 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 Two – Structural Work Canopy Leaves	Dispatch & Garlick Limited	17,676
Greymouth CBD Renewal Stage Two – Glass Canopy Leaves	Total Glass Ltd	70,174
Runanga Water Treatment Plant Upgrade	McMillan Drilling Limited	31,565
Left Bank Art Gallery Strengthening	Watts & Hughes Limited	274,436
McLean's Pit Landfill – Cell 3 Construction	Grant Hood Contracting Limited	552,175
Greymouth Sanitary Sewer Separation – Stage 4C	Tru-Line Civil Limited	523,166
Slatey Creek Bridge Replacement	GT Liddell Contracting Limited	509,407
Preston Rd Storage Building	CYB Construction Limited	156,655
Tarry Creek Pump Column Replacement	E-Quip Engineering Limited	31,031
Cobden Dump Sea Protection Wall SP 1	MBD Contracting Limited	115,208
Churchill St Storm Water Upgrade	Westroads Greymouth Limited	341,720
		2,761,800

26 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 28). 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 (2017: 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.

27 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 2018, the payments to be made to Council in the future totalled \$167,524 (2017 \$201,258).

Storm damage – cost recovery

Council incurred storm damage to the North Breakwater at Greymouth, on 1 February 2018 (ex tropical cyclone Fehi). Council has this asset insured as a part of its infrastructure insurance programme where these assets are covered to 40% of their indemnity value (depreciated replacement cost). The Ministry of Civil Defence will contribute up to 60%, less a Council deductible. Both these amounts are subject to the event being accepted as a natural disaster. As at balance date Council was working with both parties to advance the claims, and expects to receive a total settlement of between \$650,000 to \$1,000,000.

28 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 2018, as 106.1% (106.2% as at 31 March 2017). 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.

29 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 2017 (incl. GST) \$	Amount payable 2017 to the business (incl. GST) \$	Amount paid to the business 2018 (incl. GST) \$	Amount payable 2018 to the business (incl. GST) \$
Gibson A.J.	Muffler Shop West Coast Ltd	Vehicle repairs	1,486	-	537	-
Gibson T.K.	Steve's Building and Property Services Ltd		-	-	27,221	-
Haddock P.R.	Westland Engineering	Engineering Services	2,095	255	1,025	-
Haddock P.R.	E-Quip Engineering	Engineering Services	43,264	-	146,748	543
Haddock P.R.	Greymouth Equipment Centre	Engineering Services	370	192	192	-
Hay M.	Hay Brothers Painters	Painting Contractors	3,498	-	22,321	157
Kokshoom A.F.	Greymouth Car Centre	Vehicle repairs	-	-	-	-
Kokshoom A.F.	Greymouth Evening Star	Printing and advertising	69,352	7,945	64,987	15,577
Truman D.J.	Central Paper Plus	Office supplies	2,461	-	n/a	n/a
			122,526	8,392	263,031	16,277

During the year, Council made supplies to 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 received from the business 2017 (incl. GST) \$	Amount receivable 2017 to the business (incl. GST) \$	Amount received from the business 2018 (incl. GST) \$	Amount receivable 2018 to the business (incl. GST) \$
Gibson A.J.	Muffler Shop West Coast Ltd	Lease	18,000	7,375	12,000	16,861
			18,000	7,375	12,000	16,861

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 2017 (excl. GST) \$	Amount payable 30-Jun-17 (excl. GST) \$	Amounts paid to the organisation 2018 (excl. GST) \$	Amount payable 30-Jun-18 (excl. GST) \$
83,796	-	118,680	-

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 2017 (excl. GST) \$	Amount payable 30-Jun-17 (excl. GST) \$	Amounts paid to the organisation 2018 (excl. GST) \$	Amount payable 30-Jun-18 (excl. GST) \$
48,098	79,463	69,000	4,000

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 has made contributions to the 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. The West Coast Rural Fire Authority is currently in the process of being wound up due to their previous functions being transferred to Fire Emergency New Zealand (FENZ) as at 1 July 2017.

Amounts paid to the organisation 2017 (excl. GST) \$	Amount payable 30-Jun-17 (excl. GST) \$	Amounts paid to the organisation 2018 (excl. GST) \$	Amount payable 30-Jun-18 (excl. GST) \$
13,112	-	-	-

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. (2017 – 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 2017 \$	Actual 2018 \$
Salaries and other short term employee benefits	966,927	990,365
Employer superannuation contributions	40,330	32,815
Post employment benefits	-	-
Total compensation	1,007,257	1,023,180
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.

30 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.

31 Elected members' remuneration

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

		Honarium 2018 \$	Travel Allowance 2018 \$	Total 2018 \$	Total 2017 \$
MAYOR					
Kokshoorn	A.F	82,458	-	82,458	80,910
COUNCILLOR					
Becker	A.D	21,893	580	22,472	21,892
Coll	A.P	21,893	-	21,893	21,473
Gibson	A.J	21,893	-	21,893	21,550
Gibson	T.K	21,893	-	21,893	15,452
Haddock	P.R	21,893	-	21,893	21,473
Hay	M	30,645	-	30,645	27,345
McBride	P.T	21,893	-	21,893	15,452
Sandrey	C.R	21,893	-	21,893	21,550
Brown	K.R	-	-	-	5,962
Truman	D.J	-	-	-	8,908
Total elected members remuneration		266,351	580	266,930	261,969

32 Chief Executive Officer's remuneration

	Actual 2017 \$	Actual 2018 \$
Salary	178,666	184,320
Employer Superannuation Contributions	19,960	11,061
Telephone rental	620	631
Car - Full Use	8,838	8,838
Professional Allowances/Fees	500	500
Total Chief Executive Officer's remuneration	208,584	205,350

33 Council employees

2018	Actual 2018 \$
<\$60,000	60
\$60,000 - \$79,999	20
\$80,000 - \$119,999	10
\$120,000 - \$219,999	5
Total Employees	95

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

Total remuneration includes non-financial benefits provided to employees.

At balance date, the Council employed 48 (2017 50) full-time employees, with the balance of staff representing 27 (2017 18) full-time equivalent employees. A full-time employee is determined on the basis of a 32-hour working week.

34 Severance payments

There were no severance payments during the 2017/2018 year that meets the definition of a severance payment as in clause 33 of schedule 10 of the Local Government Act 2002. (Nil payments 2017).

35 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.

36 Events subsequent to balance date

Council incurred storm damage to the North Breakwater at Greymouth, on 1 February 2018 (ex tropical cyclone Fehi). Council resolved in June 2018 to repair and improve the breakwater, at a total estimated cost of \$1.8m. This repair work commenced in 2018/2019, and is therefore not reflected in this set of accounts. The associated impairment of Council's asset is detailed in note 14 (Property, Plant and Equipment). Council has accepted full and final settlement of the claim with the insurer relating to this storm damage for a total amount of \$420,695. This settlement will be recognised in the 2018/2019 accounts per Council's accounting policies.

37 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 2017 \$000	Actual 2018 \$000
FINANCIAL ASSETS		
Loans and receivables		
Cash and cash equivalents (net)	5,470	4,114
Short term investments > 3 -12 months	11,767	10,156
Trade and other receivables	3,865	5,421
	21,102	19,691
Held to maturity investments		
Term investments	-	-
Borrower notes (Local Government Funding Agency)	320	320
Local authority stock	-	51
	320	371
Available for sale		
Unlisted shares (Civic Assurance)	48	-
	48	-
FINANCIAL LIABILITIES		
Financial liabilities at amortised cost		
Trade and other payables	3,224	4,311
Secured loans	30,425	29,313
	33,649	33,624
Fair value through statement of comprehensive revenue and expense		
Derivative financial instruments (interest rate swap)	523	600
	523	600

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 20.

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 2018 had fluctuated by plus or minus 0.5%, the effect would have been to decrease/increase the surplus/deficit by \$73,000 (2017: \$88,000).

Based on financial instrument disclosures at the balance date and with other variables held constant; if interest rates on borrowings at 30 June 2018 had fluctuated by plus or minus 0.5%, the effect would have been to decrease/increase the surplus after tax by \$147,000 (2017: \$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 \$550,000 (2017: \$550,000) plus available credit on a credit line facility with Westpac of \$6,000,000 (2017 \$6,050,000). 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.

38 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.

39 Explanation of major variances against budget

Explanations for major variations from Council's estimated figures in the 2017/2018 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 result is a net deficit of \$2.15m as compared to the budgeted deficit of \$1.41m. This negative variance of \$735,000 is attributable to a number of factors, most notably:

- Subsidies and grants **revenue** is less than budget by \$438,000. New Zealand transport Agency (NZTA) subsidies are less than budget by \$1,281,000 due to:
 - Council's resale programme not being complete, resulting in Council not being eligible to claim approximately \$618,000 in subsidies for the associated work; and
 - The amount of 'emergency works; roading expenditure (i.e. due to extreme weather events) being less than budget, and therefore the associated NZTA subsidy not being required.
- Fees and charges **revenue**, less than budget by \$574,000. The main contributor here is relating to the closure of the Grey Aquatic Centre for roof repairs leading to a loss in user charges of approximately \$250,000. In addition to this the overall income results for the Westland Recreation centre are less than budget by \$250,000.
- Depreciation and amortisation **expense**: This is higher than budgeted by \$560,000. The annual depreciation expense has increased this year as a result of the 2017 asset revaluations. The valuations are the latest best estimate of the replacement cost and remaining useful lives of Council infrastructure assets, the combination of which has increased the annual depreciation expense. This has no immediate direct impact on Council's operations as is a non-cash expense. The increased amount was incorporated into financial forecasts for the LTP
- Other **expenses** are \$409,000 higher than budget. Included in this amount is the recognition of Council transferring the Moana Health Clinic to the West Coast District Health Board. This new facility was built under Council control, noting that the centre was largely funding through external fundraising. The external fundraising has been recognised as revenue in this year's accounts. Neither of these were included in the budget.

The above adverse results to budget are offset by finance costs resulting in a saving compared to budget of \$620,000, due to overall borrowings being lower than budget and Council's average costs of borrowing (interest rates) being lower than budgeted.

Statement of movements in equity

Significant variations from budgeted changes in equity relate to:

- Total comprehensive income being \$735,000 less than budget, per above variances
- Opening equity is \$12.3m less than budget as a result of last year's revaluation movement being less than anticipated when preparing the 2018 budget. It is noted that the 2018 budget is prepared and adopted well before the 2017 final actual result is known, in particular before the asset revaluation movement is known.

Statement of financial position

Significant variations from budget are as follows:

- Assets are less than budget by \$15.9m largely due to property, plant, and equipment having a lower carrying value than budget by \$18.5m. This is attributable to:
 - The increase in value of classes of assets last year being \$12.4m less than anticipated in budgeting;

- Key capital projects not being progressed as far as forecast in the budget. This includes McLeans Landfill expansion (new cell).
- The annual depreciation expense (therefore reducing asset value) being higher than budget, as referred to above).
- Liabilities \$2.9m less than budget, largely due to total Council borrowings being less than forecast by \$4.8m. Due to some capital projects not proceeding per budget timelines, the associated borrowings are not yet required.
- Total equity is \$13.0m less than budget due to a combination of reasons as detailed above.

Statement of cash flows

Cash flow variations from budget largely reflect the variations as detailed above, most notably the variation in financing activities associated with Council requirements for new borrowing not being as high as forecast in the budget.

7 Funding impact statement for whole of Council

	2017 Annual Plan \$000	2017 Actual \$000	2018 Annual Plan \$000	2018 Actual \$000
[A] SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	9,403	9,744	9,858	10,233
Targeted rates	6,126	6,166	6,261	6,435
Subsidies and grants for operating purposes	1,660	1,689	1,693	1,248
Fees and charges	4,507	4,121	4,496	3,966
Interest and dividends from investments	631	509	626	510
Local authorities fuel tax, fines, infringement fees, & other receipts	308	362	360	382
Total operating funding [A]	22,635	22,591	23,294	22,774
[B] APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	16,444	16,530	17,102	17,086
Finance costs	2,388	1,056	2,025	1,405
Other operating funding applications	-	(200)	-	283
Total applications of operating funding [B]	18,832	17,386	19,127	18,774
Surplus (deficit) of operating funding [A - B]	3,803	5,205	4,167	4,000
[C] SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	2,508	3,148	2,789	2,799
Development and financial contributions	59	94	39	99
Increase (decrease) in debt	6,325	208	821	(1,000)
Gross proceeds from sale of assets	121	590	51	138
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding [C]	9,013	4,040	3,700	2,036
[D] APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
—to meet additional demand	-	-	-	-
—to improve the level of service	7,134	2,937	1,342	4,117
—to replace existing assets	4,964	3,993	6,288	4,783
Increase (decrease) in reserves	718	572	237	(695)
Increase (decrease) of investments	-	1,743	-	(2,169)
Total applications of capital funding [D]	12,816	9,245	7,867	6,036
Surplus (deficit) of capital funding [C - D]	(3,803)	(5,205)	(4,167)	(4,000)
Funding balance: [A - B] + [C - D]	-	-	-	-

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

	2017 Annual Plan	2017 Actual	2018 Annual Plan	2018 Actual
	\$000	\$000	\$000	\$000
Surplus (deficit) of operating funding	3,803	5,205	4,167	4,000
Add sources of capital funding recognised as revenue in Statement of Comprehensive Revenue and Expense	-	-	-	-
Subsidies and grants for capital expenditure	2,508	3,148	2,789	2,799
Development and financial contributions	59	94	39	99
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	(7,928)	(8,701)	(8,552)	(9,112)
Net gain (loss) of non current assets held for sale	-	-	-	-
Net gain (loss) on sale of property plant & equipment/investment property	121	287	51	101
Vested assets revenue/Other dedicated capital funding	91	-	92	-
Fair value gain / (loss) on investment property	-	(13)	-	6
Gross profit on sale of land inventory	-	-	-	-
Other non operating revenue/(expense)	-	-	-	(42)
Surplus/(deficit) after tax attributable to Grey District Council	(1,346)	20	(1,414)	(2,149)

8 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.

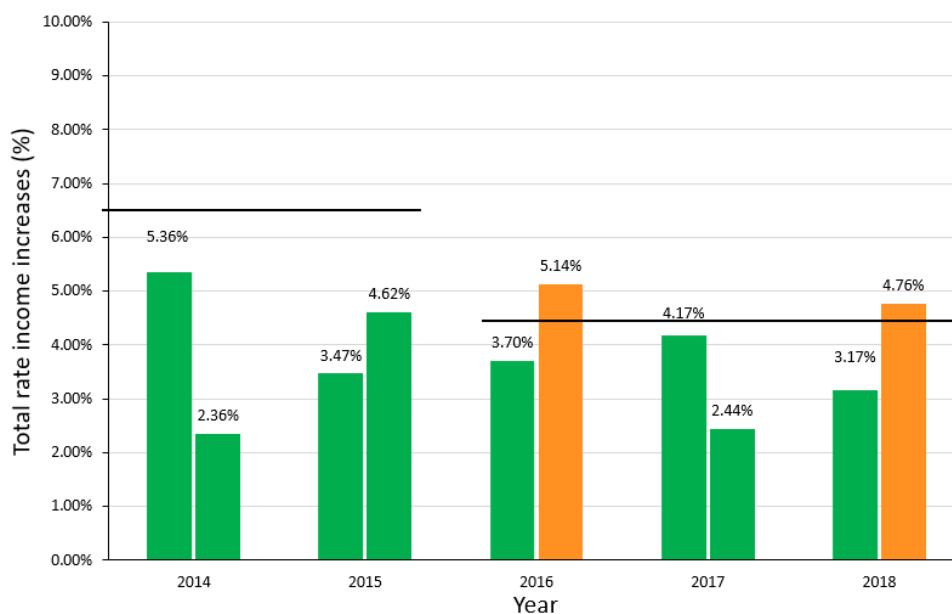
[1] Rate affordability benchmarks

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 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, 2017, and 2018 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).

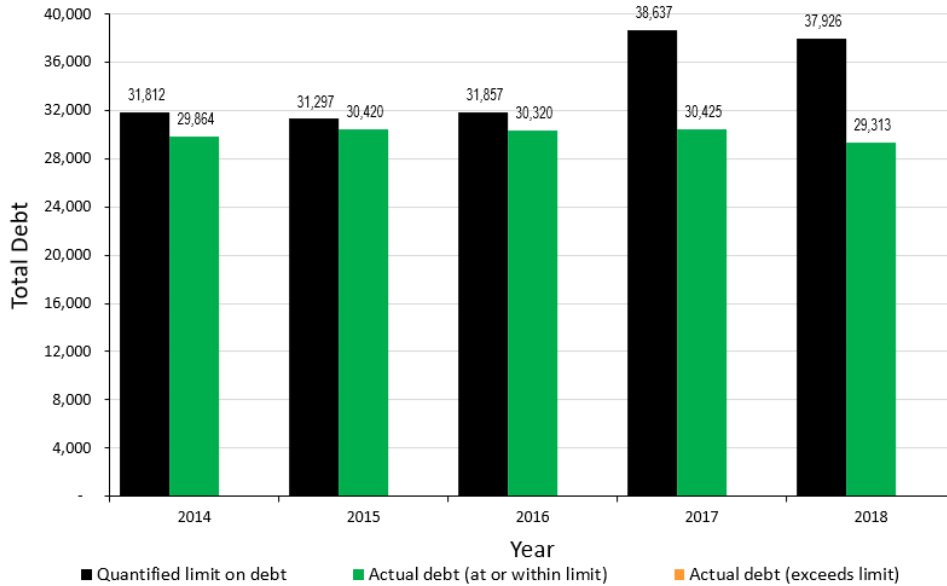


[2] Debt affordability benchmarks

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.

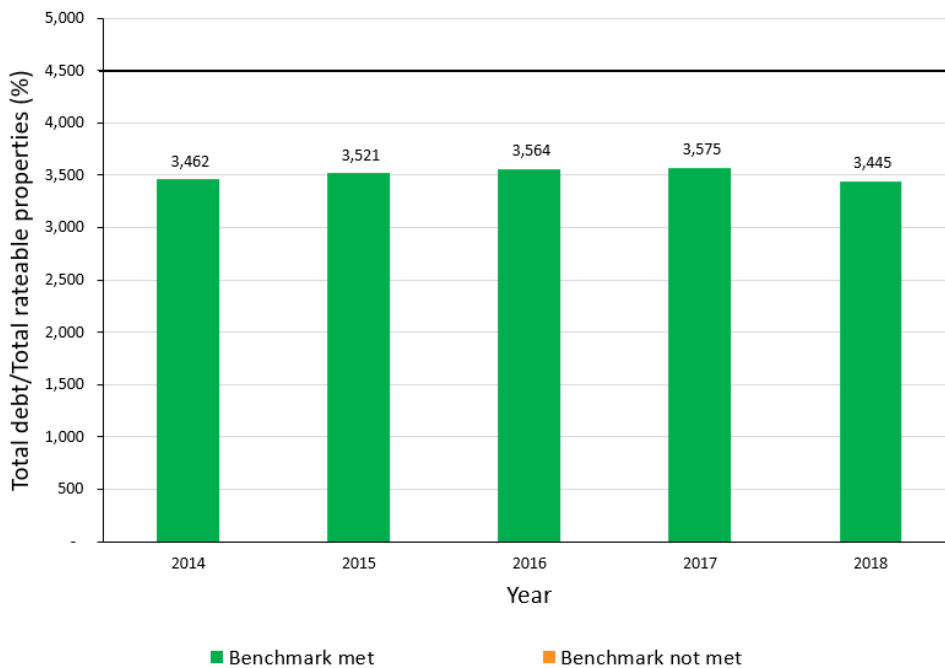
Actual debt compared to forecast debt

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.



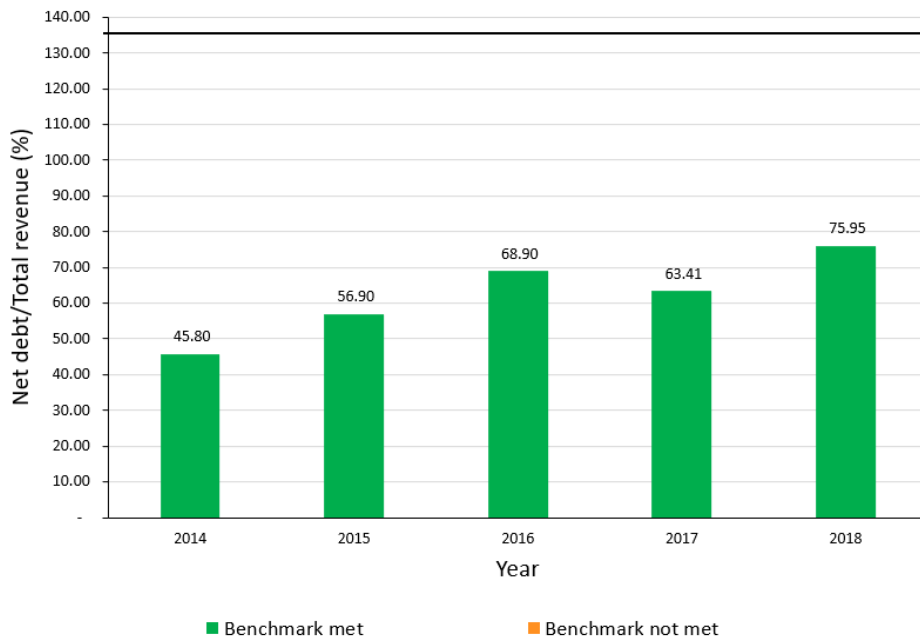
Total actual debt per rateable property

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.



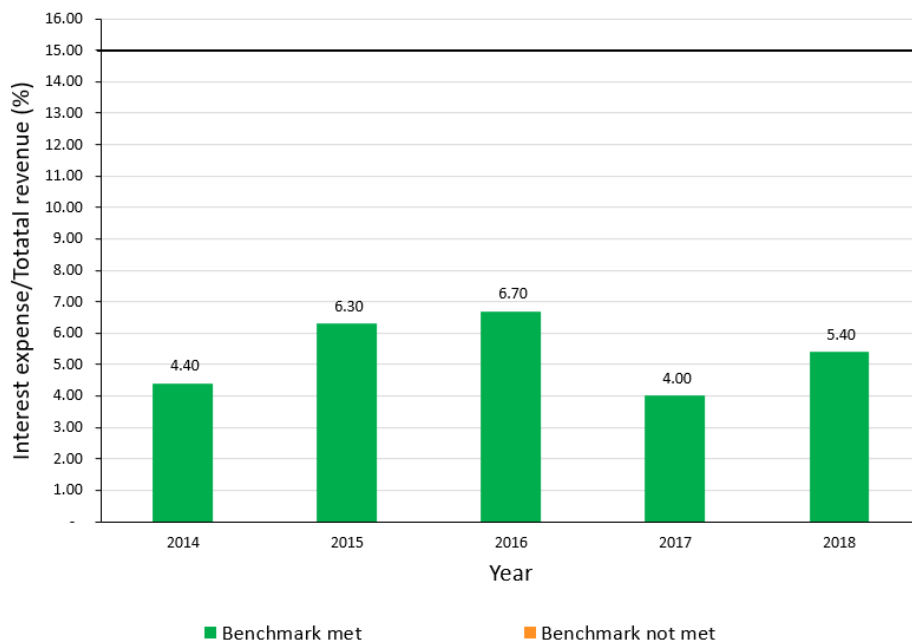
Total net debt as a percentage of total actual revenue

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.



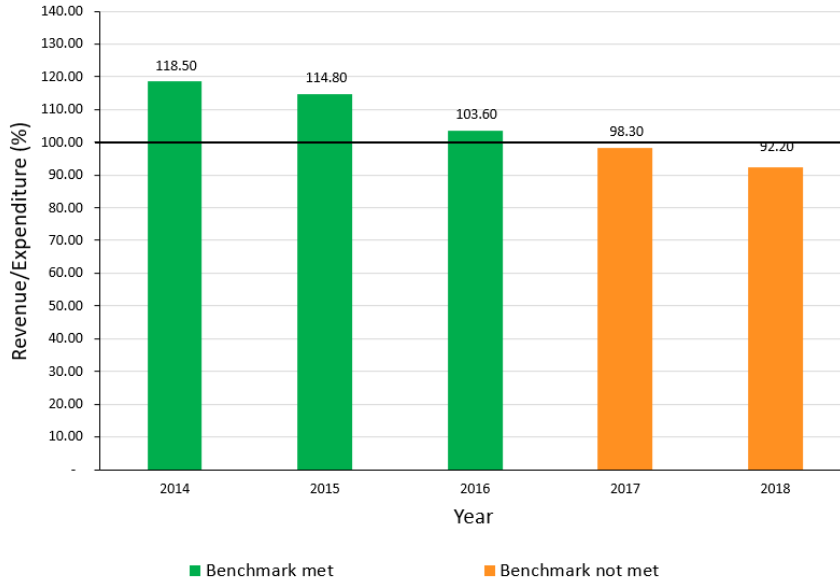
Actual debt servicing (finance) costs as a percentage of total actual revenue

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

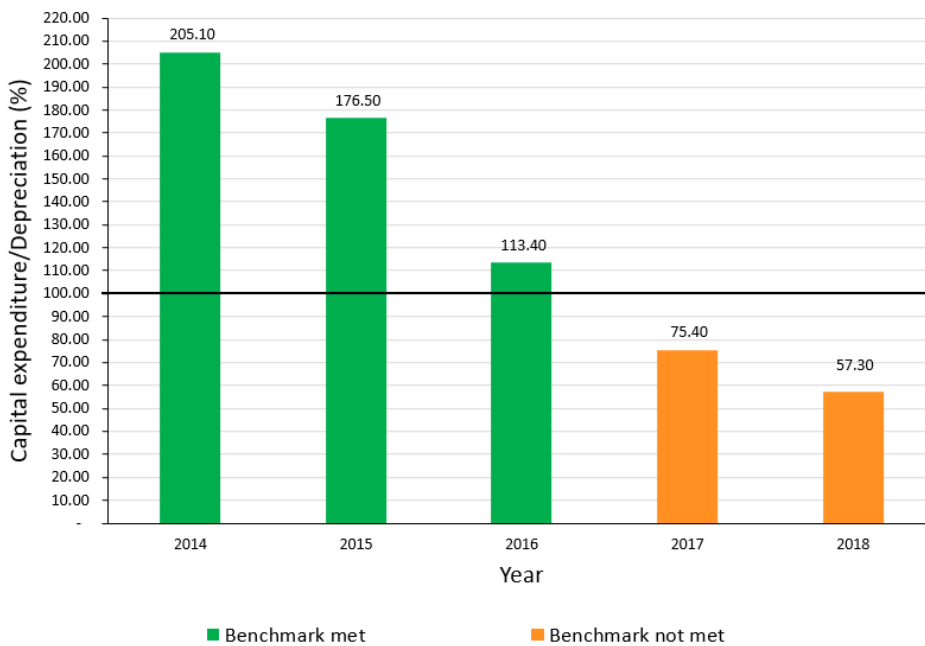
The following graph displays the council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial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

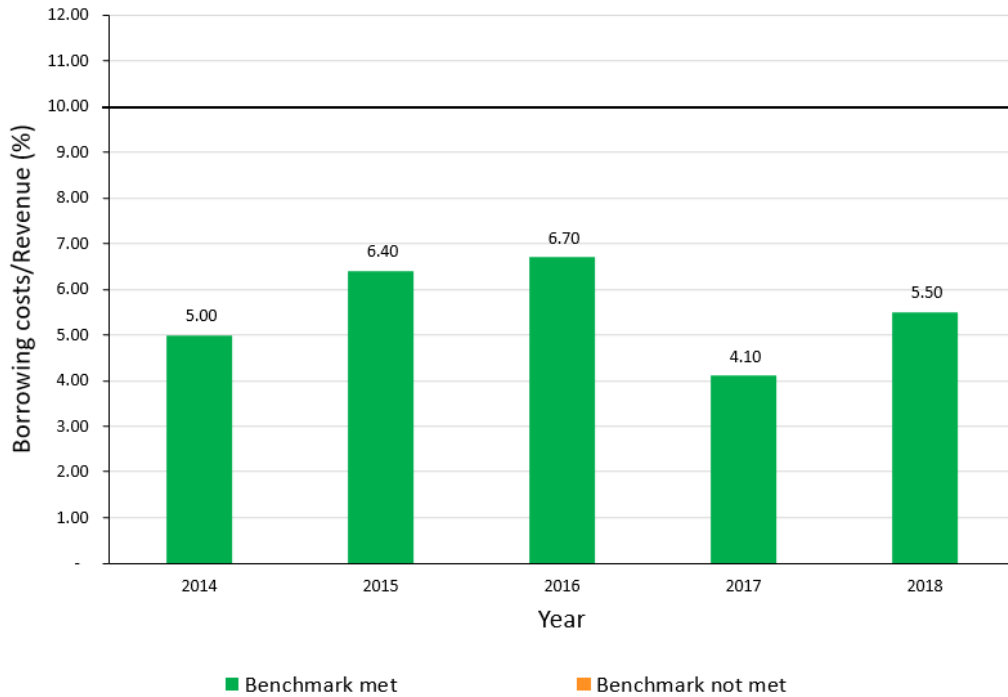
The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



[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).

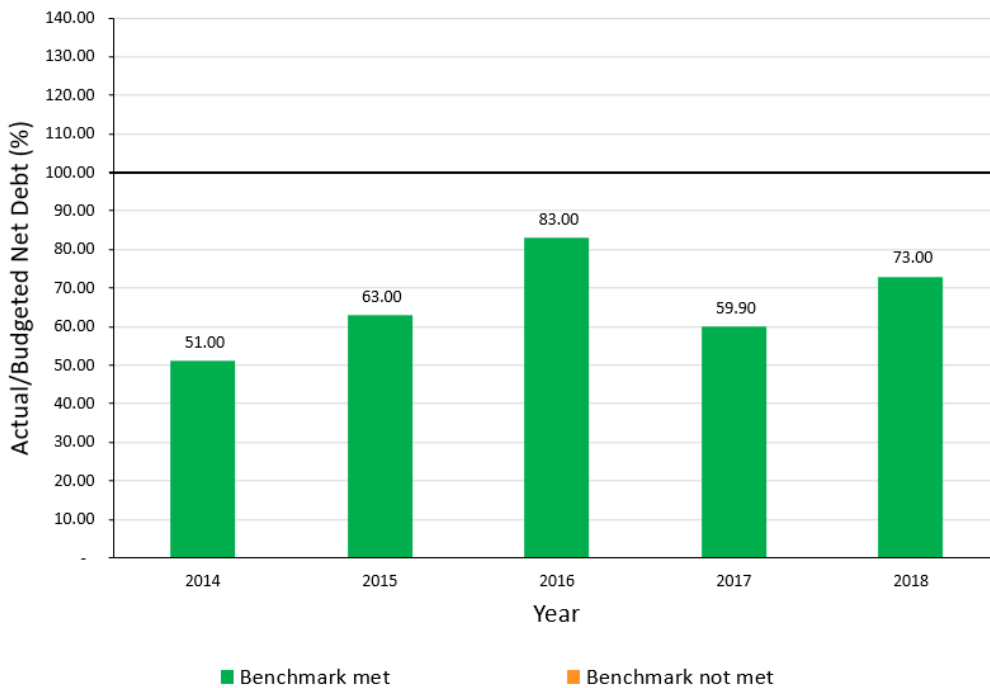
Because Statistics New Zealand projects the council's population will grow no faster than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



[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).

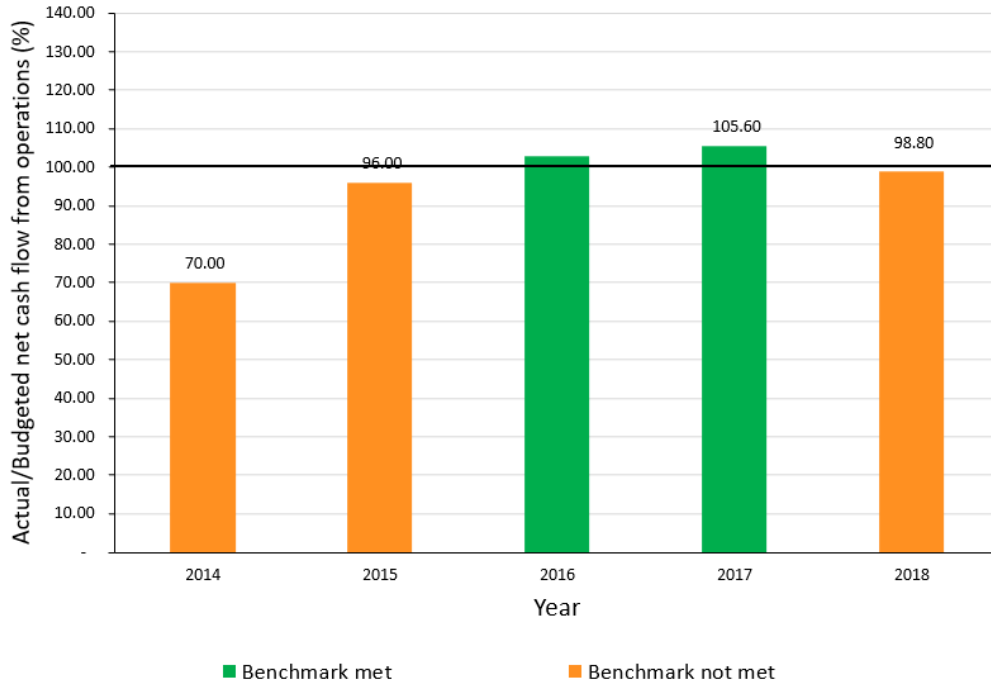
The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



[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 between late October and early December 2017. 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.

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	2017/2018 target	2016/2017 measure	2017/2018 measure	Notes
Public satisfaction with our local roading network, including footpaths	% of residents are satisfied with Council's roading network	66%	77%	79%	The Resident's Satisfaction Survey was conducted in late October/early December 2017. The full report is available on Council's website.
	% of residents are satisfied with the way local roads are maintained	58%	67%	68%	The Resident's Satisfaction Survey was conducted in late October/early December 2017. The full report is available on Council's website.
	% of residents are satisfied with the way footpaths are maintained	52%	55%	52%	The Resident's Satisfaction Survey was conducted in late October/early December 2017. The full report is available on Council's website.
	Maximum number of reported local road closures due to surface flooding per year	30	3	18	All occurred on the 11 January 2018 storm event.
	% of customer requests responded to within 10 working days	85%	90%	86%	117 out 136 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. 20 verified traffic counts have been conducted for the 2017/2018 year, which is a reduction from prior year (2016/2017: 63 counts, 2015/2016: 67 counts). Road roughness data is collected every two years. The roughness data was last measured in March 2017.

What we're measuring	How we'll measure	2017/2018 target	2016/2017 measure	2017/2018 measure	Notes
	% of sealed road network resurfaced per year	9.4%	6.2%	2%	8.5km of the 370km of total sealed road network was resurfaced during 2017/2018. Due to late start of the Contract and the inclement weather experienced during January and February, the budgeted amount of sealing was unable to be completed.
	% of footpaths at service standard of "fair" or better (as measured against condition ratings set in GDC Land Transport AMP).	50%	97.2%	77%	80.6km of the total 104.6km of the footpath network is rated as 'fair' condition in 2017/2018. 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%	85%	83%	The Resident's Satisfaction Survey was conducted in late October/early December 2017. The full report is available on Council's website.
	Maximum % of fatalities/serious injury crashes on local roads contributed to by road factors.	<17%	14.30%	20%	There were five serious injury/fatality crashes on local roads. One crash was partly attributed to a road factor (from NZTA Crash Analysis System). The definition of a road factor is based on the NZTA CAS interpretation guide 2016. Examples of road factors include road or surface condition, visibility, obstructions or signage. The 2016/2017 result has been updated to reflect the updated definition of a road factor.
	Change in number of fatalities/serious injury crashes from previous year on local roads	Reduction > 1	+3	-2	There were seven (7) fatal/serious crashes in 2016/2017 and five (5) fatal/serious crashes recorded in 2017/2018.
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%	92%	82%	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

	2017 LTP Year 2	2018 LTP Year 3	2017 Actual	2018 Annual Plan	2018 Actual
	\$000	\$000	\$000	\$000	\$000
[A] SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties	2,811	2,884	2,867	2,828	2,940
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	1,569	1,577	1,548	1,617	925
Fees and charges	17	18	60	17	47
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	177	182	163	176	167
Total operating funding [A]	4,574	4,661	4,638	4,638	4,079
[B] APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	2,701	2,764	2,056	2,811	2,374
Finance costs	10	8	5	7	6
Internal charges and overheads applied	167	171	510	173	573
Other operating funding applications	-	-	-	-	-
Total applications of operating funding [B]	2,878	2,943	2,571	2,991	2,953
Surplus (deficit) of operating funding [A - B]	1,696	1,718	2,067	1,647	1,126
[C] SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	2,060	2,071	1,185	2,389	1,870
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(23)	(24)	(23)	(23)	(112)
Gross proceeds from sale of assets	-	-	4	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding [C]	2,037	2,047	1,166	2,366	1,758
[D] APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
—to meet additional demand	-	-	-	-	-
—to improve the level of service	325	333	22	383	202
—to replace existing assets	3,197	3,268	2,232	3,802	2,180
Increase (decrease) in reserves	211	164	254	(172)	(172)
Increase (decrease) of investments	-	-	725	-	674
Total applications of capital funding [D]	3,733	3,765	3,233	4,013	2,884
Surplus (deficit) of capital funding [C - D]	(1,696)	(1,718)	(2,067)	(1,647)	(1,126)
Funding balance: [A - B] + [C - D]	-	-	-	-	-

5 Activity revenue and expense statement

	2017 LTP Year 2	2018 LTP Year 3	2017 Actual	2018 Annual Plan	2018 Actual
	\$000	\$000	\$000	\$000	\$000
REVENUE					
General rates, uniform annual general charges, rates penalties	2,811	2,884	2,867	2,828	2,940
Targeted rates (including targeted rates for water supply)	-	-	-	-	-
Subsidies and grants (operating and capital)	3,629	3,648	2,733	4,006	2,795
User charges & regulatory revenue (consent fees, infringements etc)	17	18	60	17	47
Internal charges and overheads recovered	-	-	-	-	-
Other revenue	223	229	207	222	173
Total revenue	6,680	6,779	5,867	7,073	5,955
EXPENDITURE					
Staff costs	-	-	-	-	-
Operating & maintenance costs	2,701	2,764	2,056	2,811	2,374
Finance costs	10	8	5	7	6
Internal charges and overheads applied	167	171	510	173	573
Other expenses	-	-	-	-	-
Depreciation	3,700	3,812	3,793	3,812	4,323
Total expenditure	6,578	6,755	6,364	6,803	7,276
Surplus (deficit) of activities	102	24	(497)	270	(1,321)

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

	2017 LTP Year 2	2018 LTP Year 3	2017 Actual	2018 Annual Plan	2018 Actual
	\$000	\$000	\$000	\$000	\$000
General renewals and miscellaneous new capital	2,477	2,533	1,724	3,147	1,739
General Bridge component renewals	257	262	200	244	320
Replacement of assets after severe weather	478	488	-	488	-
Slaty Creek - Lake Brunner Rd upgrade	-	-	-	-	12
Footpath Renewals	-	-	152	-	185
On-going minor safety improvements	310	318	178	306	126
Taylorville-Blackball Rd strengthening	-	-	-	-	-
Total capital expenditure	3,522	3,601	2,254	4,185	2,382

7 Variations from budget

- Subsidies and grants (operating and capital) are less than budget by \$1,211,000 mainly due to the entire NZTA financially assisted programme not being carried out (notably Council's reseal programme) as well as no significant severe weather events to respond to in terms of roading damage.
- Payments to staff and suppliers/Operating & maintenance costs less than budget by \$438,000, however per number 3 below, the budget includes an amount that is actually 'internal charges and overheads'. Overall Council has spent \$39,000 less than budgeted on operational expenditure (excluding depreciation).
- Internal charges and overheads applied greater than budget by \$400,000 which relates to this amount being incorrectly classified as a 'payment to staff and suppliers' in the budget
- Capital expenditure —to replace existing assets less than budget by \$1,622,000. Less money was spent on some a number of renewal items, notably:

- a. Council not completing the annual reseal programme that it intended to carry out, due to the contractor not completing the contract.
 - b. 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 the type and severity of events that occur. In 2017/2018 there were no significant events that required asset replacement.
5. Increase (decrease) of investments is greater than budget by \$675,000. This line represents the overall difference between the sources of funds and the funds applied for this activity. Council represents this as either an increase or decrease in bank/investment balances. As Council budgets to apply (spend) the same amount of funds as it sources (raises), this line is normally nil for budgets. The reality is that there are issues that delay receiving funds as well as spending the funds that result in differences in the actual result.
 6. Depreciation expense \$511,000 higher than budget as a result of the revaluation of assets carried out in 2017. These valuations reflect the latest best estimate of the replacement cost of Council's assets as well as the remaining useful lives. The combination of these determine the annual depreciation expense, which has determined the actual position being higher than forecast when preparing the 2018 budget. This has no immediate direct impact on Council's operations as is a non-cash expense. The increased amount was incorporated into financial forecasts for the LTP

8 Identified effects of these activities on the community

- 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	2017/2018 target	2016/2017 measure	2017/2018 measure	Notes
Customer satisfaction	% of residents are satisfied with the overall stormwater service	65%	68%	65%	The Resident's Satisfaction Survey was conducted in late October/early December 2017. 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: 5,852	Total complaints: 15 Per 1,000 properties: 2.6	Total complaints: 28 Per 1,000 properties: 3.6	Total complaints: 13 Per 1,000 properties: 2.2 (5,852 connections)	13 complaints were received and resolved regarding Council's stormwater services, which is a reduction on the result from last year. It is noted that we deal with a number of complaints where sewage is still discharging to the stormwater system. New sewerage system will hopefully alleviate most of these.
	Basic information provided on Council's web site. More detailed information is provided within 10 working days.	Achieved	Achieved	Achieved	Website is 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%	75%	80%	The Resident's Satisfaction Survey was conducted in late October/early December 2017. 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	Achieved	Achieved	Achieved	No significant flood events within 2017/2018 that resulted in triggering the Greymouth Flood Action Plan, meaning no flood events resulting in a 5.0m level at the Dobson monitoring site on the Grey River. The storm event of 11 January 2018 was high intensity coastal event which did not result in the Grey River reaching 5.0m.
	Maximum number of flooding events.	Nil	Nil	Nil	We are not aware of any significant flood events as defined by a 1:50 return period.

What we're measuring	How we'll measure	2017/2018 target	2016/2017 measure	2017/2018 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: 5,852	Total floors: 2 Per 1,000 properties: 0.34	Nil	Total floors: 3 Per 1,000 properties: 0.51 (5,882 connections)	Storm event of 11 January 2018 was high intensity coastal event which did not result in the Grey River reaching 5.0m.
	Maximum number of local road closures due to surface flooding per year	30	3	18	All occurred as part of the storm event of 11 January 2018.
	Median response time to attend a flooding event	3 hours	Nil	Nil	No 1:50 Year (2% Annual Probability of Exceedance) events in 2017/18. WCRC have confirmed one event between 1:10 and 1:50 but did not confirm actual return period.
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%	67%	87%	This is measured as a percentage of the revenue that Council receives (excluding any 'one off' grant/contribution) against the total operating expenditure. Anything less than 100% signals that 'catch up' expenditure may be required in the future to maintain existing levels of service.
Stormwater discharges are managed without adversely affecting the receiving environment	Number of abatement notices	2	0	Nil	No infringements received in 2017/18.
	Number of infringement notices	1	0	Nil	
	Number of enforcement orders	Nil	0	Nil	
	Number of successful prosecutions	Nil	0	Nil	
	Total for all enforcement actions	3	0	Nil	

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

	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2017 Actual \$000	2018 Annual Plan \$000	2018 Actual \$000
[A] SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties	972	977	995	1,077	1,118
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	-	-	-	-	1
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	-	-	-
Total operating funding [A]	972	977	995	1,077	1,119
[B] APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	354	331	447	348	302
Finance costs	35	36	21	39	28
Internal charges and overheads applied	143	146	219	144	183
Other operating funding applications	-	-	-	-	-
Total applications of operating funding [B]	532	513	687	531	513
Surplus (deficit) of operating funding [A - B]	440	464	308	546	606
[C] SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(11)	(11)	(11)	86	(14)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding [C]	(11)	(11)	(11)	86	(14)
[D] APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
—to meet additional demand	-	-	-	-	-
—to improve the level of service	7	7	9	180	137
—to replace existing assets	422	446	218	452	368
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	70	-	87
Total applications of capital funding [D]	429	453	297	632	592
Surplus (deficit) of capital funding [C - D]	(440)	(464)	(308)	(546)	(606)
Funding balance: [A - B] + [C - D]	-	-	-	-	-

5 Activity revenue and expense statement

	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2017 Actual \$000	2018 Annual Plan \$000	2018 Actual \$000
REVENUE					
General rates, uniform annual general charges, rates penalties	972	977	995	1,077	1,118
Targeted rates (including targeted rates for water supply)	-	-	-	-	-
Subsidies and grants (operating and capital)	-	-	-	-	-
User charges & regulatory revenue (consent fees, infringements etc)	-	-	-	-	1
Internal charges and overheads recovered	-	-	-	-	-
Other revenue	19	19	-	18	-
Total revenue	991	996	995	1,095	1,119
EXPENDITURE					
Staff costs	-	-	-	-	-
Operating & maintenance costs	354	331	447	348	302
Finance costs	35	36	21	39	28
Internal charges and overheads applied	143	146	219	144	183
Other expenses	-	-	-	-	-
Depreciation	806	908	800	895	776
Total expenditure	1,338	1,421	1,487	1,426	1,289
Surplus (deficit) of activities	(347)	(425)	(492)	(331)	(170)

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

	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2017 Actual \$000	2018 Annual Plan \$000	2018 Actual \$000
General renewals (replacement of assets)	422	446	170	452	326
Miscellaneous new capital	7	7	1	8	1
Runanga flood mitigation	-	-	8	-	1
Structural repairs - Johnston St pump station	-	-	48	-	5
Spare pump for stormwater pump stations	-	-	-	71	71
Culverting of drains - Blackball	-	-	-	101	101
Total capital expenditure	429	453	227	632	505

7 Variations from budget

1. Internal charges and overheads applied are greater than budget by \$39,000 as more staff resource was provided responding to customer demands.
2. \$84,000 less has been spent on renewing assets as many 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.
3. Increase in debt is less than budget by \$100,00 due to less new debt being required due to associated capital projects being delayed
4. Increase (decrease) of investments is greater than budget by \$87,000. 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.
5. Depreciation expense \$119,000 higher than budget as a result of the revaluation of assets carried out in 2017. These valuations reflect the latest best estimate of the replacement cost of Council's assets as well as the remaining useful lives. The combination of these determine the annual depreciation expense, which has determined the actual position being higher than forecast when preparing the 2018 budget. This has no immediate direct impact on Council's operations as is a non-cash expense. The increased amount was incorporated into financial forecasts for the LTP

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	2017/2018 target	2016/2017 measure	2017/2018 measure	Notes
Customer satisfaction	% of residents are satisfied with wastewater service	67%	68%	70%	The Resident's Satisfaction Survey was conducted in late October/early December 2017. 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: 4,826	<i>Total complaints: 35 Per 1,000 properties: 9</i>	<i>Total complaints: 53 Per 1,000 properties: 11</i>	<i>Total complaints: 38 Per 1,000 properties: 8 (4,826 connections)</i>	38 complaints were received and resolved in 2017/2018. This is a decrease from the 53 complaints received last year. No odour complaints were received and the complaints were mainly to do with blocked sewers or sewer discharges onto properties.
	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>	Website is 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 2017/2018.
	Number of dry weather sewerage overflows (per 1,000 sewerage connections). Number of service connections: 4,826	<i>Total overflows: 3 Per 1,000 properties: 0.8</i>	<i>Total overflows: 5 Per 1,000 properties: 1</i>	<i>Total overflows: 4 Per 1,000 properties: 0.8 (4,826 connections)</i>	Four (4) dry weather sewerage overflows were reported in the 2017/2018. 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, the 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. Council will commence enforcement of separation and connections to the new sewer only systems in the future.

What we're measuring	How we'll measure	2017/2018 target	2016/2017 measure	2017/2018 measure	Notes
	If deemed necessary by the West Coast Regional Council, any non-compliance is publicly advertised: - Within ½ hour on the website - Same day on the local radio station - The next publication of the local daily newspaper	<i>Achieved</i>	Achieved	Achieved	There were no reports of non-compliance in 2017/2018 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	45 minutes 4.56 hours	1.28 hours 5.45 hours	Contractor has failed to meet the required response timeframes under the maintenance contract and in turn, Council has not achieved this target. Council has released and tendered the new Utilities Maintenance Contract, which has improved performance management and performance measures, to ensure Council meets the measure moving forward.
	All planned shutdowns are notified at least 24 hours prior	<i>Achieved</i>	Achieved	Achieved	All repairs to the sewer network are completed live. The network had no planned shutdowns in the 2017/2018 year.
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%	83%	90%	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	Nil	No infringements received in 2017/2018.
	Number of infringement notices	1	0	Nil	
	Number of enforcement orders	<i>Nil</i>	0	Nil	
	Number of successful prosecutions	<i>Nil</i>	0	Nil	
	Total for all enforcement actions	3	0	Nil	

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

	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2017 Actual \$000	2018 Annual Plan \$000	2018 Actual \$000
[A] SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates	2,463	2,568	2,416	2,414	2,489
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	100	103	91	108	134
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	1	-	-
Total operating funding [A]	2,563	2,671	2,508	2,522	2,623
[B] APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	917	955	943	960	1,050
Finance costs	974	1,005	459	770	610
Internal charges and overheads applied	193	198	250	207	199
Other operating funding applications	-	-	-	-	-
Total applications of operating funding [B]	2,084	2,158	1,652	1,937	1,859
Surplus (deficit) of operating funding [A - B]	479	513	856	585	764
[C] SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	-	-	-	-	3
Development and financial contributions	14	15	70	14	25
Increase (decrease) in debt	4	(139)	(138)	(264)	(264)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding [C]	18	(124)	(68)	(250)	(236)
[D] APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
—to meet additional demand	-	-	-	-	-
—to improve the level of service	141	-	435	-	206
—to replace existing assets	296	539	787	275	315
Increase (decrease) in reserves	60	(150)	60	60	59
Increase (decrease) of investments	-	-	(494)	-	(52)
Total applications of capital funding [D]	497	389	788	335	528
Surplus (deficit) of capital funding [C - D]	(479)	(513)	(856)	(585)	(764)
Funding balance: [A - B] + [C - D]	-	-	-	-	-

5 Activity revenue and expense statement

	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2017 Actual \$000	2018 Annual Plan \$000	2018 Actual \$000
REVENUE					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates (including targeted rates for water supply)	2,463	2,568	2,416	2,414	2,489
Subsidies and grants (operating and capital)	-	-	-	-	3
User charges & regulatory revenue (consent fees, infringements etc)	100	103	91	108	134
Internal charges and overheads recovered	-	-	-	-	-
Other revenue	28	29	71	28	25
Total revenue	2,591	2,700	2,578	2,550	2,651
EXPENDITURE					
Staff costs	-	-	-	-	-
Operating & maintenance costs	917	955	943	960	1,050
Finance costs	974	1,005	459	770	610
Internal charges and overheads applied	193	198	250	207	199
Other expenses	-	-	-	-	-
Depreciation	963	1,102	1,383	984	1,052
Total expenditure	3,047	3,260	3,035	2,921	2,911
Surplus (deficit) of activities	(456)	(560)	(457)	(371)	(260)

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

	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2017 Actual \$000	2018 Annual Plan \$000	2018 Actual \$000
General renewals & miscellaneous new capital	316	539	94	275	111
Runanga system replacement	-	-	693	-	205
Greymouth wastewater upgrade	121	-	294	-	204
Runanga Pond effluent discharge upgrade	-	-	26	-	-
Dobson/Kaiata/Taylorville scheme	-	-	115	-	1
Total capital expenditure	437	539	1,222	275	521

7 Variations from budget

1. Finance costs are less than budget by \$160,000 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
2. 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.
3. Capital expenditure to improve the level of service: \$206,000 greater than budget due to some aspects of the Runanga Wastewater Upgrade being carried forward from prior year budgets.
4. Depreciation expense \$119,000 higher than budget as a result of the revaluation of assets carried out in 2017. These valuations reflect the latest best estimate of the replacement cost of Council's assets as well as the remaining useful lives. The combination of these determine the annual depreciation expense, which has determined the actual position being higher than forecast when preparing the 2018 budget. This has no immediate direct impact on Council's operations as is a non-cash expense. The increased amount was incorporated into financial forecasts for the LTP

8 Identified effects of these activities on the community

- 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.

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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	2017/2018 target	2016/2017 measure	2017/2018 measure	Notes
Customer satisfaction	% of residents are satisfied with the appearance and taste of water	90%	83%	83%	The Resident's Satisfaction Survey was conducted in late October/early December 2017. The full report is available on Council's website.
	% of residents are satisfied with the pressure and flow of water	80%	94%	91%	The Resident's Satisfaction Survey was conducted in late October/early December 2017. The full report is available on Council's website.
	% of residents are satisfied with overall water supply service	75%	73%	72%	The Resident's Satisfaction Survey was conducted in late October/early December 2017. 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: 4,686	Total complaints: 135 Per 1,000 properties: 26.7	Total complaints: 102 Per 1,000 properties: 21.8	Total complaints: 62 Per 1,000 properties: 13.2 (4,686 connections)	62 complaints were received and resolved in 2017/2018. All water clarity, taste, odour, pressure/flow and continuity of supply complaints are entered as service requests for tracking and reporting purposes.
Council is providing a reliable, efficient and safe water supply	If deemed necessary by the Ministry of Health, any non-compliance is publicly notified as soon as practical, by advertising: - Within ½ hour on the website - Same day on the local radio station - The next available publication of the local daily newspaper	Achieved	Achieved	Achieved	No requests received from the Ministry of Health for 2017/2018.
	Maximum number of notifiable water supply transgressions with Drinking Water Standards per year: - Greymouth - Blackball - Runanga/Rapahoe - Dobson/Taylorville/Stillwater	Nil Nil 1 Nil	2 5 2 Nil – Connected to Greymouth Supply	Nil Nil Nil Nil	There were no notifiable water transgressions during the 2017/2018 year.

What we're measuring	How we'll measure	2017/2018 target	2016/2017 measure	2017/2018 measure	Notes
	All planned shutdowns are notified at least 24 hours prior	<i>Achieved</i>	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	This was not measured in 2017/2018 due to appropriate methodology still being developed. For the Blackball and Runanga/Rapahoe schemes, Taylorville, Dobson and Stillwater zones, the water loss can be determined by measuring water output from the reservoirs at night time (early hours of the morning) on the assumption that actual use is negligible and therefore water output is equivalent to the water loss. However, this method is not appropriate for the Greymouth scheme due to size of the scheme and commercial/industrial use of water overnight. Council intends to have appropriate measurement methodology confirmed by the end of 2018 and will work with industry providers to obtain water loss estimates for the 2018/2019 Annual Report.
	Drinking water supply compliance with following sections of the drinking water standards:				
	Part 4 – bacteria compliance criteria:	Bacteriological compliance:	Bacteriological compliance:		
	- Greymouth (including Taylorville/Dobson/Stillwater)	<i>Achieved</i>	Achieved	Achieved	The Greymouth water supply achieved bacterial compliance in the 2017/2018 year.
	- Blackball	<i>Achieved</i>	Not achieved	Achieved	The Blackball water supply achieved bacterial compliance in the 2017/2018 year.
	- Runanga/Rapahoe	<i>Achieved</i>	Not achieved	Achieved	The Runanga water supply achieved bacterial compliance in the 2017/2018 year.
	Part 5 – protozoal compliance criteria:	Protozoal compliance	Protozoal compliance:		
	- Greymouth (incl Taylorville/Dobson/Stillwater)	<i>Achieved</i>	Achieved	Achieved	The Greymouth water supply achieved Protozoal compliance in the 2017/2018 year.
	- Blackball	<i>Achieved</i>	Not achieved	Achieved	The Blackball water supply achieved Protozoal compliance in the 2017/2018 year.
	- Runanga/Rapahoe	<i>Achieved</i>	Not achieved	Not achieved	From 26 April 2018 the Runanga/Rapahoe water supply was connected to the Greymouth water supply on a temporary basis. The Greymouth supply did achieve compliance.

What we're measuring	How we'll measure	2017/2018 target	2016/2017 measure	2017/2018 measure	Notes		
Average consumption of drinking water per day per resident	Figures below are from Jul 2016 – Jun 2017				785 litres per resident per day	The Grey District experienced an extended dry period at the end of 2017, which saw increased consumption. Council also has had several leaks in Dobson that have been difficult to locate. Water was going down into the ground and was only located after significant flow and pressure testing. Consumption total is based on a population split.	
	Breakdown –						
	<i>Scheme</i>	<i>Litres supplied per year</i>	<i>Population serviced²</i>	<i>Consumption³</i>			< 640 ¹ litres per person per day
	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.							

What we're measuring	How we'll measure	2017/2018 target	2016/2017 measure	2017/2018 measure	Notes
Our response times to reported faults	Median response times to faults or unplanned interruptions:				Contractor has failed to meet the required response timeframes under the maintenance contract and in turn, Council has not achieved this target. Council has released and tendered the new Utilities Maintenance Contract, which has improved performance management and performance measures to ensure Council meets the measure moving forward. It is noted that the average attendance time for non-urgent call-outs is marginally quicker than attendance for urgent call-outs – it is pointed out that the current Contractor treats all requests as urgent and endeavours to get on-site as soon as possible. The definition of 'urgent' in this instance covers leaks and complete loss of drinking water supply. A large proportion of our service requests are classified as urgent.
	Attendance time for urgent call-outs (from notification)	1 hour	45 minutes	1.19 hours	
	Resolution time for urgent call-outs (from notification)	3 hours	5.46 hours	6.17 hours	
	Attendance time for non-urgent call-outs	1 working day	1.22 days	1.17 hours	
	Resolution time for non-urgent call-outs	5 working days	4.56 days	21.34 hours	
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%	112%	105%	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.

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

What we're measuring	How we'll measure	2017/2018 target	2016/2017 measure	2017/2018 measure	Notes
Water is sourced from a sustainable resource	Maximum number of resource consent infringements	Nil	Nil	Nil	No infringements received in 2017/18.

4 Activity funding impact statement

	2017 LTP Year 2	2018 LTP Year 3	2017 Actual	2018 Annual Plan	2018 Actual
	\$000	\$000	\$000	\$000	\$000
[A] SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates	2,184	2,304	2,115	2,206	2,212
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	-	-	3	-	4
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	-	-	-
Total operating funding [A]	2,184	2,304	2,118	2,206	2,216
[B] APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	1,085	1,153	842	1,095	980
Finance costs	395	403	225	336	282
Internal charges and overheads applied	112	115	310	136	304
Other operating funding applications	-	-	-	-	-
Total applications of operating funding [B]	1,592	1,671	1,377	1,567	1,566
Surplus (deficit) of operating funding [A - B]	592	633	741	639	650
[C] SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	-	-	316	-	-
Development and financial contributions	-	-	18	-	5
Increase (decrease) in debt	(114)	(117)	(114)	(130)	(130)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding [C]	(114)	(117)	220	(130)	(125)
[D] APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
—to meet additional demand	-	-	-	-	-
—to improve the level of service	-	-	195	4	215
—to replace existing assets	502	540	262	529	380
Increase (decrease) in reserves	(24)	(24)	(24)	(24)	(24)
Increase (decrease) of investments	-	-	528	-	(46)
Total applications of capital funding [D]	478	516	961	509	525
Surplus (deficit) of capital funding [C - D]	(592)	(633)	(741)	(639)	(650)
Funding balance: [A - B] + [C - D]	-	-	-	-	-

5 Activity revenue and expense statement

	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2017 Actual \$000	2018 Annual Plan \$000	2018 Actual \$000
REVENUE					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates (including targeted rates for water supply)	2,184	2,304	2,115	2,206	2,212
Subsidies and grants (operating and capital)	-	-	316	-	-
User charges & regulatory revenue (consent fees, infringements etc)	-	-	3	-	4
Internal charges and overheads recovered	-	-	-	-	-
Other revenue	14	14	18	14	5
Total revenue	2,198	2,318	2,452	2,220	2,221
EXPENDITURE					
Staff costs	-	-	-	-	-
Operating & maintenance costs	1,085	1,153	842	1,095	980
Finance costs	395	403	225	336	282
Internal charges and overheads applied	112	115	310	136	304
Other expenses	-	-	-	-	-
Depreciation	563	649	506	610	549
Total expenditure	2,155	2,320	1,883	2,177	2,115
Surplus (deficit) of activities	43	(2)	569	43	106

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

	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2017 Actual \$000	2018 Annual Plan \$000	2018 Actual \$000
General renewals & miscellaneous new capital	502	540	305	533	393
Greymouth water supply upgrades	-	-	18	-	-
Runanga Water Supply - Plant upgrade	-	-	10	-	202
Dobson/Taylorville - connect to Greymouth	-	-	124	-	-
Stillwater - connect to Greymouth	-	-	-	-	-
Total capital expenditure	502	540	457	533	595

7 Variations from budget

1. Payments to staff and suppliers less than budget by \$115,000 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 \$54,000 due to Council's borrowing costs being 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
3. Internal charges and overheads applied higher than budget by \$168,000. Per previous years the actual time of staff input has been higher than aimed for with the budgets. This has included responding to issues
4. Capital expenditure to improve the level of service is \$211,000 greater than budget due to projects being carried forward from prior years, notably the Runanga supply upgrade (work in progress).
5. Capital expenditure to replace existing assets is \$149,000 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.
6. Increase (decrease) of investments is less than budget by \$46,000. This line represents the overall difference between the sources of funds and the funds applied for this activity. Council represents this as either an increase or decrease in bank/investment balances. As Council budgets to apply (spend) the same amount of funds as it sources (raises), this line is normally nil for budgets. The reality is that there are issues that delay receiving funds as well as spending the funds that result in differences in the actual result.

8 Identified effects of these activities on the community

- There have been on-going problems associated with the protection of the Runanga water supply. The risk of contamination is increased after flood events, and contamination has previously occurred. 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 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.

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	2017/2018 target	2016/2017 measure	2017/2018 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%	75%	74%	The Resident's Satisfaction Survey was conducted in late October/early December 2017. The full report is available on Council's website.
	% of residents are satisfied with overall service	92%	86%	82%	The Resident's Satisfaction Survey was conducted in late October/early December 2017. The full report is available on Council's website.
	% of waste collected is recycled	15%	13%	12%	Our recycling has been challenging in the last half of 2017/18 due to the collapse of the Chinese recycling market.
	% of residents are satisfied that waste and recyclables are collected on time (where services are provided)	90%	91%	94%	The Resident's Satisfaction Survey was conducted in late October/early December 2017. The full report is available on Council's website.
	Basic information is provided on Council's website. More detailed information is provided within 10 working days	Achieved	Achieved	Achieved	Website is 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%	121%	111%	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).	3%	2%*	1%*	* These figures are estimates only. Council is still operating Cell 2 and has been working to increase capacity slightly where possible while it worked through the process to finalise the options for

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

What we're measuring	How we'll measure	2017/2018 target	2016/2017 measure	2017/2018 measure	Notes
					the next cell development. Cell 3A is currently under construction.
	Maximum number of resource consent infringements	Nil	Nil	Nil	No infringements received in 2017/2018.

4 Activity funding impact statement

	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2017 Actual \$000	2018 Annual Plan \$000	2018 Actual \$000
[A] SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties	213	236	220	251	261
Targeted rates	1,295	1,328	1,340	1,297	1,369
Subsidies and grants for operating purposes	46	47	54	46	55
Fees and charges	735	754	574	732	724
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	-	-	-
Total operating funding [A]	2,289	2,365	2,188	2,326	2,409
[B] APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	1,638	1,702	1,335	1,637	1,725
Finance costs	351	355	23	306	38
Internal charges and overheads applied	114	117	133	121	117
Other operating funding applications	-	-	72	-	228
Total applications of operating funding [B]	2,103	2,174	1,563	2,064	2,108
Surplus (deficit) of operating funding [A - B]	186	191	625	262	301
[C] SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	4,572	(154)	(12)	(225)	(50)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding [C]	4,572	(154)	(12)	(225)	(50)
[D] APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
—to meet additional demand	-	-	-	-	-
—to improve the level of service	4,748	27	316	27	791
—to replace existing assets	-	-	7	-	1,118
Increase (decrease) in reserves	10	10	10	10	10
Increase (decrease) of investments	-	-	280	-	(1,668)
Total applications of capital funding [D]	4,758	37	613	37	251
Surplus (deficit) of capital funding [C - D]	(186)	(191)	(625)	(262)	(301)
Funding balance: [A - B] + [C - D]	-	-	-	-	-

5 Activity revenue and expense statement

	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2017 Actual \$000	2018 Annual Plan \$000	2018 Actual \$000
REVENUE					
General rates, uniform annual general charges, rates penalties	213	236	220	251	261
Targeted rates (including targeted rates for water supply)	1,295	1,328	1,340	1,297	1,369
Subsidies and grants (operating and capital)	46	47	54	46	55
User charges & regulatory revenue (consent fees, infringements etc)	735	754	574	732	724
Internal charges and overheads recovered	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenue	2,289	2,365	2,188	2,326	2,409
EXPENDITURE					
Staff costs	-	-	-	-	-
Operating & maintenance costs	1,638	1,702	1,335	1,637	1,725
Finance costs	351	355	23	306	38
Internal charges and overheads applied	114	117	133	121	117
Other expenses	-	-	72	-	228
Depreciation	119	122	136	293	57
Total expenditure	2,222	2,296	1,699	2,357	2,165
Surplus (deficit) of activities	67	69	489	(31)	244

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

	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2017 Actual \$000	2018 Annual Plan \$000	2018 Actual \$000
Miscellaneous renewals & new capital	27	27	7	27	(152)
Expand dry storage capacity at McLeans landfill/recycling facility	-	-	156	-	-
Establish cleanfill site at McLeans landfill	-	-	10	-	-
New landfill cell design and construction (cell 3)	4,721	-	137	-	748
Sea wall construction - closed Cobden landfill	-	-	-	-	1,270
Old Cobden landfill - reinstatement of area	-	-	13	-	43
Total capital expenditure	4,748	27	323	27	1,909

7 Variations from budget

1. Finance costs are less than budget by \$268,000 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 the new landfill cell (cell 3) not progressing as quick as originally forecast due to Council exploring alternative options
2. Debt has decreased by \$50,000 as opposed to the budget forecasting a net decrease in debt of \$306,000. Due to delays in progressing the expansion of McLeans Landfill, the debt that was originally forecast to be uplifted last year did not occur, and therefore the associated principal repayment was also not required.
3. Capital expenditure to improve the level of service is greater than budget by \$764,000 due to the expansion of McLeans landfill commencing in this financial year, with the work originally budgeted for last year. This project is in progress as at the end of the financial year to be completed in 2018/2019.
4. Capital expenditure to replace existing assets is higher than budget by \$1,118,000. This is associated with the unplanned expenditure required to rectify the sea intrusion at the now closed Cobden Landfill. This project was still in progress as at the end of the financial year, for completion early in 2018/2019.
5. Increase (decrease) of investments is less than budget by \$1,668,000. This line represents the overall difference between the sources of funds and the funds applied for this activity. Council represents this as

either an increase or decrease in bank/investment balances. As Council budgets to apply (spend) the same amount of funds as it sources (raises), this line is normally nil for budgets. The reality is that there are issues that delay receiving funds as well as spending the funds that result in differences in the actual result.

6. Depreciation is less than budget by \$236,000 due to the anticipated depreciation of the new landfill cell not eventuating in 2017/2018 due to that project still being a work in progress.

8 Identified effects of these activities on the community

- The introduction of kerbside recycling to the 'greater Greymouth' area has resulted in a 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 ceased effective from 1 July 2017 and is no longer be involved in this activity.

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	2017/2018 target	2016/2017 measure	2017/2018 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	0	No exercises in 2017/2018. Three Emergency Operations Centre activations due to flooding and two ex-Tropical Cyclones in January and February 2018.
	Minimum % of personnel trained to CIMS 4 standard	85%	66%	20%	Lower % of trained staff due to staff turnover and Civil Defence changing from the CIMS 4 qualification to a national Integrated Training Framework system.
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%	53%	0%	In 2017/2018 the Emergency Management Officer visited most schools in the Grey District to introduce himself. He will be starting to deliver Civil Defence messages to schools in 2018/2019.
	Relevant details and plans are posted on Council's website	<i>Achieved</i>	Achieved	Achieved	Website is maintained and updated by Council's Senior Communications Officer.
	Minimum % of residents who feel they are prepared to cope in an emergency	90%	77%	78%	The Resident's Satisfaction Survey was conducted in late October/early December 2017. The full report is available on Council's website.

4 Activity funding impact statement

	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2017 Actual \$000	2018 Annual Plan \$000	2018 Actual \$000
[A] SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties	217	223	219	127	129
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	6	6	-	-	-
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	-	-	-
Total operating funding [A]	223	229	219	127	129
[B] APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	126	130	87	47	35
Finance costs	17	18	-	15	12
Internal charges and overheads applied	60	61	49	61	52
Other operating funding applications	-	-	-	-	-
Total applications of operating funding [B]	203	209	136	123	99
Surplus (deficit) of operating funding [A - B]	20	20	83	4	30
[C] SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(5)	(5)	(5)	(4)	(35)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding [C]	(5)	(5)	(5)	(4)	(35)
[D] APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
—to meet additional demand	-	-	-	-	-
—to improve the level of service	15	15	-	-	-
—to replace existing assets	-	-	1	-	1
Increase (decrease) in reserves	-	-	40	-	-
Increase (decrease) of investments	-	-	37	-	(6)
Total applications of capital funding [D]	15	15	78	-	(5)
Surplus (deficit) of capital funding [C - D]	(20)	(20)	(83)	(4)	(30)
Funding balance: [A - B] + [C - D]	-	-	-	-	-

5 Activity revenue and expense statement

	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2017 Actual \$000	2018 Annual Plan \$000	2018 Actual \$000
REVENUE					
General rates, uniform annual general charges, rates penalties	217	223	219	127	129
Targeted rates (including targeted rates for water supply)	-	-	-	-	-
Subsidies and grants (operating and capital)	-	-	-	-	-
User charges & regulatory revenue (consent fees, infringements etc)	6	6	-	-	-
Internal charges and overheads recovered	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenue	223	229	219	127	129
EXPENDITURE					
Staff costs	43	45	47	30	11
Operating & maintenance costs	83	85	40	17	24
Finance costs	17	18	-	15	12
Internal charges and overheads applied	60	61	49	61	52
Other expenses	-	-	-	-	-
Depreciation	12	12	5	5	5
Total expenditure	215	221	141	128	104
Surplus (deficit) of activities	8	8	78	(1)	25

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

	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2017 Actual \$000	2018 Annual Plan \$000	2018 Actual \$000
Miscellaneous renewals & new capital	15	15	1	-	1
New rural fire equipment	-	-	-	-	-
Total capital expenditure	15	15	1	-	1

7 Variations from budget

1. No significant variance

8 Identified effects of these activities on the community

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

7 Environmental services

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	2017/2018 target	2016/2017 measure	2017/2018 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%	95%	91%	240 of 263 LIMs were issued within 10 working days in 2017/2018.
	% of non-notified land use consents processed within 20 working days	100%	50%	68%	30 out of 44 non-notified land use consents were processed within 20 days in 2017/2018. This outcome is lower than the target due to staff changes (Team Leader resigned and position not filled for several months).
	% of building consents and	100%	98.5%	98.68%	451 of 457 building consent applications were issued within the statutory time limit of 20 days for 2017/2018.
	% of Code Compliance Certificates issued with statutory time limits	100%	99.5%	95.8%	274 of 286 Code Compliance Certificates were issued within the statutory time limit of 20 days for 2017/2018.
	% of building inspection undertaken at agreed times	95%	99%	100%	Staff are confident that all appointments were undertaken at agreed times during 2017/2018. 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%	Information is available on our website.
	Grey District Council maintains accreditation as a building consent authority	<i>Achieved</i>	Achieved	Achieved	BCA Accreditation has been maintained.
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%	85.7%	2,278 of 2,659 dogs were registered by the due date. Council had a prize draw for those who registered on or before the due date and the Animal Control vehicle had sign writing on it detailing the due date – this initiative contributed to the increased response.
	% food premises inspected each year	100%	100%	100%	All food premises were inspected.
	% of premises requesting new and renewed liquor licences that are inspected	100%	100%	100%	All premises were inspected.
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-hours noise complaints responded to within two hours. Wandering stock complaints are responded to immediately. BAU complaints responded to within 2-5 days.
	% of complaints about breaches of bylaws and District Plan rules are responded to within five working days	95%	100%	100%	Only a small number of District Plan complaints were received in 2017/2018. These were all addressed within the timeframe. Where resource consent was required, the "determination" date is reflected as the grant date.
We will recover actual and reasonable costs as necessary	Minimum % recovery of actual and reasonable costs for consent applications	80%	64%	54%	This has been expressed as the percentage of user fee revenue against total operating expenditure. The recovery from building consenting was 56%, resource consents had a 28% recovery from user fees.

What we're measuring	How we'll measure	2017/2018 target	2016/2017 measure	2017/2018 measure	Notes
	Minimum % recovery of actual and reasonable costs for enforcement related activities	80%	46%	45%	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	19%	179 out of 935 consents issued since 2005 were monitored in 2017/2018. In October 2017 Council employed a Monitoring Officer to work alongside the Planners, which will increase the number of consents being monitored going forward.
	The District Plan is reviewed and updated in line with agreed programme	<i>In line with programme</i>	Working on programme	On hold	Due to the Local Government Commission (LGC) investigation into a Combined West Coast District Plan, the Grey District Plan review is on hold indefinitely pending the outcome of the LGC investigation. It is noted that this investigation has been ongoing for quite some time.
	% of residents satisfied with Council's regulation of land use throughout the District	60%	57%	46%	The Resident's Satisfaction Survey was conducted in late October/early December 2017. 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	100%	For all publically notified consents notice is served on both Ngai Tahu and Ngati Waewae. (Note: this is DP specific only). Ongoing communication will continue with <i>iwi</i> for future projects.

4 Activity funding impact statement

	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2017 Actual \$000	2018 Annual Plan \$000	2018 Actual \$000
[A] SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties	829	852	853	862	895
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	9	-	-
Fees and charges	982	1,008	1,061	1,001	983
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	66	67	119	123	123
Total operating funding [A]	1,877	1,927	2,042	1,986	2,001
[B] APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	329	337	370	374	574
Finance costs	-	-	-	-	-
Internal charges and overheads applied	1,517	1,555	1,578	1,642	1,671
Other operating funding applications	-	-	-	-	-
Total applications of operating funding [B]	1,846	1,892	1,948	2,016	2,245
Surplus (deficit) of operating funding [A - B]	31	35	94	(30)	(244)
[C] SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	46	47	6	25	69
Increase (decrease) in debt	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding [C]	46	47	6	25	69
[D] APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
—to meet additional demand	-	-	-	-	-
—to improve the level of service	-	-	-	15	-
—to replace existing assets	7	118	7	4	4
Increase (decrease) in reserves	70	(36)	34	(24)	54
Increase (decrease) of investments	-	-	59	-	(233)
Total applications of capital funding [D]	77	82	100	(5)	(175)
Surplus (deficit) of capital funding [C - D]	(31)	(35)	(94)	30	244
Funding balance: [A - B] + [C - D]	-	-	-	-	-

5 Activity revenue and expense statement

	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2017 Actual \$000	2018 Annual Plan \$000	2018 Actual \$000
REVENUE					
General rates, uniform annual general charges, rates penalties	829	852	853	862	895
Targeted rates (including targeted rates for water supply)	-	-	-	-	-
Subsidies and grants (operating and capital)	-	-	9	-	-
User charges & regulatory revenue (consent fees, infringements etc)	982	1,008	1,061	1,001	983
Internal charges and overheads recovered	-	-	-	-	-
Other revenue	112	114	125	148	192
Total revenue	1,923	1,974	2,048	2,011	2,070
EXPENDITURE					
Staff costs	11	11	31	20	5
Operating & maintenance costs	318	326	339	354	569
Finance costs	-	-	-	-	-
Internal charges and overheads applied	1,517	1,555	1,578	1,642	1,671
Other expenses	-	-	-	-	-
Depreciation	40	42	3	2	3
Total expenditure	1,886	1,934	1,951	2,018	2,248
Surplus (deficit) of activities	37	40	97	(7)	(178)

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

	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2017 Actual \$000	2018 Annual Plan \$000	2018 Actual \$000
Replacement of operational vehicles	7	112	-	-	-
Miscellaneous renewals & new capital	-	6	7	19	4
Total capital expenditure	7	118	7	19	4

7 Variations from budget

1. Payments to staff and suppliers higher than budget by \$200,000. This is largely due to additional costs being incurred to support Council's continuing accreditation as a Building Consent Authority.
2. Increase (decrease) of investments is less than budget by \$233,000. This line represents the overall difference between the sources of funds and the funds applied for this activity. Council represents this as either an increase or decrease in bank/investment balances. As Council budgets to apply (spend) the same amount of funds as it sources (raises), this line is normally nil for budgets. The reality is that there are issues that delay receiving funds as well as spending the funds that result in differences in the actual result.

8 Identified effects of these activities on the community

- During the year Council continued to enforce 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	2017/2018 target	2016/2017 measure	2017/2018 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%	48%	47%	The Resident's Satisfaction Survey was conducted in late October/early December 2017. 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	Website is 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%	124%	132%	This is measured as a percentage of the revenue that Council receives (excluding any 'one off' grant/contribution) against the total

What we're measuring	How we'll measure	2017/2018 target	2016/2017 measure	2017/2018 measure	Notes
	spread over their useful life (i.e. depreciation is funded) ⁶				operating expenditure. Anything 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	2017/2018 target	2016/2017 measure	2017/2018 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	Inspections are undertaken weekly by Parking Enforcement Officer and on request.
Customer satisfaction	% of residents are satisfied with the availability of public parking	80%	76%	74%	The Resident's Satisfaction Survey was conducted in late October/early December 2017. 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	Achieved	The Greymouth Parking Strategy was adopted by Council on 14 August 2017.

PORT OF GREYMOOUTH

What we're measuring	How we'll measure	2017/2018 target	2016/2017 measure	2017/2018 measure	Notes
Financial sustainability	Port deficit/surplus as percentage of turnover	-10%	-56%	-39%	Expenditure was higher on a number of items including the breakwater which was damaged during cyclone Fehi and required emergency repairs.
	User fees received as a ratio of ratepayer input	100%	Achieved (104%)	100.5%	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	The Richmond Quay pad wharf was last assessed in 2015 and will be reassessed in 2020.
	Frequency of depth sounding of Port access/bar	2 monthly	Achieved	Not Achieved	Bad weather and the unavailability of the Coastguard vessel made it necessary to extend the frequency in one instance. Otherwise this was done 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

	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2017 Actual \$000	2018 Annual Plan \$000	2018 Actual \$000
[A] SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties	353	398	360	376	390
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	476	515	385	462	425
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	32	33	43	31	74
Total operating funding [A]	861	946	788	869	889
[B] APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	1,108	631	621	777	553
Finance costs	132	182	84	113	118
Internal charges and overheads applied	246	253	241	246	260
Other operating funding applications	-	-	-	-	-
Total applications of operating funding [B]	1,486	1,066	946	1,136	931
Surplus (deficit) of operating funding [A - B]	(625)	(120)	(158)	(267)	(42)
[C] SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	690	432	(1)	920	153
Gross proceeds from sale of assets	20	20	460	-	23
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding [C]	710	452	459	920	176
[D] APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
—to meet additional demand	-	-	-	-	-
—to improve the level of service	-	-	87	-	84
—to replace existing assets	44	269	31	592	(52)
Increase (decrease) in reserves	41	63	186	61	(24)
Increase (decrease) of investments	-	-	(3)	-	126
Total applications of capital funding [D]	85	332	301	653	134
Surplus (deficit) of capital funding [C - D]	625	120	158	267	42
Funding balance: [A - B] + [C - D]	-	-	-	-	-

5 Activity revenue and expense statement

	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2017 Actual \$000	2018 Annual Plan \$000	2018 Actual \$000
REVENUE					
General rates, uniform annual general charges, rates penalties	353	398	360	376	390
Targeted rates (including targeted rates for water supply)	-	-	-	-	-
Subsidies and grants (operating and capital)	-	-	-	-	-
User charges & regulatory revenue (consent fees, infringements etc)	476	515	385	462	425
Internal charges and overheads recovered	-	-	-	-	-
Other revenue	52	53	43	31	74
Total revenue	881	966	788	869	889
EXPENDITURE					
Staff costs	210	215	170	271	203
Operating & maintenance costs	898	416	451	506	350
Finance costs	132	182	84	113	118
Internal charges and overheads applied	246	253	241	246	260
Other expenses	-	-	-	-	41
Depreciation	288	296	188	224	194
Total expenditure	1,774	1,362	1,134	1,360	1,166
Surplus (deficit) of activities	(893)	(396)	(346)	(491)	(277)

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

	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2017 Actual \$000	2018 Annual Plan \$000	2018 Actual \$000
Miscellaneous renewals & new capital	3	3	34	3	3
Purchase and set-up of dredge for Port of Greymouth	-	-	84	-	29
Renew aerodrome lighting controller	-	-	-	-	-
Berth renewals	-	266	-	589	-
Port Beacon/Light Replacement	41	-	-	-	-
Total capital expenditure	44	269	118	592	32

7 Variations from budget

1. Fees and charges \$37,000 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 \$224,000 due to:
3. Reduced expenditure than forecast with the Port Dredge not fully operational during 2017/2018
4. expenditure reductions across the board to accommodate revenue decreases per 1. Above
5. Increase (decrease) in debt is less than budget by \$767,000. The budget forecast an additional \$954,000 debt being required to support port operational deficits. Whilst the port did run at a deficit, new debt wasn't uplifted in 2017/2018, with sufficient proceeds available from land sales to support deficits.
6. Capital expenditure to to replace existing assets less than budget by \$644,000 mainly due to port berth renewals being deferred whilst Council progresses applications to Central Government for financial assistance towards the project.
7. Increase (decrease) in reserves is less than budget by \$85,000. This relates to more funds being transferred from the Harbour Land Sales Reserve to fund port deficits.
8. Increase (decrease) of investments is greater than budget by \$126,000. This line represents the overall difference between the sources of funds and the funds applied for this activity. Council represents this as either an increase or decrease in bank/investment balances. As Council budgets to apply (spend) the same

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

8 Identified effects of these activities on the community

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

9 Property and housing

1 Activities included in this group

This includes:

- Retirement Housing which involves:
 - Maintaining and managing occupation of 118 units
 - Pro-active provision of further retirement housing units
- Property, which involves:
 - A land leasehold portfolio consisting of 54 residential leases, 35 commercial leases
 - A building portfolio involving 3 leased buildings and the buildings supporting Council's administrative function (Tainui St and Runanga Service Centre)
 - Unused Council land consisting of various titles across the District
- Management of leases with Mawhera 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	2017/2018 target	2016/2017 measure	2017/2018 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%	98%	82%	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	2017/2018 target	2016/2017 measure	2017/2018 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	Website is 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 2017/2018.

4 Activity funding impact statement

	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2017 Actual \$000	2018 Annual Plan \$000	2018 Actual \$000
[A] SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	200
Fees and charges	832	854	769	778	767
Internal charges and overheads recovered	267	274	255	351	255
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	-	-	9
Total operating funding [A]	1,099	1,128	1,024	1,129	1,231
[B] APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	692	711	714	799	560
Finance costs	58	55	39	95	59
Internal charges and overheads applied	177	181	181	169	189
Other operating funding applications	-	-	-	-	284
Total applications of operating funding [B]	927	947	934	1,063	1,092
Surplus (deficit) of operating funding [A - B]	172	181	90	66	139
[C] SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(81)	(85)	(47)	489	(71)
Gross proceeds from sale of assets	100	100	126	50	112
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding [C]	19	15	79	539	41
[D] APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
—to meet additional demand	-	-	-	-	-
—to improve the level of service	-	-	315	335	45
—to replace existing assets	55	57	173	292	54
Increase (decrease) in reserves	136	139	25	(22)	1
Increase (decrease) of investments	-	-	(344)	-	80
Total applications of capital funding [D]	191	196	169	605	180
Surplus (deficit) of capital funding [C - D]	(172)	(181)	(90)	(66)	(139)
Funding balance: [A - B] + [C - D]	-	-	-	-	-

5 Activity revenue and expense statement

	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2017 Actual \$000	2018 Annual Plan \$000	2018 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)	-	-	-	-	200
User charges & regulatory revenue (consent fees, infringements etc)	832	854	769	778	767
Internal charges and overheads recovered	267	274	255	351	255
Other revenue	100	100	251	50	113
Total revenue	1,199	1,228	1,275	1,179	1,335
EXPENDITURE					
Staff costs	-	-	-	-	-
Operating & maintenance costs	692	711	714	799	560
Finance costs	58	55	39	95	59
Internal charges and overheads applied	177	181	181	169	189
Other expenses	-	-	21	-	289
Depreciation	380	398	401	391	406
Total expenditure	1,307	1,345	1,356	1,454	1,503
Surplus (deficit) of activities	(108)	(117)	(81)	(275)	(168)

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

	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2017 Actual \$000	2018 Annual Plan \$000	2018 Actual \$000
Miscellaneous renewals & new capital	55	57	312	84	9
Council main offices - waterproofing and miscellaneous renewal	-	-	1	-	-
Left Bank Art Gallery - Earthquake strengthening	-	-	-	335	45
Retirement Housing - wastewater connections	-	-	42	208	-
Increase file and yard storage capacity	-	-	5	-	-
Retirement Housing insulation upgrades	-	-	71	-	-
Retirement Housing renewals	-	-	57	-	45
Total capital expenditure	55	57	488	627	99

7 Variations from budget

1. Subsidies and Grants – greater than budget by \$200,000. This represents the funds transferred to Council from external fundraising sources to meet the majority of the costs of the new Moana Health Clinic. Council assumed responsibility to oversee the building of the new facility, and upon completion the asset was transferred to the control and ownership of the West Coast District Health Board. When preparing the budgets it was assumed that this project would not directly involve Council, and therefore the respective income and expenditure was not included in the budget.
2. Internal charges and overheads recovered less than budget by \$96,000 as the amount recovered reflects the amount spent which was less than budget across the board for 2017/2018.
3. Payments to staff and suppliers less than budget by \$239,000 due to a number of expenditure savings across the board and some property maintenance being deferred due to other activity priorities.
4. Other operating funding applications higher than budget by \$284,000, which reflects the value of the transfer of the Moana Health Clinic to the West Coast District Health Board (per number 1 above)
5. Increase (decrease) in debt less than budget by \$560,000. The budgeted forecast a larger new loan required than eventuated for projects that haven't proceeded as quickly as forecast (refer number 6 below).
6. Capital expenditure overall is \$528,000 less than budget due to the following projects being delayed as detailed in the capital expenditure table above.
7. Increase (decrease) of investments is greater than budget by \$80,000. 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 continuing 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	2017/2018 target	2016/2017 measure	2017/2018 measure	Notes
Customer satisfaction	% of residents are satisfied with service	80%	82%	79%	The Resident's Satisfaction Survey was conducted in late October/early December 2017. The full report is available on Council's website.
	No more than 10 complaints per year	Achieved	Achieved	Achieved	There were no complaints in 2017/18.
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	247	221	The Library averages 18 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%	77.5%	80.6%	10,777 enrolled borrowers as a percentage of 13,371 population (2013 Census) of the Grey District.
Availability, accessibility and quality of the library service	The Grey District Library is open at least one late night per week and on Saturday mornings	Achieved	Achieved	Achieved	The Library in Greymouth is open every Saturday morning except at Easter and is open every Wednesday evening except on public holidays and the week between Christmas and New Year.
	Opening hours and available services posted on the Library's website	Achieved	Achieved	Achieved	Maintained and updated by Library staff with oversight by Council's Senior Communications Officer.
	An on-line service is provided to allow members to browse the library catalogue (both printed and electronic) and make collection reservations	Achieved	Achieved	Achieved	Access to the online service is available via Council's website or directly via the url https://ent.kotui.org.nz/client/en_AU/grey . The functionality and online activities offered by the Library have been enhanced with the successful implementation of the Kōtūi Library Management System.
	% of material less than ten years old (note: excludes the Pioneer Library)	85%	82.5%	69.34%	22,569 of 32,549 items in the collection are less than ten years old as at 30 June 2018. During the reporting period, the Library added significant numbers of 'classics' to the collection and accepted some donations of older material such as 54 volumes of Great Books of the Western World published in 1952.
	Retain free public internet access for New Zealand citizens	Achieved	Achieved	Achieved	The Library continues to provide free public internet through the Aotearoa People's Network Kaharoa.
	Increased number of Wi-Fi connections annually within Grey District Library and vicinity	22,000	23,438	19,550	These usage statistics are provided by APNK: http://www.aotearoapeoplesnetwork.org/content/wifi-stats Note: Due to the National Library currently changing the APNK wireless network provider, they advised they cannot guarantee provision of credible Wi-Fi statistics for this period.
	Increased traffic to Library website	5%	1.7%	-16%	This is a significant drop in traffic to the Library's website however it reflects a trend evident across society that social media channels can be preferred over a more static website as a means of accessing information.
Developing the library collection and building our local identity	% of new items acquired each year for the Pioneer and West Coast collections	0.5%	0.49%	2.1%	The total number of new items added to the Library collection during 2017/18 was 3,367. The total number of new items added to the Pioneer Library was 9. The total number of new items added to the West Coast Room was 62. During 2017/18, 2.1% of new items added were for the Pioneer Library or the West Coast Room.

What we're measuring	How we'll measure	2017/2018 target	2016/2017 measure	2017/2018 measure	Notes
	% of new items acquired each year – New Zealand material or written by New Zealand authors	3%	6.8%	6.5%	220 of the 3,367 new items added to the Library collection were New Zealand material or written by New Zealand authors in 2017/18.
	Number of digitised items added to Kete West Coast each year	20	20	0	During the 2017/18 year, Library staff involved in digitisation were diverted to work on digitisation of 71 images for use with interpretation panels for the Museum's temporary exhibition. As a result, no work was undertaken on Kete West Coast.

SWIMMING POOLS

What we're measuring	How we'll measure	2017/2018 target	2016/2017 measure	2017/2018 measure	Notes
A safe service is provided	% compliance with the NZ Water Quality Standards	100%	100%	100%	External water tests are completed monthly. Internal tests are done three hourly.
	Lifeguards are trained to the NZ national standard	Achieved	Achieved	Achieved	Only certified lifeguards are on duty. Uncertified lifeguards are identified as trainees until certified.
Customer satisfaction	% of residents are satisfied with service	75%	83%	61%	The Resident's Satisfaction Survey was conducted in late October/early December 2017. The full report is available on Council's website. Note: The Westland Recreation Centre (WRC) pool was closed to the public due to undertaking repairs to the roof beams for several months from September 2017 to April 2018, which we believe has led to the decrease in satisfaction.
Availability, accessibility and quality of the service	Number of users annually - Greymouth	90,000	105,631	92,133	This number includes pool visits at WRC only. Still a good result considering the pool closure mentioned above.
	Number of users annually - Runanga	1,000	1,651	4,189	This number doesn't include school booking numbers, swim school or swim club. The marked increase is due to the closure of the WRC pool.
	Greymouth: seven days a week Runanga: seven days a week during the swim season	Achieved	Achieved	Achieved	Barring the pool closure as mentioned above, the WRC pool is open seven days a week and most public holidays. Spring Creek Pool in Runanga was open seven days a week and opening hours were extended to accommodate the demand when the WRC pool was closed.
	Admission fees and opening hours are posted on Council's website	Achieved	Achieved	Achieved	Website is maintained and updated by Council's Senior Communications Officer.
	Number of Swim School registrations per term	380	518	335*	The Swim School is slowly picking up after the seven month closure of the WRC pool. * For period 1 July 2017 to 30 June 2018
	Minimum total swims per capita (national per capita swim averages is 5.5)	6.5	7.9	7.2	Calculated by adding users at Greymouth and Runanga pool (96,322) and dividing by population (13,371).
	Management of potential adverse effects on the environment	No Resource Consent infringements for the coal fired boiler	Achieved	Achieved	Achieved

HISTORY HOUSE

What we're measuring	How we'll measure	2017/2018 target	2016/2017 measure	2017/2018 measure	Notes
Customer satisfaction	% of users that are satisfied with the service	70%	97%	Not measured	The History House Museum building in Gresson Street was closed in February 2017 due to earthquake prone building concerns. Customer satisfaction was not measured in the last

What we're measuring	How we'll measure	2017/2018 target	2016/2017 measure	2017/2018 measure	Notes
					Resident Satisfaction Survey due to this closure.
	No complaints received	Achieved	Achieved	Achieved	The Museum building at Gresson Street was closed throughout the reporting period. A temporary pop-up exhibition was held in Mackay Street from December 2017 to July 2018 and there were no complaints received.
Our response to customer requests	Customer enquiries are responded to within three days	Achieved	Achieved	Not achieved	As the year progressed and it became clear there would be no quick resolution to the Museum's closure, we recommenced the research service in October 2017 which had ceased in March 2017. The service responded to email and phone queries only. The aim was to respond within a week but this was not always achieved.
	Requests for research are appropriately recorded, actioned and material is provided in a timely manner	Achieved	Achieved	Not achieved	Between July and October 2017 research queries were referred to other institutions or enquirers were asked to contact us again in January 2018. Now that the research service has resumed, requests for research are appropriately recorded, actioned and material provided in a timely manner.
Availability, accessibility and quality of the service	Facilities are accessible six days per week	Achieved	Not achieved	Not achieved	The Museum building remains closed, however a temporary pop-up exhibition was on display in the CBD from December 2017 to July 2018 and was open five days per week.
	New displays prepared each year	2	5	13	New displays were prepared on 13 different themes for the temporary pop-up exhibition from December 2017 to July 2018 and described in the document 'Final Report Temporary HHM Exhibition July 2018'.
	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 43 tourist locations to promote the temporary pop-up exhibition.
	Number of publications and/or promotion articles prepared for public consumption each year, locally or nationally	4	6	1	Photo provided for Taramakau Bridge interpretation panel.

CIVIC CENTRE/WESTLAND RECREATION CENTRE

What we're measuring	How we'll measure	2017/2018 target	2016/2017 measure	2017/2018 measure	Notes
Customer satisfaction	% of users that are satisfied with the service	70%	Not asked in 2016	74%	The Resident's Satisfaction Survey was conducted in late October/early December 2017. The full report is available on Council's website.
	% of users satisfied with sports stadiums	75%	67%	73%	The Resident's Satisfaction Survey was conducted in late October/early December 2017. The full report is available on Council's website.
	% of users satisfied with fitness centres of gyms	70%	57%	68%	The Resident's Satisfaction Survey was conducted in late October/early December 2017. The full report is available on Council's website.
Availability, accessibility and quality of the service	The Civic Centre and the eventual Westland Recreation Centre will be available for use seven days a week	Achieved	Achieved	Achieved	The Westland Recreation Centre is open seven days a week. As well as the gym and pools, the stadium accommodates sporting codes such as Basketball, Netball, Badminton and Volleyball, as well as casual users.
	Details of facilities and charges are available on Council's website	Achieved	Achieved	Achieved	Website is maintained and updated by Council's Senior Communications Officer.

CEMETERIES

What we're measuring	How we'll measure	2017/2018 target	2016/2017 measure	2017/2018 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*	<i>Achieved</i>	Achieved	Achieved	The three yearly review has been completed and sufficient land is available at existing cemetery sites.
Availability of on-line cemetery records	On-line register updated with each new interment	<i>Achieved</i>	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	<i>Nil</i>	Nil	Nil	No resource consent breaches for 2017/2018.

PARKS AND TRACKS

What we're measuring	How we'll measure	2017/2018 target	2016/2017 measure	2017/2018 measure	Notes
Customer satisfaction	% of residents are satisfied with the service	80%	91%	92%	The Resident's Satisfaction Survey was conducted in late October/early December 2017. 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.	<i>Achieved</i>	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	2017/2018 target	2016/2017 measure	2017/2018 measure	Notes
Customer satisfaction	% of residents are satisfied with the service	75%	70%	68%	The Resident's Satisfaction Survey was conducted in late October/early December 2017. The full report is available on Council's website.

4 Activity funding impact statement

	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2017 Actual \$000	2018 Annual Plan \$000	2018 Actual \$000
[A] SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties	2,833	2,920	2,874	3,026	3,112
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	31	32	76	30	30
Fees and charges	1,322	1,352	1,049	1,323	774
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	1	-	1
Total operating funding [A]	4,186	4,304	4,000	4,379	3,917
[B] APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	3,199	3,284	3,940	3,306	3,546
Finance costs	410	406	199	334	252
Internal charges and overheads applied	530	547	492	630	542
Other operating funding applications	-	-	(272)	-	(229)
Total applications of operating funding [B]	4,139	4,237	4,359	4,270	4,111
Surplus (deficit) of operating funding [A - B]	47	67	(359)	109	(194)
[C] SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	400	400	1,647	400	926
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	1,482	(334)	559	(138)	(456)
Gross proceeds from sale of assets	-	-	-	-	2
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding [C]	1,882	66	2,206	262	472
[D] APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
—to meet additional demand	-	-	-	-	-
—to improve the level of service	1,849	7	1,517	260	2,382
—to replace existing assets	140	148	138	143	325
Increase (decrease) in reserves	(60)	(22)	(552)	(32)	(1,040)
Increase (decrease) of investments	-	-	744	-	(1,389)
Total applications of capital funding [D]	1,929	133	1,847	371	278
Surplus (deficit) of capital funding [C - D]	(47)	(67)	359	(109)	194
Funding balance: [A - B] + [C - D]	-	-	-	-	-

5 Activity revenue and expense statement

	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2017 Actual \$000	2018 Annual Plan \$000	2018 Actual \$000
REVENUE					
General rates, uniform annual general charges, rates penalties	2,833	2,920	2,874	3,026	3,112
Targeted rates (including targeted rates for water supply)	-	-	-	-	-
Subsidies and grants (operating and capital)	431	432	1,723	430	956
User charges & regulatory revenue (consent fees, infringements etc)	1,322	1,352	1,049	1,323	774
Internal charges and overheads recovered	-	-	-	-	-
Other revenue	-	-	1	-	3
Total revenue	4,586	4,704	5,647	4,779	4,845
EXPENDITURE					
Staff costs	1,315	1,349	1,587	1,317	1,582
Operating & maintenance costs	1,884	1,935	2,353	1,989	1,964
Finance costs	410	406	199	334	252
Internal charges and overheads applied	530	547	492	630	542
Other expenses	-	-	(272)	-	(229)
Depreciation	850	886	1,223	1,062	1,485
Total expenditure	4,989	5,123	5,582	5,332	5,596
Surplus (deficit) of activities	(403)	(419)	65	(553)	(751)

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

	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2017 Actual \$000	2018 Annual Plan \$000	2018 Actual \$000
Miscellaneous renewals & new capital	189	155	71	149	205
Vehicle/plant replacement	-	-	-	-	-
New Toilet - Northern Breakwater/Cobden Eco-sanctuary	-	-	727	-	10
New Toilet - Blackball	-	-	-	102	-
Westland Recreation Centre	1,800	-	248	-	-
Library collection purchases	-	-	67	-	56
Grey Aquatic Centre - roof remediation	-	-	-	-	1,094
Grey Aquatic Centre - tile remediation	-	-	-	-	95
CBD Renewal Projects	-	-	542	152	1,247
Total capital expenditure	1,989	155	1,655	403	2,707

7 Variations from budget

1. Fees and charges less than budget by \$549,000 mainly due to revenue received at the Westland Recreation Centre being less than budget. This is due to a combination of:
 - a. the closure of the Grey Aquatic Centre for roof repairs leading to a loss in user charges of approximately \$250,000. The budget didn't forecast the closure being for such an extended period.
 - b. In addition to this the overall income results for the Westland Recreation centre are less than budget by \$250,000 due to memberships not yet hitting budget targets.
2. Payments to staff and suppliers \$240,000 higher than budget, for various reasons, including additional staff costs at the Westland Recreation Centre compared to that forecast in the Annual Plan budget
 - a. Finance costs are less than budget by \$82,000 due Council's borrowing costs being 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);
3. Other operating costs are \$89,000 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 22 for further detail).

4. Subsidies and grants for capital expenditure –additional grants were received for the Westland Recreation Centre in 2017/2018 that were originally budgeted to be received in prior years. These grants were not available until this financial year.
5. Increase (decrease) in debt overall is less than budget by \$318,000 . Due debt funded projects (new Blackball Toilets and CBD renewal) being delayed the associated debt has not as yet been uplifted.
6. Capital expenditure overall is \$2,304,000 higher than budget. This includes the CBD renewal works, the completion of which has been delayed and carried forward from prior yer budgets. As well as this it includes the roof remediation at the Grey Aquatic Centre, which was not included in the Annual Plan budget as originally anticipated to be comepleted prior to 2017/2018.
7. Increase (decrease) in reserves – less than budget by \$1,040,000 which is related to the reserve funding being applied towards the Town Square/Shared Street project as well as the Grey Aquatic Centre roof remediation.
6. Increase (decrease) of investments is less than budget by \$1,529,000. 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 \$423,000 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 2017 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.

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	2017/2018 target	2016/2017 measure	2017/2018 measure	Notes
Customer satisfaction	% of residents are satisfied with the service they received when they have contacted Council offices	85%	82%	88%	The Resident’s Satisfaction Survey was conducted in late October/early December 2017. The full report is available on Council’s website.
	% of residents are satisfied with the information they receive from Council	85%	82%	81%	The Resident’s Satisfaction Survey was conducted in late October/early December 2017. The full report is available on Council’s website.
	% of residents are satisfied with the performance of Mayor and Councillors	85%	86%	77%	The Resident’s Satisfaction Survey was conducted in late October/early December 2017. 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>	Achieved	Achieved	A public forum has been available before every ordinary meeting of Council.
	Minimum % of Council business conducted in open	>80%	89%	83%	Those items not included in the open agenda relate mainly to commercially sensitive issues.
	% of residents are satisfied that Council consults with them on important issues	90%	64%	60%	The Resident’s Satisfaction Survey was conducted in late October/early December 2017. 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 2017-18 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>	Under review	Not achieved	The Community Economic Development Strategy was not reviewed in 2017/2018 due to

What we're measuring	How we'll measure	2017/2018 target	2016/2017 measure	2017/2018 measure	Notes
					the departure of key staff involved in the strategy.
	Monitor the goals outlined in the Community Economic Development Strategy on an annual basis	Achieved	Achieved	Not achieved	The Community Economic Development Strategy was not reviewed in 2017/2018 due to the departure of key staff involved in the strategy.

4 Activity funding impact statement

	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2017 Actual \$000	2018 Annual Plan \$000	2018 Actual \$000
[A] SOURCES OF OPERATING FUNDING					
General rates, uniform annual general charges, rates penalties	1,352	1,325	1,356	1,311	1,388
Targeted rates	273	280	295	344	365
Subsidies and grants for operating purposes	-	-	2	-	38
Fees and charges	105	76	129	75	107
Internal charges and overheads recovered	5,498	5,638	5,478	5,909	5,559
Local authorities fuel tax, fines, infringement fees, & other receipts	676	676	544	656	518
Total operating funding [A]	7,904	7,995	7,804	8,295	7,975
[B] APPLICATIONS OF OPERATING FUNDING					
Payments to staff and suppliers	5,506	5,545	5,262	5,754	5,430
Finance costs	1	-	1	10	-
Internal charges and overheads applied	1,729	1,767	1,683	1,925	1,681
Other operating funding applications	-	-	-	-	-
Total applications of operating funding [B]	7,236	7,312	6,946	7,689	7,111
Surplus (deficit) of operating funding [A - B]	668	683	858	606	864
[C] SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(4)	(4)	-	110	(21)
Gross proceeds from sale of assets	1	1	-	1	1
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding [C]	(3)	(3)	-	111	(20)
[D] APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
—to meet additional demand	-	-	-	-	-
—to improve the level of service	3	3	41	138	55
—to replace existing assets	204	257	137	199	90
Increase (decrease) in reserves	458	420	539	380	441
Increase (decrease) of investments	-	-	141	-	258
Total applications of capital funding [D]	665	680	858	717	844
Surplus (deficit) of capital funding [C - D]	(668)	(683)	(858)	(606)	(864)
Funding balance: [A - B] + [C - D]	-	-	-	-	-

5 Activity revenue and expense statement

	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2017 Actual \$000	2018 Annual Plan \$000	2018 Actual \$000
REVENUE					
General rates, uniform annual general charges, rates penalties	1,352	1,325	1,356	1,311	1,388
Targeted rates (including targeted rates for water supply)	273	280	295	344	365
Subsidies and grants (operating and capital)	-	-	2	-	38
User charges & regulatory revenue (consent fees, infringements etc)	105	76	129	75	107
Internal charges and overheads recovered	5,498	5,638	5,478	5,909	5,559
Other revenue	677	677	544	657	518
Total revenue	7,905	7,996	7,804	8,296	7,975
EXPENDITURE					
Staff costs	3,544	3,604	3,423	3,778	3,521
Operating & maintenance costs	1,962	1,941	1,839	1,976	1,909
Finance costs	1	-	1	10	-
Internal charges and overheads applied	1,729	1,767	1,683	1,925	1,681
Other expenses	-	-	-	-	1
Depreciation	223	229	263	274	262
Total expenditure	7,459	7,541	7,209	7,963	7,374
Surplus (deficit) of activities	446	455	595	333	601

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

	2017 LTP Year 2 \$000	2018 LTP Year 3 \$000	2017 Actual \$000	2018 Annual Plan \$000	2018 Actual \$000
Miscellaneous renewals & new capital	24	24	93	25	11
Vehicle and plant item replacements	70	120	38	70	38
New events area establishment	-	-	-	131	49
Office equipment (including IT)	113	116	47	111	47
Total capital expenditure	207	260	178	337	145

7 Variations from budget

- Internal charges and overheads recovered less than budget by \$96,000 as the amount recovered reflects the amount spent which was less than budget across the board for 2017/2018, notably staff costs.
- Local authorities fuel tax, fines, infringement fees, & other receipts is less than budget by \$138,000 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 \$257,000 due to a higher number of staff vacancies than budgeted for in the Annual Plan.
- Capital expenditure to replace existing assets is lower than budget by \$192,000 due to vehicle replacements being deferred as not deemed necessary in 2017/2018 and the establishment of the new outdoor events area incurring less capital expenditure (but greater operational expenditure).
- Increase (decrease) of investments is greater than budget by \$258,000. 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

The above organisation is a 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 this organisation, nor any specific key performance targets or other measures.

It does 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.

It is noted that Council has exempted this organisation under section 7(3) of the Local Government Act 2002. This exemption was renewed on 12 March 2018.