



**Buller District Council**



# Annual Report

2013/2014

# Buller District Council

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# Message from the Mayor

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Dear Buller ratepayers and residents

This represents Council's report on the achievements during the period 1 July 2013 to 30 June 2014 when gauged against the 2013/2014 Annual Plan and the 2012-2022 Long Term Plan. It is an important aspect of Council's accountability to you, our constituents.

During this period the triennial elections were held and the new mayor and council began work some 4 months into the financial year and continued to follow the Annual Plan adopted by the previous council.

The report outlines in detail Council's financial performance and services provided. It is made up of the following sections:

Financial Statements and Notes to these statements - these outline Council's overall financial result and position as at 30 June 2014.

Group Activity Statements - these statements report on the financial performance and services of each major Council activity level. Council is responsible for a wide range of activities and this report groups activities with a similar output together.

This has been a pleasing year in terms of financial performance with a reported surplus of \$0.5m versus a budgeted surplus of \$0.4m.

As a district we have continued to move forward with renewal of vital infrastructure at a capital cost of \$8m to provide quality services for our communities. The focus of this investment has been the delivery of safe drinkable water, with phase one of the Westport Water Supply upgrade being well underway with completion anticipated December 2014. The project has progressed extremely well in terms of budget and timelines. Stage two, the replacement of the trunk mains needs to be placed on hold while we apply for financial assistance given the recent supply tunnel collapse. There is a risk with the delay but Council has assessed the risk as acceptable given the strong case we have to receive some financial assistance.

You never know what may happen tomorrow and you certainly cannot budget for what Mother Nature throws at you. Inangahua River erosion of the old Reefton rubbish dump and Cyclone Ita had a large impact resulting in \$465,000 of extra expenditure in the 2013/2014 financial year. The cyclone provided some very valuable lessons and heightened our awareness to what we need to be ready for as a district with communities that can quickly become isolated. Our Civil Defence team performed admirably despite many residents facing damage to property and extended outages. The Buller District is extremely grateful to the volunteer services and 3rd Field Squadron and Royal New Zealand Army Engineers, who helped our community with tree felling and collection of storm debris. It is very heartening to know when assistance is needed the whole community pitches in and helps.

The much discussed Rating Overhaul is underway. We started with an analysis of what we currently have and why a review is required. The objective of this review is to have a fair, simple and transparent rating system. We want to get this right and as fair as possible, so we are allowing for plenty of consultation around this.

I'm proud and very fortunate to be part of a Council that is working extremely hard for the community. The Council management team and staff need congratulating as they have put in some huge efforts, coming back evenings and weekends to complete tasks on time. The combination of Annual Plan, Annual Report, Long Term Plan, District Plan and on top of these a Rates Overhaul have all been undertaken without external consultants.

This is the second year in a row that Council management have worked within budget and provided a net result better than what was budgeted.

There is a very high awareness that currently it is not easy for a good number in our community and this means careful constrained planning is required. A key element to make progress is to be positive, bold and financially responsible. Buller is a great place to live and together we can make it even better.



**Garry Howard**  
Mayor

# Chief Executive's Report

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2013/2014 has continued to see significant impacts on mining in our district both in Westport and Reefton. There has been a continuation of job losses in the District which will impact population in the short term. This has dampened construction and development activity within the district.

In the October 2013 Election, a new Mayor and a substantially new Council were elected by the community. The new Council inherited the 2013/2014 Annual Plan, adopted by the former Council.

We are now able to report that Council has achieved a very positive financial result with an actual operating surplus of \$0.5m compared to a predicted surplus of \$0.4m.

Operating Expenditure totalled \$24.5m versus a budget of \$24.6m. This showed good fiscal discipline. The district suffered multiple severe weather events and a cyclone that caused widespread damage and clean-up. This resulted in \$250,000 additional costs in roading, \$85,000 in Parks and Reserves and \$130,000 for the remediation of the Reefton landfill. The downturn in the economy impacted regulatory income in building and resource consents, but the decline was offset by financial assistance from Drinking Water Standards subsidies and additional NZTA funding.

Council staff have continued to make progress on the priorities identified in the 2012-2022 Long Term Plan and 2013/2014 Annual Plan:

- Continued investment in all areas of the core infrastructure areas (\$3.5m on improving the level of service and \$4.4m on asset replacements)
- This year saw the commencement of the accelerated Westport Water Upgrade. Substantial progress was made this year with the contract progressing well in terms of budget and timelines.
- Applications for drinking water subsidies for Ngakawau-Hector, Waimangaroa and Inangahua Junction supplies were successful. Physical works are scheduled to begin in December 2014
- The Contracted approach to waste management commenced on 1 February 2014 with the delivery of wheelie bins to all residents in Zone 1. The bag and wheelie bin and crate system will be a more environmentally sustainable waste system for Zone 1 residents.
- Work began in earnest on the Rating Overhaul project.

Roading is the largest single financial commitment for rural Councils. The New Zealand Transport Agency started consultation on reviewing the financial assistance rates (FAR) paid to local authorities for road maintenance and renewals. This year we saw a reduction of 1% in the FAR rate. Setting the financial assistance rate lower than that currently receive will impact on the amount of rates required to maintain the network to the same level of service. About 17% of Council's operating costs are expended on roads and at present levels every 1% drop in subsidy will lead to a 0.5% increase in ratepayer contribution. Council has made submissions, in particular on the impact of the loss of funding for special purpose roads. We have managed to 'get by' in 2013/2014, but this is an area of considerable risk, going forward.

Overall net debt remains significantly below that predicted in the Annual Plan. During the financial year \$3.4m debt was repaid which resulted in interest savings for the general ratepayer. Term investments dropped by \$1.3m partially due to the repayment of debt. Interest cover remained at 6%, well within the financial prudence benchmarks for a low growth Council. Cashflow remains positive and there has been growth in equity. I wish to thank staff for the continued professionalism and hard work required to help deliver this good result.

We invite you to read on to find out more about how Council contributed over the last twelve months towards making the Buller District a great place to live.



**Paul Wylie**  
Chief Executive



# Mayor & Councillors

## Mayor

### Garry Howard

First Elected: 2013  
| [03] 788 9684 (office)  
| [03] 789 7055 (private)  
| [027] 4474 371 (mobile)  
howd@xtra.co.nz



## Inangahua Ward

### Dave Hawes

First Elected: 2007  
| [03] 732 8423 (private)  
jaws@kinect.co.nz



### Graeme Neylon

First Elected: 1992  
| [03] 732 8382 (private)  
| [027] 431 4659 (mobile)  
graememaimai@xtra.co.nz



## Seddon Ward

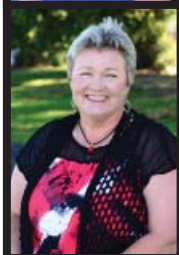
### Lynn Brooks

First Elected: 2013  
| [03] 789 9820 (private)  
| [03] 789 7389 (business)  
connscreek@vodafone.co.nz



### Sheryl Rhind

First Elected: 2013  
| [03] 782 6764 (private)  
| [027] 671 1426 (mobile)  
fenianfarms@xtra.co.nz



## Westport Ward

### Andrew Basher

First Elected: 2013  
| [03] 789 7960 (private)  
| [03] 789 7299 (business)  
| [027] 759 9176 (mobile)  
abasher@slingshot.co.nz



### Greg Hart

First Elected: 2013  
| [021] 131 0238 (mobile)  
gmasterhart@gmail.com



### Graham Howard

First Elected: 2010  
| [03] 789 8787 (private)  
| [027] 534 3129 (mobile)  
mhwestport@gmail.com



### Robyn Nahr

First Elected: 2013  
| [03] 789 8431 (private)  
| [03] 788 9090 (business)  
nahr@xtra.co.nz



### Sharon Roche

First Elected: 2013  
| [03] 789 6423 (private)  
| [027] 659 9050 (mobile)  
sharon.roche@xtra.co.nz



### Phil Rutherford

First Elected: 2013  
| [03] 789 7087 (private)  
rutherford@xtra.co.nz



# Inangahua Community Board

## Chairperson

### Jenette Hawes

First Elected: 2004  
| [03] 732 8423 (home)  
jaws@kinect.co.nz

## Board Members

### Helen Bollinger

First Elected: 2008  
| [03] 732 8123 (home)  
helbol@kinect.co.nz

### Barrie Fowler

First Elected: 2008  
| [03] 732 8488 (home)  
bjf@xtra.co.nz

### Kim Bolton

First Elected: 2013  
| [03] 732 8587 (home)  
kimthecruiser@hotmail.com

# Statement of Compliance & Responsibility

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## Compliance

The Council and Management of the Buller District Council confirm that all the statutory requirements in relation to the Annual Report, as outlined in the Local Government Act 2002, have been complied with.

## Responsibility

The Council and Management of the Buller District Council accept responsibility for the preparation of the Annual Financial Statements and the judgements used in them. The Financial Statements are unable to be amended following issue.

The Council and Management of the Buller District Council 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 the Council and Management of the Buller District Council, the Annual Financial Statements for the year ended 30 June 2014 fairly reflect the financial position and operations of the Buller District Council and Group.



Garry Howard - Mayor  
29 October 2014



Paul Wylie - Chief Executive  
29 October 2014

# Consultation with Maori

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An opportunity for Maori to contribute to the decision making processes of the Local Authority

The Buller District Council continues to participate in local kaitiaki ropu meetings with local Iwi and the Department of Conservation as appropriate. Iwi have indicated that additional liaison groups, such as an Iwi Liaison sub-committee would pose resource issues for them at this time.

The public forum available before all Council meetings have been utilised over the past year by local Maori to raise concerns or issues with Council.

Both the Papatipu Runanga - Ngati Waewae and local community groups working with Maori are included on Council's stakeholder database and are included in information dissemination such as Council newsletters and consultation documents.

Ngati Waewae was included in stakeholder group discussions prior to consultation within the district on community outcomes.

## Maori Contribution to Decision Making

Under Section 81 of the Local Government Act 2002, Council must establish and maintain processes to provide opportunities for Maori to contribute to the decision making processes of the local authority. Council is also required to look at ways to foster the development of Maori capacity to have input into these processes.



The Buller District Council recognises and acknowledges that Ngai Tahu is the tangata whenua of Te Tai Poutini. The papatipu runanga for the Buller District is Te Runanga O Ngati Waewae. A relationship has been established with Te Runanga O Ngati Waewae and is continuing to strengthen as time progresses.

Council provides updates on Council projects to Te Runanga O Ngati Waewae and other local Maori organisations, to ensure that they are aware of current projects, issues and consultation opportunities. We also work with other service providers who have networks that can assist us in this role.

We are working on strengthening relationships with Maori through the establishment of a stakeholder database, regular updates, and invitations to participate in consultation processes. Feedback from these organisations is assisting Council to look at ways to ensure that the views of Maori that reside in Buller but are not tangata whenua, can be included in decision making.



# Performance Review

<b>Expenditure</b> for the year was <b>\$24.6m</b> compared with the budget of \$24.6m.	<b>\$8m Capital Works</b> were completed during the year.	Council has a positive net operating surplus of <b>\$0.5m</b> versus a budget of \$0.4m.	<b>Total assets</b> of <b>\$349m.</b>
<b>Income</b> for the year was <b>\$25m</b> compared to the budget of \$25m.	<b>Net Debt</b> of <b>\$10.6m</b> versus budget of \$13.4m.		

## An overview of our Financial Performance

Our ten year plan sets the strategy, which includes a set of self imposed financial parameters that guide what we deliver and how we make decisions in funding and expenditure. This section details our performance against these financial parameters.

Core foundations of our financial strategy:

- To exercise financial discipline and provide the agreed level of service to our community within approved budgets.
- To address past infrastructure deficits and continue to maintain and improve assets.
- To deliver the capital infrastructure upgrade programme within the agreed financial parameters.
- To maintain sustainable levels of borrowings while delivering the capital infrastructure programme.

## Operating Revenue

Council has had a pleasing financial result with an operating surplus of \$0.5m versus a budgeted operating surplus of \$0.4m. This was despite several unforeseen events beyond Council's control which impacted on operating expenditure.

Total Revenue was \$25m. This was primarily due to the greater financial assistance than budgeted (\$0.4m), unanticipated Reserves and Development Contributions (\$0.5m), vested assets (\$256,000) and a gain on derivative contracts (\$0.4m). This was offset by lower fees and charges mainly in building and planning (\$0.4m) due to a downturn in economic activity and a lower distribution from the holding company (\$175,000)

## Financial Assistance

Subsidies and grants were \$0.4m higher than the Annual Plan budget due to:

- Unbudgeted sponsorship towards the aquatic centre and theatre (\$741,000) and reimbursements from the Development West Coast Funding for 2013/2014 disbursements (\$332,000).
- Additional NZTA funding was achieved due to Cyclone Ita and severe weather events (\$560,000).
- Financial assistance totalling \$1.1m was recognised for the Westport water supply upgrade and the Karamea water supply investigation. The remaining assistance will be received in 2014/2015 when the projects have been completed.

## Fees and Charges

Fees and charges were \$0.8m lower than budget due to:

- Lower economic activity in the district impacted on building and planning income (\$0.4m).
- The slower economic climate impacted on income and patronage across a wide variety of activities (libraries, dog registrations, theatre) and other regulatory and sundry income.
- The budget for Westport water metered charges was optimistic (\$79,000).
- Professional services business unit loss (\$64,000).
- This was offset by dump revenue and bag sales which exceeded budget with a favourable variance (\$0.1m).

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## Operating Expenditure

Operating expenditure was \$24.5m compared to a budget of \$24.6m. This is indicative of a well controlled fiscal environment given that Council faced several significant storm events during 2013/2014:

- The October 2013 Inangahua river flooding necessitated remedial work to direct the river away from the landfill (\$130,000).
- Over Easter 2014, Cyclone Ita brought heavy rain and winds to the Buller coastal area. This storm event affected areas from Westport to Karamea. At the peak of the storm, when winds reached approximately 143km/h, there was widespread property damage with scattered debris and fallen trees across properties and roads. This caused damage to roads and clean-up effort in Westport and Karamea in Roding (\$250,000) and Parks and Reserves (\$85,000).
- A further significant rainfall event (May 2014) caused damage to the Karamea Highway.

## Main Drivers of the lower operating expenditure were:

- Lower depreciation to budget (\$619,000). This was mainly in Roding (\$284,000), Information Services (\$96,000) and Westport sewerage (\$34,000). Savings across a variety of cost centres accounted for the remainder.
- Finance costs less than budgeted due to the repayment of debt (\$56,000).
- Planned reduction in building and planning operating expenditure totalling (\$223,000) to offset the lower income received.
- There was no requirement to adjust for impairment of investments in Buller Holdings (\$696,000).
- However these reductions in expenditure were offset by:
  - Loss on the revaluation of investment property (\$505,000).
  - Loss on the sale of leasehold land (\$70,000).
  - Assets written off (\$669,000).

## Capital Expenditure

Council spent \$8m on infrastructure assets compared to a budget of \$10.7m. Of this \$3.6m improved the level of service for the community and \$4.4m replaced existing assets. A budget of \$2.5m is to be carried forward to complete the Westport and Karamea water supply upgrades. This was offset by unbudgeted expenditure for the construction of a rock wall in the Inangahua River (\$189,000) and a budget over run on the construction of the Pensioner Housing in Karamea (\$145,000).

## Increases in Levels of Service

- \$2.8m was spent on drinking water supply upgrades (mainly in Westport and Karamea).
- Construction and fitout of Karamea housing for the elderly (\$544,000).

## Replacement of Assets

Replacement of assets were mainly in following areas:

- Rural fire vehicle for Seddonville (\$153,000).
- Roding (\$2.019m).
- Water (\$0.5m).
- Wastewater (\$0.3m).
- Stormwater (\$147,000).
- Solid Waste (\$242,000).
- Community Services (\$640,000).
- Property Management, Amenities and Reserves (\$182,000).
- Support Services, IT Services (\$176,000).

## Financial Prudence Benchmarks

On 1 May 2014 the Local Government (Financial Reporting and Prudence) Regulations 2014 were introduced. These regulations seeks to:

- assist in identifying local authorities where further enquiry is warranted in relation to their financial management; and
- promote prudent financial management by local authorities.

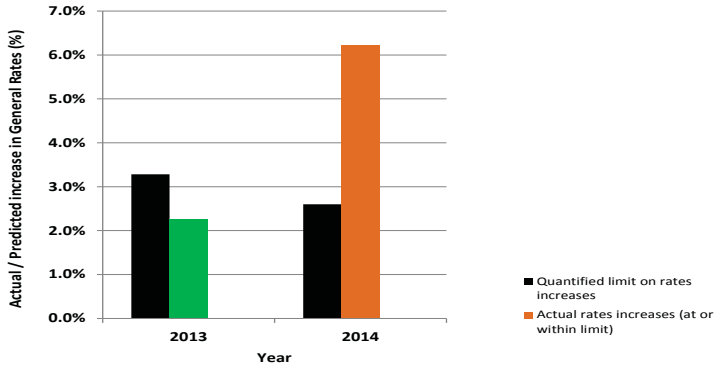
The regulations prescribe how Councils must report these benchmarks and indicators in their Annual Plans, Annual Reports and Long Term Plans.

The following benchmarks were introduced:

Affordability benchmarks	Rates affordability and rates increases benchmark	Rates revenue and rates increases complies with the limits set in Council's financial strategy.
	Debt affordability benchmark	Debt complies with the limits set in Council's financial strategy.
Sustainability benchmarks	Balanced budget benchmark	Operating revenue, excluding development and financial contributions and revenue from revaluations, exceeds operating expenditure.
	Essential services benchmark	Capital expenditure on the five network infrastructure services exceeds depreciation on those five services.
	Debt servicing benchmark	Interest expense is less than 10% of operating revenue, as defined in the balanced budget benchmark, except for local authorities with projected population growth greater than or equal to New Zealand's projected population growth. For those authorities the benchmark is 15% of operating revenue.
Predictability benchmarks	Debt control benchmark	Net debt is less than or equal to forecast debt in the long-term plan.
	Operations control benchmark	Net cashflow from operations equals or exceeds budget.

# Affordability Benchmarks

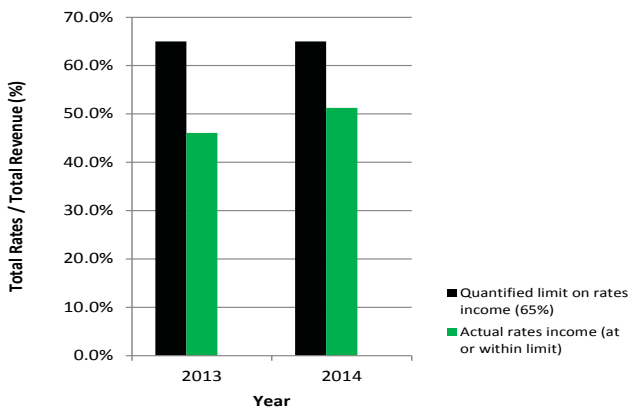
**Rates increases affordability benchmark**



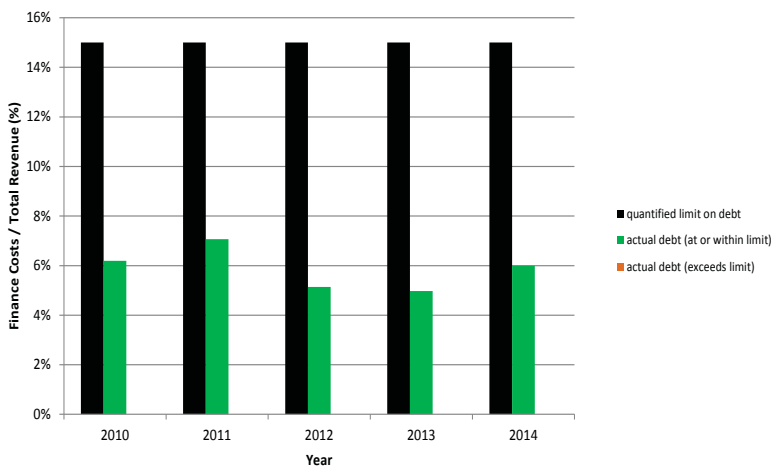
In the LTP the rates limits set were the general rates increases forecasted in the LTP process.

Year: 2013/2014  
 Main Driver why benchmark not met: Delay in the commencement of the contracted waste management approach resulted in additional costs which were unbudgeted.

**Rates income affordability benchmark**



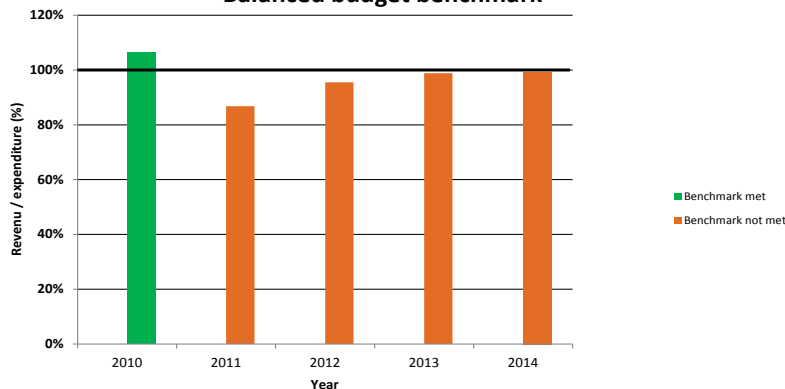
**Debt affordability benchmark**



Council continues to operate well below the Buller District Council's Treasury Management interest cover limit of 15%.

## Sustainability Benchmarks

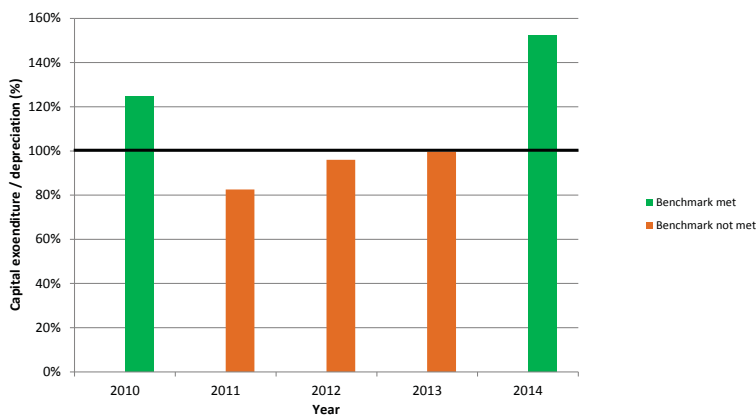
### Balanced budget benchmark



Although Council has not met the benchmark in some years, Council has showed improvement in its financial discipline over time.

Year	Main Driver why benchmark not met
2010/2011	<ul style="list-style-type: none"> <li>Higher expenses associated with Westport water, Reefton water, Westport sewerage, NBS Theatre and Buller Recreation Ltd.</li> <li>Expenditure relating to the transfer of operations and management to Westport Harbour Limited.</li> </ul>
2011/2012	<ul style="list-style-type: none"> <li>Impairment of Council's shareholding in Buller Recreation Ltd, changes in accounting treatment of Council maintenance expenditure, assets write-offs and loss on derivative contracts.</li> </ul>
2012/2013	<ul style="list-style-type: none"> <li>Grant for the fitout and associated assets to the Coaltown Trust.</li> <li>Costs associated with high profile mining consents.</li> </ul>
2013/2014	<ul style="list-style-type: none"> <li>One off events such as extra repairs and maintenance as a result of Cyclone Ita. Also lower income from fees and charges due to an economic slowdown were the main contributors to not meeting the benchmark.</li> </ul>

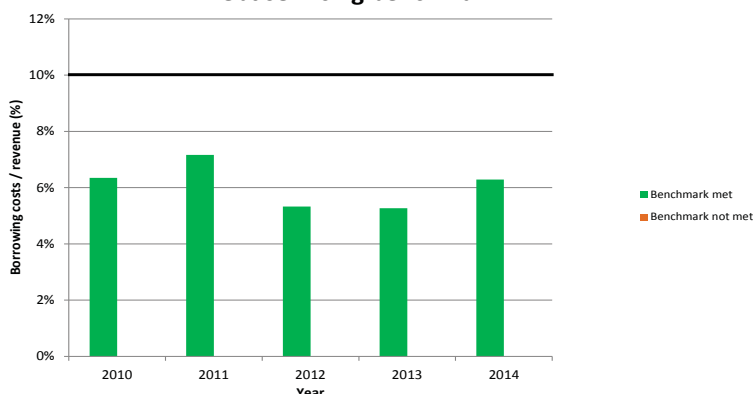
### Essential services benchmark



Capital expenditure on the 5 network infrastructure services has not exceeded depreciation in the following years due to:

Year	Main Driver why benchmark not met
2010/2011	<ul style="list-style-type: none"> <li>Timing delays in undertaking drinking water upgrades in Westport and Reefton.</li> <li>Deferral of the sewer and modelling separation.</li> </ul>
2011/2012	<ul style="list-style-type: none"> <li>Minor variations in renewals programme compare to depreciation.</li> </ul>
2012/2013	<ul style="list-style-type: none"> <li>This difference was marginal (\$13,000) and is not considered material.</li> </ul>

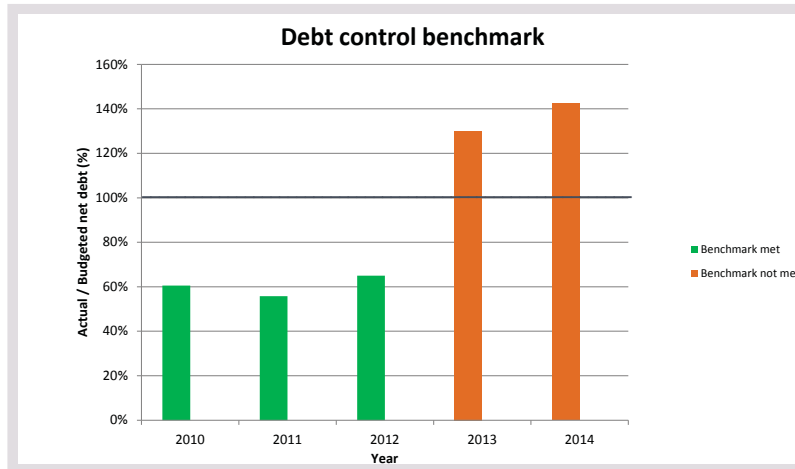
### Debt servicing benchmark



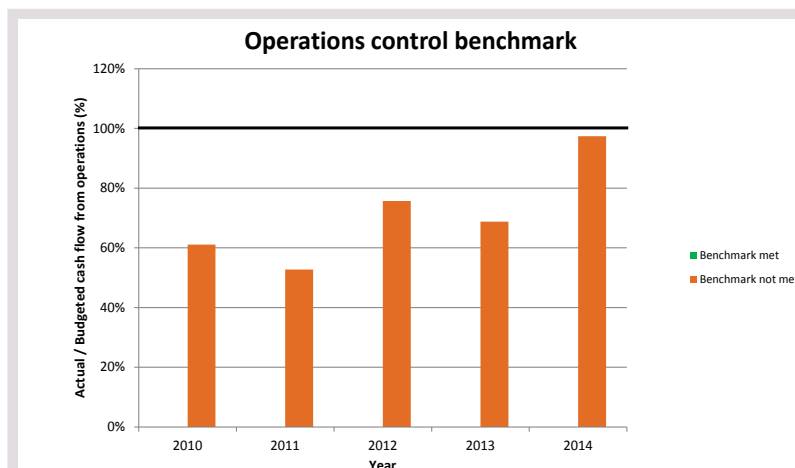
Council has continued to operate well within the low-growth Council benchmark of 10%. The increase in 2014 was associated with the accelerated Westport Water Supply upgrade.



## Predictability Benchmarks



Higher net debt to that forecasted in the LTP for years 2012/2013 and 2013/2014 is due to the acceleration of the Westport water supply drinking water upgrade.



The actual cashflow from operations has varied to the LTP cashflow due to the following:

Year	Main Driver why benchmark not met
2009/2010	<ul style="list-style-type: none"> <li>▪ Deferral of Reefton and Westport drinking water upgrades.</li> </ul>
2010/2011	<ul style="list-style-type: none"> <li>▪ Higher running costs in Westport water, Reefton water, Westport sewerage, NBS Theatre and Buller Recreation Ltd.</li> <li>▪ Expenditure relating to the transfer of operations and management of the harbour to Westport Harbour Limited.</li> </ul>
2011/2012	<ul style="list-style-type: none"> <li>▪ Unbudgeted expenses associated with high profile resource consents and the hockey turf dispute.</li> <li>▪ Higher expenses in Parks and Reserves and Solid Waste. A higher volume of repairs in Reefton, Westport and Waimangaroa water supplies. Higher operational costs for Buller Recreation Ltd.</li> </ul>
2012/2013	<ul style="list-style-type: none"> <li>▪ Unbudgeted expenses associated with high profile consents.</li> <li>▪ Additional consultant costs due to the Solid Waste restructure.</li> </ul>
2013/2014	<ul style="list-style-type: none"> <li>▪ Unbudgeted expenses associated with damage from Cyclone Ita combine with lower income from fees and charges cause by an economic downturn.</li> </ul>

# Council Activities

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The following pages set out in detail the Activity Plans for each of the Activity Groups. The Activities of Council have been grouped as follows:

- 
- |           |   |
|-----------|---|
| Contains: | ▪ Regulatory Services                         |
|           | ▪ Roading and Urban Development               |
|           | ▪ Water Supplies                              |
|           | ▪ Wastewater                                  |
|           | ▪ Stormwater                                  |
|           | ▪ Solid Waste                                 |
|           | ▪ In-house Professional Services              |
|           | ▪ Community Services                          |
|           | ▪ Governance                                  |
|           | ▪ Support Services                            |
|           | ▪ Property Management, Amenities and Reserves |
- 

This section of the Annual Report details what activities Council has undertaken in support of the community outcomes, strategic goals and legislative requirements that we operate under.

Please note both our Targets and Significant Projects/Issues form part of the performance management framework against which actual levels of service performance has been assessed. Targets represent the levels of service to be met annually unless stated otherwise.

# Regulatory Services

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## Activities in this group include:

- Animal and Stock Control
- Plans, Policies and Guidance Documents
- Provision of Consents
- Building Control
- Compliance and Enforcement Management
- Alcohol Licensing
- Emergency Management/Civil Defence
- Rural Fire Control
- Environmental Health

## Why are we involved in these activities?

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

The animal and stock control service aims to provide a safer District by reducing dog-related offences through the registration of dogs, the education of their owners and the investigation of complaints.

The 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.

Compliance and enforcement 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.

Alcohol licensing ensures that the statutory requirements and the object of the Sale and Supply of Alcohol Act 2012 are being met in that the sale and supply of alcohol should be undertaken safely and responsibly and any harm caused by excessive or inappropriate consumption should be minimised.

Under the Civil Defence Emergency Management Act, it is required that we are prepared to provide planning, response and recovery in the event of an emergency;

The West Coast region's Mayors and the Regional Council Chairman recently approved a restructure of Civil Defence for the West Coast. It has been agreed that a new position will be established that co-ordinates and delivers outstanding leadership to a team.

Council participates in the West Coast Rural Fire Committee to provide a fire control service outside the urban fire districts to provide a quick response to rural fires.

Environmental Health ensures that operators meet required public health standards.

## How do we contribute to Strategic Goals & Community Outcomes?

This activity supports the following community outcomes:

Community Outcomes	How the Council Contributes
Well-Being	<p>Provide essential services to residents and businesses to support a healthy environment.</p> <p>Provide and develop safe public places.</p> <p>Emergency management is a key function in ensuring that injury to people is minimised in the event of natural disasters.</p> <p>The safety of people and their property is the paramount concern of emergency management plans and processes.</p>
Learning	<p>Make information easily available about Council, its functions and services.</p> <p>Recognise and support education excellence and opportunity in the district.</p>
Who we are	<p>Provide opportunities for the community to work in partnership with Council.</p>
Sustainable Environment	<p>Develop policies and implement practices that enhance our environmental sustainability and natural diversity.</p> <p>Recognise and preserve the essential elements of the district's landscape that contributes to Buller's unique identity.</p>

## Statement of Service Performance

### Alcohol Licensing

Council has produced a Draft Local Alcohol Policy (LAP) under the Sale and Supply of Alcohol Act 2012 and has consulted on this policy. At the close of submissions Council decided to halt the process awaiting the outcome of contested LAP's currently going through Court.

### District Plan Review

Council has formed a District Plan Review Working Party made up of Deputy Mayor Neylon (Chair) and Councillors Hart, Howard, Rhind and Rutherford. The Working Party and staff have met to discuss the review and setting a timetable for each 'Part' (chapter) of the Plan to be reviewed based on their level of priority.

Through the District Plan Review, Council will update the Buller District Plan to take into account where the District is now and how the community would like to see it develop in the future. It is important that the District Plan Review is closely aligned to the Buller Vision 2050 Strategic Plan, to facilitate economic development, and to the Westport Concept Plan.

### Civil Defence

On 17 April 2014 Cyclone Ita brought heavy rain and winds to the Buller coastal area. This storm event affected areas from Westport to Karamea. With approximately 30% of staff away over the Easter weekend, the ability of emergency services to respond was severely curtailed. The Civil Defence team at Buller District Council became the lead agency, fielding incoming calls from residents affected by road closures and extended power outages.

At the peak of the storm, when winds reached approximately 130km/h, there was widespread property damage with scattered debris and fallen trees across properties and roads. Fortunately no injuries were sustained.

Civil Defence has continued to conduct debriefing exercises to review the situation and to identify improvements for future events.

### Rural Fire

As part of the West Coast Rural Fire Authority, Buller staff and volunteers were deployed to Australia (Victoria 2014) to assist with the Wild Fires. While helping fight the Victoria fires, our rural fire crew gained substantial experience.

# Key Performance Indicators

Achieved

What we did	What we measured	Target	Actual	Achieved
<b>Building</b>				
To maintain quality of life through ensuring compliance with building and development regulations.	Carry out investigations into non-compliance and nuisance activities in acceptable timeframes.	Simple investigations to be carried out within 10 working days.	2013/2014: Achieved 96 simple investigations within 10 days, 90% (2012/2013: 112 simple investigations within 10 days 82%).	●
		More complex investigations to be undertaken within 20 working days.	2013/2014: 5 remain under investigation, awaiting court action - 4.2% (2012/2013: 5 - 4.5%). 2013/2014: 6 complex investigations undertaken within 20 days, 7% (2012/2013: 20 complex investigations undertaken within 20 days - 14.6%).	●
	Building inspections carried out within 24 hours for urban and 48 hours for rural areas.	Achievement of this level of services in the 90-100% range.	2013/2014: Achieved 100% (2012/2013: 100%).	●
			1,023 inspections have been recorded (2012/2013: 1,383). 2013/2014: Building inspections are scheduled and carried out in accordance with bookings made - achieved 100%.	
	Building consents and LIMs issued within statutory timeframes of 10 working days for LIMs and 20 working days for Building Consents.	Target 100%.	2013/2014: 352 Building Consents issued with 99.43% completed within the statutory 20 working day timeframe (2012/2013: 450, 99.56%).	●
			2013/2014: 147 LIM's issued 100% completed within the 10 working day timeframe, with an average of 2 days processing time (2012/2013: 172 issued with 100% completed within timeframe).	●
	Audit compliance schedules.	No sampling undertaken. Not currently a requirement under the Building Act.	2013/2014: 12 audits were completed.	●
	Meet earthquake policy objectives.	Council is due to review its earthquake prone policy in December 2014. Buildings will be identified when a consent application is received, change of use occurs or complaint received.	There have been no changes to this policy, however Council has been proactive by sending letters to building owners encouraging them to undertake earthquake assessments.	●
	Ensure quality assurance requirements for building consent authorities are met as required by Regulation 17 of Building Consent Authorities Regulation 2006.	Continue to retain accreditation by passing bi-annual IANZ Audits.	2013/2014: IANZ audit was carried out during 3-5 December 2013 with no corrective actions identified and accreditation as a Building Consent Authority has been continued for a further two years. The next audit is due December 2015.	●




# Key Performance Indicators


Achieved

What we did	What we measured	Target	Actual	
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## Resource Management

To maintain quality of life through ensuring compliance with building and development regulations.	Process non-notified resource consents within 20 days.	Target 100%.	2013/2014: 100% achieved within statutory timeframes (2012/2013: 100%).	
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## Environmental Health

To maintain quality of life through ensuring the health and safety of licenced activities.	Inspect all food premises, hairdressers, funeral homes, camping grounds and offensive traders.	Target 100%.	2013/2014: 100%, 116 premises inspected (2012/2013: 100%, 87 premises).	
			No significant findings.	
			These premises met the standards set by the Food Hygiene Regulations 1974.	

## Animal Control

To maintain quality of life through ensuring the effects of dogs and livestock are minimised.	Investigate all animal related complaints.	Target 100%.	2013/2014: 100%, 399 complaints investigated by BDC staff, 24 after-hour calls regarding stock were attended by Matrix Contractors (2012/2013: 100%, 418 complaints investigated).	
			This is measured by the use of the service request system and all complaints are loaded through this system.	
			Continued education for animal owners occurs.	

## Noise Control

To address non-compliance or nuisance activities in ways that uphold the community outcomes.	Respond to 90% of all noise complaints within 30 minutes.	Target 90%.	2013/2014: Achieved 95% - 136 complaints received with 129 being responded to within 30 minutes (2012/2013: 93%, 215 complaints received, 210 responded within 30 minutes)	
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## Policy and Strategy

Maintain quality of life in Buller and ensure that future planning rules reflect community needs and legislative requirements.	Plan change processes initiated as part of the District Plan Review.	Review of District Plan to be completed by June 2015.	2013/2014: The District Plan Review Working Party and staff have met. Work is underway on prioritising and timetabling the 'Parts' of the Plan for review and projects plans are being developed (2012/2013: The Plan changes relating to the National Policy Statement on Electricity Transmission were put on hold following consultation with Transpower).	In progress
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## Key Performance Indicators

Achieved

What we did	What we measured	Target	Actual	Achieved
<b>Emergency Management</b>				
To establish an effective level of preparedness for Civil Defence disasters.	Maintain three teams of trained volunteers.	30 trained volunteers (3 teams).	2013/2014: Granity, Karamea, Westport and Reefton teams, consisting of 120 volunteers, are in training and undergoing a restructure of their groups (2012/2013: 160 volunteers).	●
	Run exercises to test effectiveness.	On-going regional exercises scheduled and completed.	2013/2014: No exercise was conducted during 2013/2014. A real life event occurred when Cyclone Ita struck the Buller in April 2014. (2012/2013: Civil defence and council staff took part in Exercise Te Ripahapa for 12 hours).	●
	Develop Civil Defence, Information Communication Technology and Recovery Plans.	On-going review of the Emergency Operations Centre.	2013/2014: Emergency power, additional phone lines and internet have been installed and the centre is now fully operational (2012/2013: no change, centre was fully functional).	●
		Review all plans against best practice.	2013/2014: This is still very much a work in progress (2012/2013: no change).	-

### Rural Fire

To respond to and control wildfires to protect property and conservation values.	Annually review fire plan.	On-going review of fire plan.	2013/2014: Continual review of fire plan (2012/2013: no change).	●
	Maintain trained volunteers, fire engines and equipment.	Regular personnel and equipment audits carried out by Zone Controllers.	2013/2014: All rural fire stations conducted monthly training sessions under the Fire Plan and the NZRFA (2012/2013: no change). New Medium appliance for Seddonville was delivered, in conjunction with a partnership with NZRFA, also a new Fire Station.	●
	Maintain restricted fire season and fire education.	Provision of on-going training to all Rural Firefighters.	2013/2014: On-going training with equipment met compliance requirements (2012/2013: no change)	●

## Significant Capital Expenditure

- Rural fire vehicle for Seddonville (\$153,000).

# Funding Impact Statement

Regulatory Services		Budget LTP 2012/2013 \$000	Budget LTP 2013/2014 \$000	Budget AP 2013/2014 \$000	Actual 2013/2014 \$000
Sources of Operating Funding					
General rates, uniform annual general charge, rates penalties		768	563	724	724
Targeted rates (other than a targeted rate for water supply)		0	0	0	0
Subsidies and grants for operating purposes		0	0	0	0
Fees and charges and targeted rates for water supply		0	0	0	0
Internal charges and overheads recovered		15	15	15	3
Interest and dividends from investments		0	0	0	0
Local authorities fuel tax, fines, infringement fees & other receipts		1,362	1,660	1,588	952
<b>Total Operating Funding</b>	<b>A</b>	<b>2,145</b>	<b>2,238</b>	<b>2,327</b>	<b>1,679</b>
Applications of Operating Funding					
Payments to staff and suppliers		1,603	1,656	1,692	1,429
Finance costs		12	11	16	16
Internal charges and overheads applied		490	528	561	537
Other operating funding applications		12	12	12	0
<b>Total Applications of Operating Funding</b>	<b>B</b>	<b>2,117</b>	<b>2,207</b>	<b>2,281</b>	<b>1,982</b>
<b>Surplus/ (deficit) of Operating Funding</b>	<b>A-B</b>	<b>28</b>	<b>31</b>	<b>46</b>	<b>(303)</b>
Sources of Capital Funding					
Subsidies and grants for capital expenditure		0	0	0	97
Development and financial contributions		0	0	0	545
Increase/(decrease) in debt		(18)	43	110	98
Gross proceeds from sale of assets		0	0	0	0
Lump sum contributions		0	0	0	0
<b>Total Sources of Capital Funding</b>	<b>C</b>	<b>(18)</b>	<b>43</b>	<b>110</b>	<b>740</b>
Application of Capital Expenditure					
- to meet additional demand		0	0	0	0
- to improve the level of service		0	62	62	0
- to replace existing assets		0	0	81	155
Increase/ (decrease) in reserves		10	12	13	282
Increase/ (decrease) in investments		0	0	0	0
<b>Total applications of Capital Funding</b>	<b>D</b>	<b>10</b>	<b>74</b>	<b>156</b>	<b>437</b>
<b>Surplus/ (deficit) of Capital Funding</b>	<b>C-D</b>	<b>(28)</b>	<b>(31)</b>	<b>(46)</b>	<b>303</b>
<b>Funding Balance</b>	<b>((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>0</b>

# Significant Variance Explanations in comparison to the Long Term Plan

## Operating Funding

### General rates, uniform annual general charge, rates penalties

An increase in the General Rate was due to lower fees and charges in building and resource consent processing being budgeted for in the Annual Plan compared to the LTP. This was driven by lower economic activity in the District.

### Fees and charges

The LTP building consent fees were reduced in the 2013/2014 Annual Plan (\$110,000). This was offset in the Annual Plan by higher resource consent fees. Overall, the LTP budget was reduced by \$72,000 from \$1.66m to \$1.59m.

Actual revenue generated from building control and resource management and consent income was reduced by a further \$449,000 to the 2013/2014 Annual Plan levels due to constrained economic activity in the district. In addition, lower regulatory fees in dog registration and environmental health accounted for a further \$73,000 shortfall.

### Payments to suppliers and Staff

There was a planned reduction in building and planning operating expenditure totalling (\$227,000) to offset the lower income received caused by a decline in development and construction activity.

## Capital Funding

### Subsidies and grant expenditure

Financial assistance was received from West Coast Rural Fire towards the Seddonville rural fire vehicle (\$97,000).

### Development and Financial Contributions

Unbudgeted development, reserve and infrastructure contributions of \$545,000 were received compared to the 2013/2014 budget (Nil).

### Capital Expenditure

The rural fire vehicle for Seddonville cost \$153,000 compared to a budget of \$62,000. This over expenditure was partially offset by an increased subsidy of \$55,000 from West Coast Rural Fire. Capital expenditure had been carried forward from a prior year.

### Increase in debt (\$129,000)

This increase was mainly due a change in the Annual Plan budget, compared to the LTP, to purchase vehicles that were previously leased.

# Roading & Urban Development

## What do we do?

The roading and urban development activity provides for the planning, operations, maintenance, development and improvements to the transport network so that it is affordable, integrated, safe, responsive and sustainable.

Council provides, maintains and renews sealed and unsealed roads, bridges and culverts, footpaths, seats and shelters to enable people and businesses to move around for employment, recreation, shopping, social activities and business purposes. It also provides road signs, markings and street lighting to ensure that travel is safe and convenient. Council improves the road network to meet changing needs and develops plans to ensure the road network is able to cater for future growth. Council also provides support for the continued operation of the Westport Taxi service.

Urban Development is undertaken to provide a more pleasant environment for our communities by use of plantings, street treatment and decorative measures.

## Why are we involved in this activity?

The roading and urban development activity provides people with access to employment, services, education and recreation, as well as providing for the movement of goods to support the local economy. The road corridor also provides access for critical services such as electricity, telecommunications, water supply and waste disposal.

## How do we contribute to Strategic Goals & Community Outcomes?

This activity supports the following community outcomes:

Community Outcomes	How the Council Contributes
Sustainable Environment	By providing a safe roading system. By helping reduce energy consumption in our community.
Prosperity	By providing everyone easy access to roading network by providing links to sustain rural communities.
Learning	By providing education programmes.



## Statement of Service Performance

Council has undertaken a number of geotechnical repairs to the Karamea Highway over the last financial year as part of pavement rehabilitation. Some water tables were concreted to improve flow and prevent water entry into the subgrade.

The upgrades included drainage facilities (\$50,000) and pavement rehabilitation (\$150,000). This latter project included a carryover from 2012/2013 which was deferred to provide an economic quantity of work.

Reseals on the Karamea Highway were deferred because of the uncertainty of the location of the project to install fibre optic cable.

Footpaths were progressively renewed/resurfaced to provide a safe environment.

A staged upgrade of Derby Street has continued and will be finalised over the next three years.

### Emergency Works

This financial year resulted in significant storm events and associated costs. In October 2013, storm damage amounted to \$230,000 on local roads. This was mainly due to slip clearance associated with a rainfall event.

On 17 April Cyclone Ita struck the Buller District. Tree falls over roads in the district were widespread, with the Karamea Highway being particularly affected. The cost of the damage was \$250,000 on local roads and a further \$90,000 on the Karamea Highway.

In May 2014, another heavy rainfall event resulted in damage to local roads (\$80,000), and on the Karamea Highway (\$22,000).

A peer review of the geotechnical report on the slip damage to the Karamea Highway was undertaken. A start was made on further investigations required to confirm the designs for the remedial work. Costs for design work for the year ending was \$226,000 and \$1m has been allocated for repairs in the 2014/2015 financial year.

### Roading - Financial Assistance Rate and Financial Assistance Funding Review

Buller is a large district with numerous settlements and small towns along its coastline. It is only able to function economically and socially because of a vital local roading network maintained by Council. Just 577km of Council roads link into the main State Highways. Only half of those local roads are sealed, with the other half unsealed. These local roads incorporate 153 bridges and large culverts.

Roading is the largest single financial commitment for rural Council's. Central government assistance is available from the New Zealand Transport Agency who pays a percentage of the total cost of approved projects. The Agency reduced this financial assistance rate (known as the "FAR") to 58% of the total cost. The reduction in the 2013/2014 year was absorbed by the general ratepayer.

The New Zealand Transport Agency is currently undertaking a review of the financial assistance rates (FAR) that are paid to local authorities throughout the country. About 17% of Council's operating costs are expended on roads and at present levels every 1% drop in subsidy will lead to a 0.5% increase in ratepayer contributions. Staff and Council have made submissions to this review during the year. The New Zealand Transport Agency will advise the FAR rate for the 2015-2018 Long Term Plan by October 2014. Council will need to review the impact of any change in the financial assistance rates on the levels of service provided for roading.

# Key Performance Indicators

Achieved

What we did	What we measured	Target	Actual	
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## Public Safety




Provide a safe road network.	Annual Road Safety Audit.	Continue to audit 10% of the network.	2013/2014: Westport township night audit and Karamea Highway traffic services audit carried out (2012/2013: Road safety audit undertaken on Denniston Track, Karamea Highway, Arapito Road and some intersections in Westport). 2013/2014: Work covered 92.22km which is 15% of the network (2012/2013: 46km which represented 8% of the network).	●
	Reducing trend in the number of fatal and injury accidents and accident contributing behaviour as measured by statistics published by NZTA.	Reducing trend of fatal accidents and those causing injury. Analysis of accident causes to determine if remedial work is required.	2013/2014: Based on the crash analysis report produced by the New Zealand Transport Agenda (NZTA) overall there were 80 accidents (2012/2013: 93). This is not a KPI within Council's control. 2013/2014: Injury related accidents were 32 and have trended considerably up from previous year (2012/2013: 12). 2013/2014: 48 non-injury accidents occurred, trending considerably lower than previous year (2012/2013: 81). 2013/2014: Fatal accidents have increased to 4 fatalities (2012/2013: 1).	
Maintain roading infrastructure to required standards.	Maintenance of roading in compliance with Asset Management Plan.	Compliance with Asset Management Plan.	2013/2014: Programme undertaken in compliance with Asset Management Plan.	●
		Changes ratified through the Annual Plan process.	Asset Management Plans to be updated during 2014/2015.	In Progress

## System Usability

Provide a comfortable road network.	Maintain current road roughness levels.	Average sealed road NASSRA roughness less than 120.	2013/2014: Road roughness survey was completed in May 2014 which resulted in roughness of 87.2 (2012/2013: May 2013, 87.9).	●
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## Key Performance Indicators

Achieved

What we did	What we measured	Target	Actual	Achieved
<b>Footpaths</b>				
Provide usable footpaths.	Undertake condition rating of footpaths. Design all new footpaths for accessibility.	Remedial work programmed for all footpaths with a Level 4 and 5 rating.  This programme is assessed every two years by an independent consultant.  New footpaths designed for wheelchair and pram usage.	2013/2014: Footpaths were rated according to condition on a scale of 1 to 5 by consultants as part of RAMM rating - overall rating for footpaths was 2.17 which shows a slight deterioration in the footpath condition rating. Greater use of concrete and asphaltic concrete increased costs which reduces the overall amount of remedial work undertaken. This was not a significant change (2012/2014: average rating was 2.10).  The ratings are undertaken every two years as part of the RAMM inventory update for roads.  The forward renewal programme for footpaths is based on rating - 1,207m of footpaths were refurbished by reseal or asphaltic concrete. This represents 1.43% of the overall footpath length (2012/2013: 1,350m, representing 1.61%).	
<b>System Disruption</b>				
Minimise the effects of road works.	To attend to all slips and obstructions in a timely manner and undertake road works in accordance with national safety standards.	80% compliance with the contracted response times.  Road works checked against national standards during site inspections.	2013/2014: Responded within the response times required (2012/2013: no change).	
<b>Environmental Impact</b>				
Provide roads with the minimum environmental impact.	To comply with resource consent conditions.	100% compliance.	2013/2014: 100% compliance (2012/2013: 100% compliance).	

## Significant Capital Expenditure

- Footpaths progressively renewed/resurfaced to provide a safe environment (\$197,000).
- Staged upgrade of Derby Street (a major street in Westport), in conjunction with the replacement of services, from Salisbury Street to the railway line on Derby Street - roading and associated improvements (\$249,470).
- Emergency works (local roads) – rockwall protection (\$189,000).
- Total local road improvements (\$1,334,000).
- Special purpose road improvements (\$209,000).
- Special purpose road renewals (\$54,000).

## Funding Impact Statement

Roading and Urban Development	Budget LTP 2012/2013 \$000	Budget LTP 2013/2014 \$000	Budget AP 2013/2014 \$000	Actual 2013/2014 \$000
Sources of Operating Funding				
General rates, uniform annual general charge, rates penalties	2,245	2,297	2,349	2,349
Targeted rates (other than a targeted rate for water supply)	0	0	0	0
Subsidies and grants for operating purposes	1,695	1,673	2,170	2,385
Fees and charges and targeted rates for water supply	0	0	0	0
Internal charges and overheads recovered	0	0	0	0
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees & other receipts	175	182	175	177
<b>Total Operating Funding</b>	<b>A</b>	<b>4,115</b>	<b>4,152</b>	<b>4,694</b>
Applications of Operating Funding				
Payments to staff and suppliers	2,736	2,739	3,235	3,317
Finance costs	0	0	0	0
Internal charges and overheads applied	596	625	655	887
Other operating funding applications	0	0	0	0
<b>Total Applications of Operating Funding</b>	<b>B</b>	<b>3,332</b>	<b>3,364</b>	<b>4,204</b>
<b>Surplus/ (deficit) of Operating Funding</b>	<b>A-B</b>	<b>783</b>	<b>788</b>	<b>707</b>
Sources of Capital Funding				
Subsidies and grants for capital expenditure	1,251	1,236	1,253	1,221
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	0	232	0	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total Sources of Capital Funding</b>	<b>C</b>	<b>1,251</b>	<b>1,468</b>	<b>1,221</b>
Application of Capital Expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	165	397	191	162
- to replace existing assets	1,869	1,859	1,866	2,019
Increase/ (decrease) in reserves	0	0	0	(253)
Increase/ (decrease) in investments	0	0	0	0
<b>Total applications of Capital Funding</b>	<b>D</b>	<b>2,034</b>	<b>2,256</b>	<b>1,928</b>
<b>Surplus/ (deficit) of Capital Funding</b>	<b>C-D</b>	<b>(783)</b>	<b>(788)</b>	<b>(707)</b>
<b>Funding Balance</b>	<b>((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

Core Asset Disclosure	Closing Book Value \$000	2014 Assets Constructed \$000	2014 Assets Vested \$000	Replacement Costs \$000
Roads and Footpaths	196,885	1,927	185	271,998

## Significant Variance Explanations in comparison to the Long Term Plan

### Operating Funding

#### Subsidies and grants for operating purposes

An additional amount of \$500,000 was budgeted in the 2013/2014 Annual Plan for financial assistance associated with remedial works associated with the Karamea Highway. This was amended in the LTP budget from \$1.6m to \$2.1m. Actual expenditure during the year totalled \$148,000.

During the 2013/2014 year, greater financial assistance to the Annual Plan budget was achieved. This was due to emergency reinstatement work related to construction of a rock wall (\$230,000), clean-up costs associated with Cyclone Ita (\$250,000) and remedial works related to the June rainfall event (\$80,000).

#### Payments to staff and suppliers

During the Annual Plan process the Long Term Plan budget was increased by \$0.5m to \$3.235m as a result of increased Repairs and Maintenance addressing drainage and remedial structures along the Karamea Highway.

Actual expenditure was \$3.3m higher compared to the Annual Plan budget. Emergency works on local roads and the Karamea Highway largely accounted for the variation to budget.

### Capital Funding

#### Decrease in Debt

This is due to the deferral of the Road River bridge (\$232,000) in the Annual Plan process, which is due to the closure of the Pike River Mine.

### Capital Expenditure

#### Improving the level of service

This mainly due to the change in the LTP budget by deferral of the Rough River Bridge (\$232,000).

#### Replacement of assets

Pavement rehabilitation was higher than the LTP budget due to capital carryover from 2012/2013 (\$54,000) and sealed road resurfacing (\$44,000).

Roads and bridges were higher than the Annual Plan budget due to strengthening work associated with the Karamea Bluff (\$72,000).

Emergency works were \$89,000 greater than budget due to rockwall protection in the Inangahua Ward at Perseverance Bridge.

Reseals on the Karamea Highway were deferred due to uncertainty associated with the installation of the fibre optic cable (\$135,000).



# Water Supplies

## What do we do?

Council provides the management of the water supply to support the health and well-being of the community.

## Why are we involved in this activity?

Water is an essential need for individuals and commercial operations. Council provides sufficient quantities of potable water for domestic and commercial needs, public amenities and to avoid the risk of public borne diseases affecting public health.

## How do we contribute to Strategic Goals & Community Outcomes?

This activity supports the following community outcomes:

Community Outcomes	How the Council Contributes
Well-being	Provision of a reticulated water supply to support a healthy community. Provision of water for sanitary services. By maintaining sufficient water for fire fighting purposes.
Environment	By conserving water and encouraging others to do the same.
Learning	By providing water conservation education.
Prosperity	By meeting commercial water needs and meeting community needs at affordable costs and equal access to water.

For these reasons the objective of retaining ownership of the water supplies is to keep Council in a position whereby it can exercise some control over the supply of water to communities within the district. The goal of ownership is to use that control wisely and in the best interests of the affect communities.

## Statement of Service Performance

### Westport Water Supply Upgrade

In the Long Term Plan, a \$10.6m upgrade of the water supply was scheduled to occur over the ten years of the plan.

In the 2013/2014 Annual Plan, Council agreed to a partial upgrade. The partial upgrade was to be undertaken over 2 years, at a cost of \$9m, as this option delivers clean safe drinking water and also improves the reliability of the supply by upgrading the trunk main. This option represented the best value for money while managing risks.

Council engaged Opus International Consultants to undertake project management, investigation and preliminary design. Tenders were called for the construction of the upgrade and in September 2013 WestReef Services Ltd were named as the successful contractor.

Work on this contract is progressing close to predicted timelines and all major components have either been completed or are nearing completion. This contract is due to be completed in December 2014.

### Reefton Drinking Water Supply Upgrade

This project was commissioned in the 2013/2014 financial year.

### Punakaiki Drinking Water Supply Upgrade

This project was commissioned in the 2013/2014 financial year.

### Ngakawau/Hector & Waimangaroa Water Supplies

Capital Assistance Programme (CAP) applications for these supplies were successful and physical works are scheduled to begin in December 2014.

### Karamea Water Supplies

In the 2013/2014 Annual Plan Council approved a feasibility study to determine if there is a reliable water supply. This entailed drilling test boreholes and designing a water treatment system, reservoir and pipework. The budget for this feasibility study was \$150,000 and the Ministry of Health approved a subsidy of \$120,000.

The CAP funding for the construction of a water supply was also approved. Further consultation will take place with the community to determine if this project will proceed.

### Inangahua Junction Water Supply


The CAP application for this supply was successful and physical works are scheduled to begin in December 2014.

## Key Performance Indicators



Achieved

What we did	What we measured	Target	Actual	
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### Environmental Impact

Provide water with the minimum environmental impact.	To comply with resource consent conditions as assessed by Regional Council consents.	100% compliance.	2013/2014: 100% compliance (2012/2013: 100%).	
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### Water Quality



Provide an adequate quality of water.	No potential for illness due to unwholesome water.	No confirmed E coli contamination.	2013/2014: A total of 17 E-coli tests were recorded showing contamination (14 from Punakaiki and 4 from Reefton) (2012/2013: 21 tests showed contamination).			
			2013/2014: In total there were 299 individual samples taken from Westport, Carters Beach, Reefton and Punakaiki water supplies. E-coli or faecal coliforms come from the gut of warm blooded animals (possums, deer, goats and birds) (2012/2013: 323 samples). Additional investigation sampling was undertaken in relation to the upgraded drinking water supplies.			
			2013/2014: For the Reefton and Punakaiki water supply transgressions there was a permanent 'boil water' notice in place during commissioning and operational issues, which have since been resolved.			
		Seven water supplies will comply with Drinking Water Standards 2005 (revised 2008).			2013/2014: The Council programme in the Long Term Plan allows for all seven water supplies, with the exception of Mokihinui, to be upgraded to meet the Drinking Water Standards in accordance with the Health Act. This will, however, only be achievable if Council receives financial assistance.	
					2013/2014: As at balance date Reefton and Punakaiki were not fully compliant as upgrades had not been finally commissioned.	In Progress
					2013/2014: The Waimangaroa and Ngakawau/Hector water supplies have funding approved and the upgrades will be completed in 2014/2015.	In Progress
					Karamea CAP funding application was successful and now community consultation is programmed for September 2014.	In Progress

## Key Performance Indicators




Achieved

What we did	What we measured	Target	Actual	Achieved
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### Water Quality - Westport and Reefton Supplies

Provide an adequate quantity of water.	To be able to fill a ten litre bucket three times within one minute.	No more than ten recorded failures per annum throughout the district.	2013/2014: 2 requests for pressure tests to determine the flow (2012/2013: 2 requests were received).	
	All fire hydrants to be operational.	100% level of service.	2013/2014: All hydrants were operational (2012/2013: all operational).	

### Water Reliability

Provide a reliable supply of quality water.	To provide water into the system virtually all of the time.  To minimise disruption caused by unplanned shutdowns.  To permit gardens to be maintained in a healthy state all year.	Water supplied 99% of the time to the property boundaries.	2013/2014: Water was supplied for 99.9% of the time (mains only) (2012/2013: 99.6%).	
			2013/2014: There were 7 occasions when water was provided on low pressure because of repairs being undertaken. The trunk main is consists of pipes of variable age and pipe failure occurs in a random manner (2012/2013: 2 occasions).	
		No more than three leaks per kilometre.	2013/2014: 0.73 leaks per km (2012/2013: 0.73 leaks per km).	
		All unplanned shutdowns less than four hours.	2013/2014: As service requests are received, Council forward the request to the contractor with an inspection timeframe and an indicative repair time. The Contractor prioritises the physical works and responded within the repair time 72.6% of the time. There is now a requirement of legislation for the contractor to obtain corridor access prior to trenching in the road corridor and this has effected response times. (2012/2013: 85.2%).	
		No more than five days of water restrictions per year.	2013/2014: 5 days of restrictions in April for the Ngakawau/Hector supply, which was due to low rainfall and was requested by the community (2012/2013: 11 days of water restrictions for all of the supplies)	

## Significant Capital Expenditure

### Westport

- Trunk Main Renewal (\$55,000). This budget was carried forward from 2012/2013.
- Main and valve Renewals (\$235,000)
- Work in progress on Drinking Upgrade (\$3.4m)

### Reefton

- Renewals (\$128,000)

### Karamea Water Supply Investigation

- Work in progress on Drinking Upgrade (\$38,000)

## Funding Impact Statement

<b>Water Supplies</b>		Budget LTP 2012/2013 \$000	Budget LTP 2013/2014 \$000	Budget AP 2013/2014 \$000	Actual 2013/2014 \$000
<b>Sources of Operating Funding</b>					
General rates, uniform annual general charge, rates penalties		0	0	0	0
Targeted rates (other than a targeted rate for water supply)		1,889	2,027	2,021	2,031
Subsidies and grants for operating purposes		0	0	0	0
Fees and charges and targeted rates for water supply		277	290	281	216
Internal charges and overheads recovered		0	0	0	0
Interest and dividends from investments		0	0	0	0
Local authorities fuel tax, fines, infringement fees & other receipts		0	0	0	0
<b>Total Operating Funding</b>	<b>A</b>	<b>2,166</b>	<b>2,317</b>	<b>2,302</b>	<b>2,247</b>
<b>Applications of Operating Funding</b>					
Payments to staff and suppliers		1,056	1,097	994	892
Finance costs		183	207	207	172
Internal charges and overheads applied		219	237	227	289
Other operating funding applications		0	0	0	0
<b>Total Applications of Operating Funding</b>	<b>B</b>	<b>1,458</b>	<b>1,541</b>	<b>1,428</b>	<b>1,353</b>
<b>Surplus/ (deficit) of Operating Funding</b>	<b>A-B</b>	<b>708</b>	<b>776</b>	<b>874</b>	<b>894</b>
<b>Sources of Capital Funding</b>					
Subsidies and grants for capital expenditure		350	925	1,594	1,124
Development and financial contributions		0	0	0	0
Increase/(decrease) in debt		409	648	4,177	1,570
Gross proceeds from sale of assets		0	0	0	0
Lump sum contributions		0	0	0	0
<b>Total Sources of Capital Funding</b>	<b>C</b>	<b>759</b>	<b>1,573</b>	<b>5,771</b>	<b>2,694</b>
<b>Application of Capital Expenditure</b>					
- to meet additional demand		0	0	0	0
- to improve the level of service		857	1,799	5,919	2,837
- to replace existing assets		483	574	523	537
Increase/ (decrease) in reserves		127	(24)	203	214
Increase/ (decrease) in investments		0	0	0	0
<b>Total applications of Capital Funding</b>	<b>D</b>	<b>1,467</b>	<b>2,349</b>	<b>6,645</b>	<b>3,588</b>
<b>Surplus/ (deficit) of Capital Funding</b>	<b>C-D</b>	<b>(708)</b>	<b>(776)</b>	<b>(874)</b>	<b>(894)</b>
<b>Funding Balance</b>	<b>((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Core Asset Disclosure</b>	Closing Book Value \$000	2014 Assets Constructed \$000	2014 Assets Vested \$000	Replacement Costs \$000
Water Supply				
Treatment Plants and Facilities	2,666	0	0	4,659
Other Assets	18,331	525	24	47,896
<b>Total</b>	<b>20,997</b>	<b>525</b>	<b>24</b>	<b>47,895</b>

## Significant Variance Explanations in comparison to the Long Term Plan

### Operating Funding

#### Fees and Charges

The budget for metered water charges for Westport was optimistic.

#### Payments to Staff and Suppliers

The Annual Plan forecast a reduction in Westport repairs and maintenance in 2013/2014. This is due to the accelerated upgrade of the Westport water supply upgrade over 2 years; the LTP had assumed a phased upgrade over 10 years.

Actual expenditure was \$103,000 lower than the Annual Plan budget due to minor savings mainly in insurance (\$13,000) and repairs and maintenance (\$46,000) for Westport water and power in Reefton water (\$20,000).

### Capital Funding

#### Subsidies and Grants

The LTP budget was changed in the 2013/2014 Annual Plan process to allow for a phased upgrade of the Westport water supply over 2 years. The LTP had budgeted to receive \$900,000 over three financial years (\$350,000 in 2012/2013, \$223,000 and \$327,000 in 2013/2014 and 2014/2015). The Annual Plan reflected a drinking water subsidy for Westport Water of \$1.5m as approved by the Ministry of Health.

Deferrals of drinking water upgrades for Inangahua Junction, South Granity and Little Wanganui reduced the LTP financial assistance by \$692,000.

The Annual Plan also allowed for the receipt of \$120,000 towards the investigation for a viable water supply in Karamea.

Lower subsidies were received for Westport Water as the full project will be fully completed in December 2014 (\$377,000).

### Capital Expenditure

#### Westport Water Supply Upgrade

The LTP had assumed a 10 year phased upgrade but the Annual Plan budget provided for an upgrade over two years. As a result the LTP budget was increased from \$1.8 m to \$5.9m.

#### Karamea Water Supply

The 2013/2014 Annual Plan provide for \$150,000 for an investigation to determine if a viable water supply is available in Karamea. There was no such provision in the LTP.

#### Increase in Debt

The LTP had assumed that the phased upgrade would be financed internally from term investments. With the expected work programme, the accelerated upgrade needed to be financed externally. This resulted in debt increasing from \$0.6m in the LTP to \$4.1m in the Annual Plan.

Lower debt was incurred to budget as the projects will only be completed in December 2014.

#### Increase in Service Level

The upgrade for Westport Water will only be finalised in December 2014 (work in progress; \$3.4m compared to a budget of \$5.8m; \$0.6m was work in progress for 2012/2013).

The investigation for the Karamea water supply was not fully completed at balance date (work in progress; \$32,000 compared to a budget of \$150,000).

# Wastewater / Sewerage

## What do we do?

Council provides these activities to support the health and well being of the community and the environment.

Council currently provides for the collection and transportation of the wastewater from residential and commercial properties of the townships of Westport, Little Wanganui and Reefton through the underground piping infrastructure and treatment facilities. The rest of the district is serviced by on-site disposal systems that property owners maintain.

## How do we contribute to Strategic Goals & Community Outcomes?

This activity supports the following community outcomes:

Community Outcomes	How the Council Contributes
Well-being	Provision of a sanitary wastewater collection and treatment service.
Sustainable Environment	Protection of the environment through the treatment of wastewater.
Learning	Provision of water conservation programmes.
Prosperity	By meeting commercial wastewater needs and meeting community needs at an affordable cost.

## Statement of Service Performance

Monitoring and reporting of the Wastewater Treatment Plants has been undertaken in accordance with the resource consents.

The composting of biosolids from the Wastewater Treatment Plant with greenwaste from the Transfer Station has continued at Westport.

Stormwater that is disposed of in combination with wastewater has resulted in some areas of Westport's wastewater system not working efficiently because of overload. This has resulted in some residents being unable to use toilet facilities for periods when the system is overloaded. Council has requested modelling of the wastewater system to programme separation and also to provide solutions. The modelling of wastewater and stormwater reticulation has been completed by the Consultant, but not verified to the satisfaction of Council. Capital expenditure is to be carried forward to 2014/2015 to enable the analysis to continue.

The ongoing upgrade of Derby Street has continued with the block from Lyndhurst Street to Brougham Street being completed.




# Key Performance Indicators


Achieved

What we did	What we measured	Target	Actual	Achieved
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## Public Safety

Provide safe facilities for both the community and the operators.	No accidents, injuries or public contact with sewage.	No accidents reported.	2013/2014: Nil reported injury or illness attributed to the sewer systems (2012/2013: Nil).	
	Number of public health issues attributed to the wastewater system.	Maintain zero reports.	2013/2014: No issues reported by the Ministry of Health (2012/2013: No reports).	


## System Capacity

Provide adequate capacity.	Maintain capacity of existing combined systems.	No more than ten overflows throughout the district.	2013/2014: 2 overflows occurred during the last twelve months, as a result of blocked property connection pipes (laterals) (2012/2013: 13 sewerage overflows).	
	Design all new systems to New Zealand Standard 4404:2010.	All new sewers designed to cope with a one in ten-year event.	2013/2014: No new sewer systems were constructed (2012/2013: No new systems constructed).	


## System Reliability

Provide a reliable sewer system	To accept sewage from properties virtually all of the time	No more than one blockage per kilometre of pipeline	2013/2014: 0.253 blockages per kilometre of pipeline (2012/2013: 0.32 blockages per kilometre of pipe)	
		All blockages cleared within four hours	2013/2014: Only 1 blockage took over four hours to clear (2012/2013: Two blockages took over four hours to clear).	
		No more than 40 blockages in laterals	2013/2014: 56 lateral blockages occurred in the last twelve months (2012/2013: 64 lateral blockages in the 12 month period).	





## Little Wanganui Waste Water Treatment Plant WWTP)

Provide sewer collection and disposal with the minimum environmental impact	To comply with resource consent conditions	100% compliance	There were two breaches for biological growth and two for the associated colour change in the ponds. The ponds were cleaned.	
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## Reefton Waste Water Treatment Plant (WWTP)

Provide sewer collection and disposal with the minimum environmental impact	To comply with resource consent conditions	100% compliance	Reefton WWTP consent requires scheduled monitoring 9 times per annum for a variety of analytes at various locations.  7 breaches occurred in total. 6 for metals in Cemetery Creek (high levels of metals upstream of plant indicate a source other than the plant), and 1 for Ecoli 400m downstream of the confluence of Cemetery Creek and the Inangahua River (levels leaving treatment plant at the time were good).	
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## Key Performance Indicators

What we did	What we measured	Target	Actual	Achieved
<b>Conveyance Pump Stations</b>				
Provide sewer collection and disposal with the minimum environmental impact	To comply with resource consent conditions	100% compliance	In practical terms these are technical breaches beyond Council's control, eg, heavy rain. These are reported weekly to the West Coast Regional Council.	-
			2013/2014: There were 4 breaches for overflow monitoring, E-coli(1), Enterococci (2) Faecal Coliforms (1) (2012/2013: 12 breaches).	
			Stormwater induced overflows are monitored by testing the receiving water quality downstream of the pump station concerned, and recording the dates times and durations of these events. Water quality at two recreational (Marr's and Shingle) beach locations downstream are monitored.	
			Pump stations are located prior to the treatment plant, so council can only monitor the upstream and downstream contaminant levels, but cannot alter the concentration or dilution or duration of the sewerage overflows during these rainfall events.	
<b>Westport Waste Water Treatment Plant (WWTP)</b>				
Provide sewer collection and disposal with the minimum environmental impact	To comply with resource consent conditions	100% compliance	2013/2014: 5 breaches in total. Downstream of the Buller Bridge there was Ecoli (1), Faecal coliforms (2), TSS (1). Leaving the treatment plant there was Faecal Coliforms (1) (2012/2013: 3 breaches).	
	No complaints regarding objectionable odour from the treatment plant.	Zero	2013/2014: There were no complaints received (2012/2013: no complaints).	

## Significant Capital Expenditure

### Westport Sewerage

- Vested assets (\$43,000).
- Minor capital (\$23,000).
- Replacement of UV lights at the Westport Waste Water Treatment Plant (WWTP) \$31,000).
- Centifugal for the WWTP (\$43,000).

### Reefton Sewerage

- Additional manholes (\$10,000).

## Funding Impact Statement

Wastewater / Sewerage	Budget LTP 2012/2013 \$000	Budget LTP 2013/2014 \$000	Budget AP 2013/2014 \$000	Actual 2013/2014 \$000
<b>Sources of Operating Funding</b>				
General rates, uniform annual general charge, rates penalties	0	0	0	0
Targeted rates (other than a targeted rate for water supply)	2,156	2,212	2,191	2,181
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges and targeted rates for water supply	0	0	0	0
Internal charges and overheads recovered	0	0	0	0
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees & other receipts	26	85	85	39
<b>Total Operating Funding</b>	<b>A</b>	<b>2,182</b>	<b>2,297</b>	<b>2,276</b>
<b>Applications of Operating Funding</b>				
Payments to staff and suppliers	985	1,019	1,040	807
Finance costs	317	305	305	305
Internal charges and overheads applied	213	225	238	260
Other operating funding applications	0	0	0	0
<b>Total Applications of Operating Funding</b>	<b>B</b>	<b>1,515</b>	<b>1,549</b>	<b>1,372</b>
<b>Surplus/ (deficit) of Operating Funding</b>	<b>A-B</b>	<b>667</b>	<b>748</b>	<b>848</b>
<b>Sources of Capital Funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	(217)	(229)	(229)	(229)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total Sources of Capital Funding</b>	<b>C</b>	<b>(217)</b>	<b>(229)</b>	<b>(229)</b>
<b>Application of Capital Expenditure</b>				
- to meet additional demand	0	0	0	0
- to improve the level of service	110	114	114	0
- to replace existing assets	246	218	337	294
Increase/ (decrease) in reserves	94	187	13	325
Increase/ (decrease) in investments	0	0	0	0
<b>Total applications of Capital Funding</b>	<b>D</b>	<b>450</b>	<b>519</b>	<b>619</b>
<b>Surplus/ (deficit) of Capital Funding</b>	<b>C-D</b>	<b>(667)</b>	<b>(748)</b>	<b>(848)</b>
<b>Funding Balance</b>	<b>((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

Core Asset Disclosure	Closing Book Value \$000	2014 Assets Constructed \$000	2014 Assets Vested \$000	Replacement Costs \$000
<b>Sewerage Schemes</b>				
Treatment Plants and Facilities	11,461	0	0	14,083
Other Assets	14,229	251	43	25,828
<b>Total</b>	<b>25,690</b>	<b>251</b>	<b>43</b>	<b>39,991</b>

## Significant Variance Explanations in comparison to the Long Term Plan

### Operating Funding

#### Payments to Staff and Suppliers

This is mainly due to savings in insurance, repairs and maintenance and compost manufacture (\$144,000). The remainder is due to savings across a wide spectrum of other expenses.

### Capital Expenditure

During the Annual Plan process, an additional \$55,000 was budgeted for the WWTP computer and centrifugal fan and \$50,000 was budgeted to install telemetry in the pump station at Carters Beach. This raised the replacement of assets LTP budget from \$218,000 to \$337,000.

#### Increase the Level of Service

The update to Derby Street was misclassified as an increased level of service. Actual expenditure has been reflected under replacement of assets.

Deferral of sewer modelling and separate (\$54,000).

Reefton projects deferred pending assessment of cost to remedy damage to main trunk line (\$37,000).

# Stormwater

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## What do we do?

Stormwater management systems are an integrated set of procedures and physical assets designed to manage the surface runoff from urbanised catchments.

Council manages open drain stormwater systems in Hector, Ngakawau, Seddonville, Granity, Waimangaroa, Westport, Carters Beach and Reefton. In addition there is a piped stormwater system in Westport.

Sections of the Westport piped sewer system and all of the Reefton piped sewer system also convey stormwater.

In Punakaiki, the only public stormwater drain is maintained by NZTA as part of their roading network. In other townships, such as Mokihinui or Little Wanganui, there are no formal stormwater systems at all - stormwater simply soaks to ground naturally.

## Why are we involved in this activity?

Council provides stormwater systems to manage surface water runoff from urbanised catchments in a way that achieves a balance between the level of protection and the cost to the community.

## How we contribute to Strategic Goals & Community Outcomes

The most significant outcome supported by the provision of stormwater systems is a healthy community. Uncontrolled stormwater runoff can be destructive and represent an immediate risk to life.






Stormwater systems promote prosperous and sustainable communities, through the minimisation of stormwater damage and the protection of the environment.

## Statement of Service Performance

Stormwater that is disposed of in the wastewater pipes have resulted in areas of Westport where wastewater systems could not be used during rainfall events. Modelling of the wastewater system will determine areas of the town where additional stormwater separation will be required. During this year there have been more overflows compared with previous years given the number of significant weather events/storms that affected Buller. No residential houses were inundated. The overflows are because pipes are at full capacity.

Reconstruction of Derby Street involving upgrades of the stormwater disposal began in March 2011. This upgrade is a long term project and Council has planned to upgrade underground services and reconstruct the road two blocks per annum to ensure that the costs are spread out over a period of time for the ratepayers.

## Key Performance Indicators

What we did	What we measured	Target	Actual	Achieved
Provide adequate stormwater capacity.	Maintain capacity of existing systems and have all new systems designed with a minimum 1 in 10 year event without ponding, and a 1 in 50 year event without inundation of dwellings.	All designs comply with New Zealand Standard 4404:2010.	2013/2014: One new main constructed for a 1 in ten year event (2012/2014: one new main).	
		No more than five houses inundated by stormwater flooding per annum.	2013/2014: No houses inundated with stormwater (2012/2013: nil).	
Provide a reliable stormwater system.	Maintain the stormwater system in a state of readiness by identifying no more than 20 faults per annum during quarterly inspections, to accept stormwater from properties virtually all of the time.	90% compliance with response times as stated in the service request.	2013/2014: 9 service requests were received of which 4 were completed within response times (44%), which was due to the severity of the fault being assessed as less serious by the contractor (2012/2013: 11 responded in time (65%) out of a total of 17).	
			Regular inspections of stormwater system were undertaken. These pick up loose or stuck manhole lids, build-up of silt and if floodgates are blocked by silt or debris repairs are undertaken to remediate.	
	Minimise disruption caused by obstructions.	Monitor and record blockages.	2013/2014: There were 4 blockages to the stormwater system that resulted in main clearance (2012/2013: 7 blockages).	
			These blockages did not result in any significant flooding.	
Provide a stormwater system with minimal environmental impact.	Compliance with resource consents.	100% compliance.	Currently no resource consents for stormwater due to existing use.	
			Stormwater system was in place prior to the Resource Management Act.	

## Significant Capital Expenditure

- Minor capital (\$21,000).
- Majority of the spend is associated with the reconstruction of Derby Street and minor upgrades in Disraeli Street (\$116,000).

## Funding Impact Statement

Stormwater		Budget LTP 2012/2013 \$000	Budget LTP 2013/2014 \$000	Budget AP 2013/2014 \$000	Actual 2013/2014 \$000
<b>Sources of Operating Funding</b>					
General rates, uniform annual general charge, rates penalties		348	459	449	449
Targeted rates (other than a targeted rate for water supply)		0	0	0	0
Subsidies and grants for operating purposes		0	0	0	0
Fees and charges and targeted rates for water supply		0	0	0	0
Internal charges and overheads recovered		0	0	0	0
Interest and dividends from investments		0	0	0	0
Local authorities fuel tax, fines, infringement fees & other receipts		8	9	8	5
<b>Total Operating Funding</b>	<b>A</b>	<b>356</b>	<b>468</b>	<b>457</b>	<b>454</b>
<b>Applications of Operating Funding</b>					
Payments to staff and suppliers		135	140	142	112
Finance costs		42	41	30	30
Internal charges and overheads applied		51	53	56	64
Other operating funding applications		0	0	0	0
<b>Total Applications of Operating Funding</b>	<b>B</b>	<b>228</b>	<b>234</b>	<b>228</b>	<b>206</b>
<b>Surplus/ (deficit) of Operating Funding</b>	<b>A-B</b>	<b>128</b>	<b>234</b>	<b>229</b>	<b>248</b>
<b>Sources of Capital Funding</b>					
Subsidies and grants for capital expenditure		0	0	0	0
Development and financial contributions		0	0	0	0
Increase/(decrease) in debt		(22)	(24)	(19)	(19)
Gross proceeds from sale of assets		0	0	0	0
Lump sum contributions		0	0	0	0
<b>Total Sources of Capital Funding</b>	<b>C</b>	<b>(22)</b>	<b>(24)</b>	<b>(19)</b>	<b>(19)</b>
<b>Application of Capital Expenditure</b>					
- to meet additional demand		0	0	0	0
- to improve the level of service		0	0	0	0
- to replace existing assets		106	210	210	147
Increase/ (decrease) in reserves		0	0	0	82
Increase/ (decrease) in investments		0	0	0	0
<b>Total applications of Capital Funding</b>	<b>D</b>	<b>106</b>	<b>210</b>	<b>210</b>	<b>229</b>
<b>Surplus/ (deficit) of Capital Funding</b>	<b>C-D</b>	<b>(128)</b>	<b>(234)</b>	<b>(229)</b>	<b>(248)</b>
<b>Funding Balance</b>	<b>((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Core Asset Disclosure	Closing Book Value \$000	2014 Assets Constructed \$000	2014 Assets Vested \$000	Replacement Costs \$000
Stormwater Drainage	9,699	143	4	18,124

## Significant Variance Explanations in comparison to the Long Term Plan

Stormwater upgrades in Nelson Street, Eastons Road on manholes and Brougham Street pump stations have been deferred.



# Solid Waste

## What do we do?

The Solid Waste activity provides for the collection, transfer and final disposal of waste materials generated by households and businesses within the district.

Council signalled in its 2012 Long Term Plan the intention to move from a Council delivered waste disposal system, to an enhanced and environmentally sustainable, contractor managed, waste solution.

During 2013/2014, Council entered into a contract with Smart Environmental Ltd to provide Solid Waste services. These include the collection and disposal of residual refuse and recycling, the management of the transfer stations and the transportation of residual waste to a landfill. The contract provided for an increase in the levels of service by providing wheelie bins encouraging recycling and thereby reducing residual refuse. The bag and wheelie bin and crate system are a more environmentally sustainable waste system for Zone 1 residents. Glass and cardboard is now collected as part of a kerbside collection. The new service was effective from 1 February 2014 with an existing system in place until the change over date.

Council also contracted out the operation of the transfer stations and recovery parks in Westport and Reefton to Smart Environmental Ltd (SEL). These sites are used by all District residents and businesses for the disposal of separated recyclable materials, household waste and garden waste.

Council also operates two active landfills at Karamea and Mauria.

Council provides the aftercare of Council's closed landfill sites (Birchfield, Westport, Charleston, Inangahua, Reefton, Springs Junction and Ikamatua) and monitors groundwater quality at these sites as required under resource consent conditions.

Council also has a role in facilitating waste minimisation behaviours within communities. This is put into effect by providing resources for education programmes into schools about sustainability and waste minimisation. Support is also provided to businesses to develop more sustainable practices.

## Why are we involved in this activity?

Facilitating the provision of a kerbside collection for household refuse and recycling, plus providing waste disposal and materials diversion services helps maintain the quality of life in the District, facilitates waste minimisation through re-use, recycling and recovery protecting the environment. Provision of the service also minimises illegal dumping of refuse.

## How we contribute to Strategic Goals & Community Outcomes

Community Outcomes	How the Council Contributes
Well-being	By facilitating the collection and disposal of refuse.
Environment	By facilitating collecting and disposing of refuse in a safe, efficient and sustainable manner that maintains district natural and aesthetic values. The solid waste disposal minimises risk of waste being inappropriately or dangerously disposed of. By providing safe collection and disposal of refuse by encouraging waste minimisation.
Learning	Provide programmes to schools and the community on waste care and reduction.
Prosperity	By meeting commercial needs for dealing with waste.

## Statement of Service Performance

All of the Council operating and closed landfills were monitored during the year and a report was prepared for the West Coast Regional Council on the results of this monitoring.

Residual refuse was transferred to the Nelson tip for disposal. Council carted 2,690 tonnes of refuse to Nelson (2012/13 3011 tonnes)

No further development on the district landfill has occurred. Council will apply for a designation over the site as part of the District Plan review. Costs associated with the purchase of Caroline Terrace and associated with Landfill design were capitalised in 2011/2012 but work is still continuing to finalise the designation (work in progress \$14,000).

### Reefton Landfill Remediation

During the year a flood in the Inangahua River eroded the previously closed landfill and resulted in old refuse being transported down the Inangahua River. Remedial action was taken initially to direct the river away from the landfill (\$132,000). This was followed up with the construction of a rock wall (\$189,000) and the removal of refuse that had been deposited a considerable distance downstream from the landfill. The Council worked with the Regional Council in cleaning up the river. The rock wall was consented by the Regional Council.

### Contracted Approach to Solid Waste

Smart Environmental Limited (SEL) delivered the new recycling bins throughout the district in January 2014 as part of implementing the new recycling and refuse service. The new recycling and refuse service began in the district from Monday 3 February 2014. Ratepayers are still able to take recycling to the transfer station and dispose of for free but there is a handling fee for commercial quantities of recycling.

On 15 April 2014 Smart Environmental officially opened the new Materials Recovery Facility (MRF) for the Buller district. The MRF is based at the Westport Transfer Station and is a significant piece of equipment allowing Smart Environmental to carry out the contract they have with Council for the next ten years. All the recyclable material that is collected from wheelie bins is emptied into this machine, which through a partly automated process, sorts the recyclables. The items are then baled together to be sold to national and international markets.

### Karamea and Maruia

The Karamea landfill and the Maruia landfill are both operational. There has been a very effective waste group formed at Karamea who are working in conjunction with Council staff to optimise the use of the landfill and recycling opportunities.

## Key Performance Indicators

What we did	What we measured	Target	Actual	Achieved
To encourage waste minimisation and recycling to support the health of the community and the environment and to encourage sustainable use of our natural resources	Monitoring of Council's Solid Waste facilities	Continue to monitor and provide reports to West Coast Regional Council	2013/2014: Regular monitoring and reporting to West Coast Regional Council in accordance with resource consents (2012/2013: no change).	●
			2013/2014: Annual Landfill report filed to West Coast Regional Council (2012/2013: no change).	
To provide a safe and environmentally sound solid waste collection, treatment and disposal service	Total amount of waste (tonnes) sent to landfill per year	Reduce by 5% per annum	2013/2014: Reduction over last 12 months is 12%. This improvement may be due to the Waste Minimisation Plan which encourages recycling (2012/2013: 1%).	●
	Publication of information and articles for community members	Four articles	2013/2014: 3 articles were published per annum. Articles were published in two Council newsletters, and an information pack was circulated to all households with the wheelie bins. Several e-mail notices were also sent to those ratepayers who have signed up for the service (2012/2013: two articles).	●
	Provide programmes to schools on waste care, refuse and recycling	Council contributes to Enviroschools Programme which delivers presentations to every school in the district	2013/2014: No contribution to Enviroschools (2012/2013: No contribution to Enviroschools was made). One class visit was made to the Transfer Station.	●

## Significant Capital Expenditure

- Concreting and providing power to the Materials Resource Recovery Centre (\$25,000) at the Westport Transfer Station.
- Construction of a rock wall to direct the Inangahua River away from the landfill (\$189,000).

## Funding Impact Statement

Solid Waste		Budget LTP 2012/2013 \$000	Budget LTP 2013/2014 \$000	Budget AP 2013/2014 \$000	Actual 2013/2014 \$000
<b>Sources of Operating Funding</b>					
General rates, uniform annual general charge, rates penalties		709	111	690	690
Targeted rates (other than a targeted rate for water supply)		688	1,298	729	737
Subsidies and grants for operating purposes		33	34	37	31
Fees and charges and targeted rates for water supply		0	0	0	0
Internal charges and overheads recovered		0	0	0	0
Interest and dividends from investments		0	0	0	0
Local authorities fuel tax, fines, infringement fees & other receipts		690	8	337	563
<b>Total Operating Funding</b>	<b>A</b>	<b>2,120</b>	<b>1,451</b>	<b>1,793</b>	<b>2,021</b>
<b>Applications of Operating Funding</b>					
Payments to staff and suppliers		1,560	805	1,502	1,728
Finance costs		132	129	129	180
Internal charges and overheads applied		228	172	194	207
Other operating funding applications		0	0	0	0
<b>Total Applications of Operating Funding</b>	<b>B</b>	<b>1,920</b>	<b>1,106</b>	<b>1,825</b>	<b>2,115</b>
<b>Surplus/ (deficit) of Operating Funding</b>	<b>A-B</b>	<b>200</b>	<b>345</b>	<b>(32)</b>	<b>(94)</b>
<b>Sources of Capital Funding</b>					
Subsidies and grants for capital expenditure		0	0	0	0
Development and financial contributions		0	0	0	0
Increase/(decrease) in debt		(70)	(74)	(74)	(850)
Gross proceeds from sale of assets		0	0	0	0
Lump sum contributions		0	0	0	0
<b>Total Sources of Capital Funding</b>	<b>C</b>	<b>(70)</b>	<b>(74)</b>	<b>(74)</b>	<b>(850)</b>
<b>Application of Capital Expenditure</b>					
- to meet additional demand		0	0	0	0
- to improve the level of service		0	0	0	0
- to replace existing assets		5	31	0	242
Increase/ (decrease) in reserves		125	240	(106)	(1,186)
Increase/ (decrease) in investments		0	0	0	0
<b>Total applications of Capital Funding</b>	<b>D</b>	<b>130</b>	<b>271</b>	<b>(106)</b>	<b>(944)</b>
<b>Surplus/ (deficit) of Capital Funding</b>	<b>C-D</b>	<b>(200)</b>	<b>(345)</b>	<b>32</b>	<b>94</b>
<b>Funding Balance</b>	<b>((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(0)</b>

# Significant Variance Explanations in comparison to the Long Term Plan

## Operating Funding

### General Rates and Targeted Rates

In the 2013/2014 Annual Plan process, refuse and recycling rates increased to the LTP mainly because Council continued to charge the existing targeted rates for the first six months of the year for the Council delivered service. The LTP assumed that the Solid Waste contract would be in place from 1 July 2013.

The LTP assumed that all Solid Waste activities would be funded from targeted rates. During the 2013/2014 Annual Plan process, Council agreed to fund the residual costs associated with landfill monitoring and development, waste minimisation and asset management from general rates.

This resulted in the general rates budget increasing from \$111,000 to \$690,000 in the Annual Plan and targeted rates reducing from \$1,298,000 to \$729,000 in the 2013/2014 Annual Plan.

### Fees and Charges

Council continued to provide the existing refuse and recycling service until February 2014. This resulted in additional fees and charges for bag sales and dump revenue being budgeted for in the 2013/2014 Annual Plan (\$329,000).

An additional amount of \$47,000 was received during the 2013/2014 financial year to the Annual Plan budget as the new contracted service commenced in February 2014.

### Payments to Suppliers and Staff

The six month delay in the commencement of the contracted approach has resulted in additional costs associated with refuse, recycling and the operation of the transfer station. This resulted in the LTP budget changing from \$0.8m to \$1.5m.

Remediation of old Reefton landfill site caused by flood damage, resulted in unbudgeted costs (\$132,000).

There was an extra month of Council refuse provision than originally budgeted, plus additional transition costs and refuse costs to dispose of household greenwaste accounted for the remainder.

## Capital Funding

### Finance Costs

Landfill interest costs are higher due to the increased costs of remediating the Reefton landfill.

## Capital Expenditure

### Decrease in Debt

This is due to repayment of internal loans for Westport landfill development offset by internal loan repayments.

### Replacement of Assets

The variance to budget is due to:

- Construction of a rock wall to direct the Inangahua River away from the landfill (\$189,000).
- Concreting and providing electricity to the Materials Resource Recovery Centre (\$25,000) at the Westport Transfer Station.
- Work in progress for obtaining of a designation for Westport landfill (\$14,000).

### Decrease in Reserves

This is mainly due to the repayment of debt.

# In-House Professional Services

## What do we do?

The Professional Services Unit provides engineering services to support the maintenance and development of Council infrastructure.

This includes the preparation of contracts for roading, water, wastewater, solid waste and property, amenities and reserves. They monitor the performance of contractors and issue instructions for work found necessary as a result of requests for service and comments from ratepayers.

## Why are we involved in this activity?

An in-house professional services unit allows Council to access engineering services on a cost effective basis. In-house expertise assists the efficient management of Council roading and other infrastructure assets.

## How we contribute to Strategic Goals & Community Outcomes

This activity supports the following community outcomes:

Community Outcomes	How the Council Contributes
Well-Being	By monitoring the conditions of Council assets and issuing requests for maintenance in time.
Sustainable Environment	By monitoring landfills and wastewater treatment plants.
Prosperity	By requesting necessary maintenance in time.

## Statement of Service Performance

The professional services business unit provided monthly updates to Council on contracts under their jurisdiction in a timely manner.

### Key Performance Indicators

What we did	What we measured	Target	Actual	Achieved
To provide engineering advice to Council and administer contracts	Provide monthly reports on annual work programmes, monitor contract works and prepare monthly contract progress reports	Prepare annual work programmes and monthly progress reports	Monthly reports to the Manager Operations on Work Programme progress	

## Significant Capital Expenditure

Purchase of leased vehicles (\$57,000).

## Funding Impact Statement

In-House Professional Services	Budget LTP 2012/2013 \$000	Budget LTP 2013/2014 \$000	Budget AP 2013/2014 \$000	Actual 2013/2014 \$000
<b>Sources of Operating Funding</b>				
General rates, uniform annual general charge, rates penalties	0	0	0	0
Targeted rates (other than a targeted rate for water supply)	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges and targeted rates for water supply	0	0	0	0
Internal charges and overheads recovered	705	727	743	561
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees & other receipts	0	0	0	1
<b>Total Operating Funding</b>	<b>A</b>	<b>705</b>	<b>727</b>	<b>743</b>
<b>Applications of Operating Funding</b>				
Payments to staff and suppliers	514	527	537	500
Finance costs	2	1	5	2
Internal charges and overheads applied	108	118	121	112
Other operating funding applications	0	0	0	0
<b>Total Applications of Operating Funding</b>	<b>B</b>	<b>624</b>	<b>646</b>	<b>614</b>
<b>Surplus/ (deficit) of Operating Funding</b>	<b>A-B</b>	<b>81</b>	<b>81</b>	<b>80</b>
<b>Sources of Capital Funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	(5)	(6)	42	7
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total Sources of Capital Funding</b>	<b>C</b>	<b>(5)</b>	<b>(6)</b>	<b>42</b>
<b>Application of Capital Expenditure</b>				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	0	0	57	24
Increase/ (decrease) in reserves	76	75	64	(69)
Increase/ (decrease) in investments	0	0	0	0
<b>Total applications of Capital Funding</b>	<b>D</b>	<b>76</b>	<b>75</b>	<b>122</b>
<b>Surplus/ (deficit) of Capital Funding</b>	<b>C-D</b>	<b>(81)</b>	<b>(81)</b>	<b>52</b>
<b>Funding Balance</b>	<b>((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>(0)</b>



## Significant Variance Explanations in comparison to the Long Term Plan

### Operating Funding

#### Internal Charges and Overheads Recovered

The variance is due to delayed recruitment of a staff vacancy, and increased internal administrative time.

# Community Services

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## What do we do?

### Community Grants and Funding

The Council provides funding directly to community organisations, as well as managing the distribution of various government funding for the arts, sporting and youth initiatives.

### Sports, recreation & cultural facilities & services

Council transferred ownership of the Solid Energy Centre to Buller Recreation Ltd on 01 July 2009 for improved commercial focus. Council continues to contribute towards the provision of recreation and aquatic facilities for Buller.

### Libraries

Access to information is in a variety of formats including books, media and electronic databases. Buller District libraries promote life-long learning and support literacy. Information services are available during all opening hours with qualified staff available to help users to find the information they seek. Westport library operates 6 days a week and Reefton 5 days a week. Free internet access is provided through Aotearoa People's Network while downloadable audio books and eBooks are available via a library consortium.

### NBS Theatre

NBS Theatre complex provides a 350 seater auditorium and double cinema community facility (main cinema is a 55 seater; the green room provides seating for 20). The theatre is open 7 days a week with multiple movie screenings and the auditorium provides a great venue for live performances of all genres.

### Reefton Cinema – Vision 2010

Reefton Cinema converted its screenings to digital format in April 2014. This will provide the Reefton Community with up-to-date movies and 3D options.

### Communications

Council continued to produce a bi-monthly newsletter that is delivered to all households in the Buller. The website is regularly updated to provide the most up-to-date information for our customers. Continuation of the e-newsletter 'Council Community Info' has provided more regular communication about Council's activities to subscribed users.

### District promotion & tourism, event tourism & business support

The current Economic Development and Marketing (EDM) officer started in September 2012. In 2013/2014 core functions included district promotion, marketing and economic development initiatives.

## Why are we involved in these activities?

A community is enhanced through the provision of services that deliver to the cultural and recreational needs of residents.

These services are vital to the quality of life of residents and provide the infrastructure that enables the building of social, cultural and sporting associations within the community. The community also has a vital role to play in contributing to the district's success by being informed about and involved in decisions and projects.

## How we contribute to Strategic Goals & Community Outcomes

This activity supports the following community outcomes:

Community Outcomes	How the Council Contributes
Well-being	Facilities allow people to play sport and achieve their fitness and recreational goals. Developing the community cohesion which supports mental and social well being.
Learning	Libraries assist with the development of lifelong learning and literacy. By providing performance space for use in artistic and cultural performance. By working with educational institutions on collaborative projects.
Prosperity	By providing high quality community facilities to attract people to live and work in the Buller. By providing opportunities and funding that assist with tourism development and district promotion.
Who we are	By the provision of community grants to support community organisations.
Sustainable Environment	By providing an environment that reflects the lifestyle that is expected by residents, visitors and Central Government.

## Statement of Service Performance

### Grants

In 2013/2014 Council contributed more than \$69,000 in base, contestable, community, representation and minor grants. A further \$37,000 of central Government funding was distributed throughout the district via the Buller District Council.

### Coaltown

The new *i*-Site and Coaltown Museum building located on Palmerston Street Westport won a New Zealand Institute of Architects award for the 2013 category of Public Architecture in the Nelson Marlborough branch.

### NBS Theatre

The NBS Theatre experienced growth in the variety of shows utilising the venue. The venue's national visibility has been enhanced by the NBS Theatre becoming a member of the EVANZ's group (Entertainment Venues Association of New Zealand) as well as becoming a Ticket Direct venue.

Both these groups have their own websites and this has heightened our presence nationally as a venue. Ticket Direct allows people outside of the district to purchase tickets to our shows. We have seen a growth in the number of patrons from throughout the West Coast and the Tasman/Marlborough region.

Popular shows such as "Fly My Pretties" and Stan Walker resulted in sell-out shows.

We continue to be part of the Top of the South Consortium. This Consortium buys in New Zealand theatre/shows for their partner venues.

Venue hiring has increased both for the cinemas, auditorium and even the foyer, as the venue becomes more widely known as a multi use venue.

The NBS Theatre is a valued community asset and has seen widespread usage and good occupancy levels. Show promoters from outside the district are impressed by the facilities on offer, which has seen return business from them over the last 2 years.

## Libraries and Aotearoa Peoples Network

The library system was migrated to the "Kotui" shared library software system in 2012/2013. This subscription-based shared service enables public libraries from across New Zealand to collaborate regardless of geographical location. Kotui makes it possible to search most resources of a public library – books, electronic journals, DVDs, magazines etc - from a single search. There has been an increase in the borrowing of audiobooks and ebooks through the Overdrive South Island Libraries Consortium (28.4% increase on the previous year).

### Economic Development:

- Business Training and Networking. Six Networking Events held for 2013/2014 financial year attended by a total of 168 people. Worked with NZIM and DWC to identify training needs of Buller Businesses.
- Five Business Training Sessions were held and attended by a total of 70 people.
- Continued research into a new sports event for Buller.
- Built and maintained EDM Section of Council Website. Developed online business training calendar containing information on all training and networking happening's in Buller.
- Facilitated meetings and tour for Chinese Delegates from Embassy in Christchurch.
- Production of Buller Guide to Living Well – Interactive Electronic District Profile.
- Liaising / meetings with Air NZ over demand, pricing and flight times.
- Sponsorship of Business Category of Light up West Coast Christmas Display Competition.
- Attended China Global Connections Conference in Christchurch.

### Marketing Activity:

- Buller Lifestyle Campaign – Six Buller Lifestyle Videos were produced using five candidates, not originally from here, and a sixth person who had moved away and returned. The videos highlight why Buller is the place to live, work and play. Two billboard skins were produced for use in high traffic areas in Christchurch – one to be displayed for three months of the year, starting March 2014. The promotional videos have proved popular with over 4,000 views (as at August 2014) over 3-4 month period.
- Built and maintained Buller Events Section of the Council website.
- Facilitated updates to Buller Billboard Skins just outside Westport.
- Facilitated development of Grabaseat Packages with Air New Zealand for Westport.
- Arranged signage and setup promotional material at Westport airport.
- Facilitation with television network for development of a 20 minute segment in the "take a Break Show" on Buller

# Key Performance Indicators




Achieved

What we did	What we measured	Target	Actual	Achieved
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## Community Grants and Funding

To contribute to community development through liaison, funding and support to vital community organisations.	Distribution of national funding in accordance with policies.	100% compliance with Council's grants policies.	2013/2014: 98% achieved (2012/2013: 96%).  Over \$37,000 distributed in contestable funding from Creative New Zealand, Sport New Zealand and Ministry of Youth Development (2012/2013: over \$30,000 was distributed).	
	Council Grants distributed and monitored in accordance with our policies.	100%.	2013/2014: 99.4% distributed 2012/2013: 94%.  Over \$69,000 was distributed to organisations, groups and some individuals.	

## District Economic Development and Marketing

To support the development and sustainability for district tourism.	Key Performance Indicators (KPI's) agreed with all identified grant recipients and monitored.	90 - 100% range.  KPI's monitored and achieved.	2013/2014: KPI's have been set per organisation by Council and agreed by the relative parties (2012/2013: no change).  Staff contact grant recipients to ensure KPI's achieved. Economic Development Committee to monitor KPI's.  2013/2014: Quarterly reports are provided to the Community Services Officer (2012/2013: quarterly).	
	Monitor achievement of strategic tourism objectives.	Monitor increase / decrease in guest nights for Buller.	2013/2014: Bed nights have increased using the Commercial Accommodation Monitor (CAM). This is not a valid KPI measurement as there are several other contributing factors that affect visitor bed numbers.	
		Ongoing input and development of tourism website.	2013/2014: Ongoing search engine optimisation and google ad campaigns initiated for www.buller.co.nz website resulted in a significant annual increase in web traffic.	
	Monthly reports from Economic Development and Marketing Officer.	Quarterly reports were given for the first four quarters. Monthly meetings of the EDM Working Group took place.		
To support the development and sustainability for district tourism.	Visitor satisfaction.	Establish Memorandum of Understanding and/or funding agreements with i-Site and Museum.	2013/2014: This was initiated in 2013/2014 but finalised by the Finance and Audit Committee in 2014/2015.	

# Key Performance Indicators

Achieved

What we did	What we measured	Target	Actual	Achieved
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## Community Services and Facilities




To provide services and facilities that meet information, learning, recreational and cultural needs	Solid Energy Centre			
	Quality of sport and recreation service provision via the Solid Energy Centre	Review of agreed levels of service for operation and management of the Solid Energy Centre (including all aquatic and dry-sport provision) and the Reefton pool (providing seasonal aquatic services).	2013/2014: Service level agreement finalised. Statements of Intent are submitted and approved by Council.	
		Agreed levels of service are likely to include attendance, satisfaction, maintenance of ACC Pool Safe quality Management accreditation for the Solid Energy Centre (which includes independent quality assessment of pool management and operation to industry standards) and working towards ACC Pool Safe Quality Management accreditation for the Reefton Pool as the Reefton pool will be managed by the Solid Energy Centre, the measures relative to the Reefton Pool will be included in the Memorandum of Understanding for the Solid Energy Centre.  Measures will be agreed and refined once the Memorandum of Understanding has been developed.	2013/2014: Performance to the targets in the Statement of Intent reports as reflected under Council Controlled Organisations (2012/2013: no change)	

# Key Performance Indicators

Achieved

What we did	What we measured	Target	Actual	Achieved
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## Community Services and Facilities (continued.....)

To provide services and facilities that meet information, learning, recreational and cultural needs	Library			
	Satisfaction with Library services	80 - 95% range	2013/2014: No customer satisfaction survey was undertaken (2012/2013: 96.6%). While library patrons continue to express satisfaction with the services offered and value their library, the number of physical visits to Buller Libraries dropped by 8.8% last year (2012/2013: dropped by 8.2%).	
	Number of active members of libraries	Maintain or increase (0-4%)	2013/2014: 3,259 active members, an increase of 3.7% (2012/2013: 3,143, a decline of 3.2%)	
	Number of items borrowed	Issues maintained or increased	2013/2014: 70,231 items borrowed, a decline of 0.65% (Target 72,000) (2012/2013: 70,686, a decline of 3.6%). The number of physical items borrowed (69,094) is 2.3% lower than the previous year, however the number of online (audio and ebooks) borrowed showed a 28.4% increase on the previous year (2012/2013: 8.4% lower).	
	Number of physical items added to the Library collection per year	Not less than 2,000 new items per year	2013/2014: 3,396 items added (2012/2013: 2,562).	
	Number of visitors to the library	64,000 per annum	2013/2014: 73,158 visitors to the library (2012/2013: 78,267).	



# Key Performance Indicators

Achieved

What we did	What we measured	Target	Actual	Achieved
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## Community Services and Facilities (continued.....)

To provide services and facilities that meet information, learning, recreational and cultural needs (continued...)	NBS Theatre			
	Number of performing arts events, exhibitions and shows per year	Number of cinema screenings per week - 26	2013/2014: 21 on average per week (2012/2013: 26 per week) The decline is due to the fact that the product availability is decreasing.	
		Occupancy of cinema - 25% per month	2013/2014: 28.5% occupancy per month (2012/2013: 17.04%)	●
	Number of performances/ shows in auditorium - 30 days per year	Number of performances/ shows in auditorium - 30 days per year	2013/2014: 38 days per year (2012/2013: 46 days per year) Advice from Top of the South Consortium recommended reducing Art Shows due to lower profitability.	●
		Occupancy per show - 40%	2013/2014: Overall occupancy 75% (2012/2013: 74.79% overall occupancy) New strategies maintained good occupancy levels.	●
		It is planned in year one to undertake analysis of audience attendances to understand how occupancy can be improved	2013/2014: Occupancy is dependent on the type of shows that tour NZ. It is unreasonable to expect to fill the theatre for every show. There is an element of community good in bringing education and different entertainment genres to Westport. A partnership with the Top of the South Consortium and Creative NZ assists in understanding our audience base. Marketing strategies can be developed to improve patronage.	●
	Number of performing arts events, exhibitions and shows per year	Room hire - 4.0 hours per week	2013/2014: The average room hire for three rooms is approximately 49.2 hours per week (2012/2013: 67 hours)	●
Positive growth due to regular hiring out of three rooms by three health professionals.				

## Communications:

To keep the community informed	Community engagement - provision of information to community	Distribution of communications as required	2013/2014: Fortnightly distribution of electronic newsletter to subscribed users. Printed newsletter distributed to every household in Buller every two months and media releases as required (2012/2013: no change).	●
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## Significant Capital Expenditure

Improve the level of services (\$640,000)

District Promotion and Marketing (\$21,000)

- Signage, district promotional material and licences and website upgrades (\$19,000).
- Website upgrades (\$2,000).

Recreational Facilities (\$619,000)

- Digitisation of the Reefton Theatre (\$130,000).
- Books, DVDs and furniture for the Reefton and Westport libraries (\$69,000).
- Upgrading the filtration and lining of the Reefton pool (\$393,000; \$14,000 was work in progress as at 1 July 2013).
- Lighting and sound upgrades, safety matting for the entrance ramp and building upgrades at the NBS Theatre (\$41,000).

# Funding Impact Statement

<b>Community Services</b>		Budget LTP 2012/2013 \$000	Budget LTP 2013/2014 \$000	Budget AP 2013/2014 \$000	Actual 2013/2014 \$000
<b>Sources of Operating Funding</b>					
General rates, uniform annual general charge, rates penalties		3,542	3,806	3,728	3,728
Targeted rates (other than a targeted rate for water supply)		293	302	296	285
Subsidies and grants for operating purposes		25	25	25	39
Fees and charges and targeted rates for water supply		0	0	0	0
Internal charges and overheads recovered		0	0	0	5
Interest and dividends from investments		0	0	0	0
Local authorities fuel tax, fines, infringement fees & other receipts		748	783	817	708
<b>Total Operating Funding</b>	<b>A</b>	<b>4,608</b>	<b>4,916</b>	<b>4,866</b>	<b>4,765</b>
<b>Applications of Operating Funding</b>					
Payments to staff and suppliers		2,278	2,322	2,268	2,202
Finance costs		1,069	1,242	1,254	1,164
Internal charges and overheads applied		516	555	519	601
Other operating funding applications		378	421	434	454
<b>Total Applications of Operating Funding</b>	<b>B</b>	<b>4,241</b>	<b>4,540</b>	<b>4,475</b>	<b>4,421</b>
<b>Surplus/ (deficit) of Operating Funding</b>	<b>A-B</b>	<b>367</b>	<b>376</b>	<b>391</b>	<b>344</b>
<b>Sources of Capital Funding</b>					
Subsidies and grants for capital expenditure		0	0	0	0
Development and financial contributions		0	0	0	0
Increase/(decrease) in debt		2,286	(56)	99	(2,241)
Gross proceeds from sale of assets		0	0	0	0
Lump sum contributions		1,566	350	350	645
<b>Total Sources of Capital Funding</b>	<b>C</b>	<b>3,852</b>	<b>294</b>	<b>449</b>	<b>(1,596)</b>
<b>Application of Capital Expenditure</b>					
- to meet additional demand		0	0	0	0
- to improve the level of service		4,000	447	222	0
- to replace existing assets		107	357	528	640
Increase/ (decrease) in reserves		112	(134)	90	(1,892)
Increase/ (decrease) in investments		0	0	0	0
<b>Total applications of Capital Funding</b>	<b>D</b>	<b>4,219</b>	<b>670</b>	<b>840</b>	<b>(1,252)</b>
<b>Surplus/ (deficit) of Capital Funding</b>	<b>C-D</b>	<b>(367)</b>	<b>(376)</b>	<b>(391)</b>	<b>(344)</b>
<b>Funding Balance</b>	<b>((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Significant Variance Explanations in comparison to the Long Term Plan

### Operational Funding

#### General rates, uniform annual general charge, rates penalties

The reduction in rates income was due to lower expenditure in the 2013/2014 Annual Plan to the LTP budget. This resulted in a reduction in the General Rates required by \$78,000.

#### Other receipts (\$75,000)

Income is lower compared to the LTP mainly due to lower patronage in the theatre and library.

#### Payments to staff and suppliers

There was a planned reduction in the LTP budget by \$54,000 in the Annual Plan due to lower staff costs. Actual expenditure was lower than the annual plan budget by \$66,000 due to lower staffing costs in the NBS Theatre and Reefton library.

#### Finance costs

Finance costs are lower due to the lower debt levels for the Cultural Hub project.

### Capital Funding

#### Decrease in Debt

The decrease in debt is due to the repayment of debt for the Cultural Hub and Performing Arts Centre, offset by internal loans raised.

#### Lump Sum Contributions

Unbudgeted external sponsorships were received for the Solid Energy Centre and the NBS Theatre (\$645,000). This was offset by sponsorships budgeted for the Cultural Hub that were not required as the project was fully funded (\$350,000).

#### Replacement of Assets

Amendments to the LTP budgets through the Annual Plan Process (\$171,000):

- Upgrade to the Reefton pool filtration system and replacement of the liner was exceeded the LTP budget (\$109,000).
- The capital expenditure for the NBS Theatre sound system and promotion signage and display units was not budgeted for the in the LTP (\$62,000).

#### Level of Service

Council agreed to defer part of the LTP budget for the Streetscape Project by \$200,000. The LTP budget was reduced to \$25,000).

#### Variances to the Budget

The Reefton Vision 2010 budget to upgrade the Reefton Community Centre was allocated to the digitisation of the theatre. This resulted in the expenditure for the Reefton Theatre equipment being shown under replacements of assets.

No expenditure occurred for the Streetscape Project.

# Governance

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## What do we do?

Council is an elected body that provides a governance structure for effective leadership, advocacy and accountable stewardship of the Council's assets and resources.

Council is made up of ten elected Councillors, the Mayor and the Inangahua Community Board. They are supported by a Chief Executive and staff.

## Why are we involved in this activity?

Council provides systems for making decisions for the overall benefit of the community, for both current and future generations, and supports:

- The decision making process
- Monitoring of performance
- The functions of the Inangahua Community Board
- The way in which the community can have input into the Council's decisions
- Representation of the community's interests

Under the Local Government Act 2002, our statutory roles are:

- To enable democratic local decision making and action by and on behalf of the people of the Buller District
- To promote the social, economic, environmental and cultural wellbeing of the Buller District, in the present and in the future

Council develops strategies and policies which set the direction for the future of the Buller District Council by including the democratic and decision making processes of Council such as informing the public, generating feedback and involving people in the decision making process.

## Statement of Service Performance

### Tri-ennial elections

In October 2014 the tri-ennial local government elections were held. A new mayor Garry Howard and deputy Mayor Graeme Neylon were elected. Only 3 existing Councillors were re-elected and 8 new Councillors were elected. Council wishes to thank the outgoing Councillors for their contribution in the 2013/2014 financial year. The structure of the Inangahua Community Board remained unchanged. The community board plays a pivotal role in liaising and leading the community in the Reefton/Inangahua area.

### Risk Management

A Risk Committee was constituted and initial work has started on drafting a Risk Management framework and Risk Register.

### Finance and Audit Committee











Monthly Finance and Audit Committee meetings were held with financial reporting covering financial performance, capital projects and debt recovery reports. A Finance Report is submitted to the full Council each month.

### Annual Plan 2014/2015

On 27 June 2014, Council adopted its 2014/2015 Annual Plan. Apart from the reduction in the Promotion and Tourism budget, all existing levels of service were maintained. Council questioned its role in Economic Development and made a significant cut to the budget and service level in this area. The accelerated upgrade of the Westport Water supply was continued. Council has continued to invest in upgrading its infrastructure.

Councillors and staff held Roadshows in Karamea, Reefton, Punakaiki and Westport to discuss the Annual Plan.

## Key Performance Indicators

What we did	What we measured	Target	Actual	Achieved
To provide a governance structure and to develop strategic direction for the future of the Buller District	All meetings notified as per legislative requirements (Local Government Official Meetings Act "LGOIMA") and Standing Orders.  Minimum notification period of five days but this notification period must not exceed 14 days.  If meeting after the 21st day of the month minimum notification is five days but notification period not to exceed 10 days.	100%	2013/2014: 100% all meetings notified as required (2012/2013: no change).	
	% of agendas and reports available from Council two clear working days prior to each meeting.	100%	2013/2014: 100% (2012/2013: 100% - no change).	
	% attendance of Council members at various Committee and Working Group meetings.	90%	2013/2014: 94% at Council Meetings (2012/2013: 89% at Council Meetings).	
	% of Council meetings that are run according to statutory requirements.	100%	2013/2014: All Council meetings are run according to statutory requirements. Nil breaches of legislation noted (2012/2013: no change, nil breaches).	
To engage and educate members of the community in matters of importance in our district	% of residents who are satisfied with the way Council involves people in decision making.	No survey was undertaken	2013/2014: No survey was undertaken (2012/2013: 100% - no change)	
	Number of meetings held with Maori.	Two formal meetings per annum	2013/2014: No significant issues arose, no meetings were held (2012/2013: no meetings were held).	
	% of consultations undertaken in compliance with legislation through evaluation of consultation procedure.	100%	2013/2014: 100% consultations were undertaken and all legislative requirements were met (100%).  (2012/2013: 100% - no change).	
	% of agenda items in open Council.	90%	2013/2014: 93% of agenda items were discussed in an open forum (2012/2013: 90%).	
Co-ordination of annual budgeting and financial planning processes and preparation of Long Term Plan and Annual Plan	Adoption of Long Term Plan and Annual Plan within statutory timeframes with an unqualified opinion on Long Term Plan.	Meet required statutory deadlines for adoption of required reports	2013/2014: Council met required statutory deadlines for adoption of required reports (2012/2013: no change).	
Provide timely and accurate financial information to Management and Council to enable effective monitoring and reporting of financial performance	Adoption of Annual Report.	Meet required statutory deadlines for adoption of required reports	2013/2014: Council met required statutory deadlines for adoption of required Annual Report (2012/2013: no change).	

# Funding Impact Statement

Governance		Budget LTP 2012/2013 \$000	Budget LTP 2013/2014 \$000	Budget AP 2013/2014 \$000	Actual 2013/2014 \$000
Sources of Operating Funding					
General rates, uniform annual general charge, rates penalties		873	976	998	998
Targeted rates (other than a targeted rate for water supply)		0	0	0	0
Subsidies and grants for operating purposes		0	0	0	0
Fees and charges and targeted rates for water supply		0	0	0	0
Internal charges and overheads recovered		0	0	0	0
Local authorities fuel tax, fines, infringement fees & other receipts		10	41	41	30
<b>Total Operating Funding</b>	<b>A</b>	<b>883</b>	<b>1,017</b>	<b>1,039</b>	<b>1,028</b>
Applications of Operating Funding					
Payments to staff and suppliers		427	238	274	409
Finance costs		0	0	0	0
Internal charges and overheads applied		456	504	534	575
Other operating funding applications		0	275	231	0
<b>Total Applications of Operating Funding</b>	<b>B</b>	<b>883</b>	<b>1,017</b>	<b>1,039</b>	<b>984</b>
<b>Surplus/ (deficit) of Operating Funding</b>	<b>A-B</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>44</b>
Sources of Capital Funding					
Subsidies and grants for capital expenditure		0	0	0	0
Development and financial contributions		0	0	0	0
Increase/(decrease) in debt		0	0	0	0
Gross proceeds from sale of assets		0	0	0	0
Lump sum contributions		0	0	0	0
<b>Total Sources of Capital Funding</b>	<b>C</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Application of Capital Expenditure					
- to meet additional demand		0	0	0	0
- to improve the level of service		0	0	0	0
- to replace existing assets		0	0	0	0
Increase/ (decrease) in reserves		0	0	0	44
Increase/ (decrease) in investments		0	0	0	0
<b>Total applications of Capital Funding</b>	<b>D</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>44</b>
<b>Surplus/ (deficit) of Capital Funding</b>	<b>C-D</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(44)</b>
<b>Funding Balance</b>	<b>((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(0)</b>



## Significant Variance Explanations in comparison to the Long Term Plan

### Operating Funding

#### Payments to staff and suppliers

Misclassification of expenditure resulted in the LTP budget payments in staff and suppliers being understated.

The LTP budgets for overheads was accordingly understated (\$70,000) and the LTP budget for other funding applications were overstated (\$275,000).

During the Annual Plan process Council agreed to remove the budget for Vision 2010 (\$51,000).

No residents survey was conducted in 2013/2014 (\$15,000). This lower expenditure was offset by over-expenditure across a wide range of expenses (\$33,000).

### Capital Expenditure

Nil

# Support Services

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## What do we do?

The goal of Support Services is to be efficient, service orientated and accountable to Council and includes the following functions:

- Customer Service functions in Westport and Reefton
- Corporate planning
- Financial and accounting operations
- Generation of Annual Plans, Long Term Plans and Annual Reports
- Rating operations and rates overhaul project
- Human Resources management
- Information Technology management
- General administration
- Health and safety compliance and legal counsel
- Monitoring and compliance of all Council Controlled Organisations
- Guidance and monitoring of Holding Company performance
- Asset management
- Management functions

## Why are we involved in these activities?

The activity supports the functioning of all Council's activities and service provision.

## Contributes to what Community Outcome?

Support Services covers all the community outcomes as it provides the administrative and operational capacity to achieve them.

## Statement of Service Performance

### Health and Safety

Ongoing development of policies, procedures has occurred to show compliance with legislation.

### Rating Overhaul – Funding the Right Balance

Council commenced its work with a project called the 'Rates Overhaul' which will affect every ratepayer in the Buller district.

The way we use our land has changed over the years and the way rates are apportioned may no longer be as fair as it once was – some ratepayers may be paying too much for their share of the Council services, and some may not be paying enough. We want to make sure our rating system is fair, simple and easy to understand.

Our problem is who pays for what share. The overhaul is all about achieving equity and fairness. Therefore we are trying to find the right balance to make the calculation of rates as fair as possible for all ratepayers.

Total rates revenue will not change. Council will collect about \$13m before the Rates Overhaul and the same \$13m after the Rates Overhaul.

The Major Issues with our Current System:

- Our current system is very complex and difficult to explain. Over time, our base model has tried to keep historical parity by adding more and more general differential categories to adjust for the effects of the three yearly cycle of government valuations on land values.
- Our system no longer has parity between ratepayers. In some cases there are extreme variations in the amount of rates paid when properties of similar value are compared.
- Our rates are regressive. Our fixed charges and the land based general differential rates mean ratepayers on low value properties are charged high costs relative to their wealth.
- Council will continue to be working hard to ensure that any changes or decisions made are well considered and representative of the feedback we receive. A final decision on any changes to the rating system will be made in February 2015, with any changes taking effect from 1 July 2015, being the start of the new financial year.

### Development West Coast Funding

A one-off \$2m extraordinary distribution was made available to our Council in this financial year. The pool of funds is used for the development of community assets and/or projects that will contribute to sustainable economic benefits for the Buller District. In 2013/2014 Council has allocated \$1,945,500 towards various community projects spread throughout the district as reported in the 2012/2013 Annual Report. In 2013./2014 Council resolved to allocate \$54,000 from the Development West Coast Extraordinary Fund to Tai Poutini Polytechnic.

## Key Performance Indicators

What we did	What we measured	Target	Actual	Achieved
Prioritise and manage operating expenditure and capital expenditure	Net operating results and net capital results within overall budget	Regular analysis of budgets and results with the management team to identify, explain and address any overruns in expenditure	Within overall budgets with exceptions have been noted and explanations provided	●
		Quarterly reports to the Finance and Audit Committee	2013/2014: Council surplus of \$0.5m versus a budget surplus of \$0.4m (2012/2013: a surplus of \$1.076m)	
		Operate within 5% of budget	2013/2014: Net Capital Expenditure \$8m (2012/2013: \$6.6m) Quarterly reports provided to Finance and Audit Committee.	
Maintenance of rating information database in compliance with Local Rating Act 2002	Statutory compliance and availability of rating information to public in Westport and Reefton	Continued information of rating information available to members of the public	Continued availability of rating information to all members of the public	●
Maintenance of Councils information systems including GIS and financial and regulatory systems	Availability of financial and operational systems including GIS systems to support provision of Council services for effective decision making	99% availability with no extended downtime on all critical applications	2013/2014: 99% availability with no extended downtime on all critical applications (2012/2013: 99%)	●
Customer Services provides the first point of contact for customers  This service includes a website (www.bullerdc.govt.nz), telephone service and face to face contact through the Customer Services desk in Westport	Customer information services are available to all customers. The activity employs highly trained and skilled staff who have local and Council knowledge and can provide clear, consistent and accurate information	Monthly logging and monitoring of all service requests.  Expedite all overdue service requests for resolution within agreed deadlines.  Monthly reporting on all service requests.  Compliance with agreed deadlines except in exceptional circumstances.	Service requests are logged continuously and are monitored weekly	●
To reduce the incidence of work related accidents and to ensure that Council complied with Health and Safety legislation	Health and Safety	Setup systems, procedures and policies to comply with legislation	Ongoing review of policies and procedures, logging of all incidents and ongoing hazard identification.  Staff vacancy delayed the Accreditation Audit of the Workplace Safety Management Practices (WSMP) Programme.	●

## Funding Impact Statement

Support Services	Budget LTP 2012/2013 \$000	Budget LTP 2013/2014 \$000	Budget AP 2013/2014 \$000	Actual 2013/2014 \$000
<b>Sources of Operating Funding</b>				
General rates, uniform annual general charge, rates penalties	0	0	0	0
Targeted rates (other than a targeted rate for water supply)	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	280
Fees and charges and targeted rates for water supply	0	0	0	0
Internal charges and overheads recovered	3,848	4,066	4,200	3,918
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees & other receipts	0	0	0	3
<b>Total Operating Funding</b>	<b>A</b>	<b>3,848</b>	<b>4,066</b>	<b>4,201</b>
<b>Applications of Operating Funding</b>				
Payments to staff and suppliers	2,851	2,953	3,058	2,653
Finance costs	142	145	152	239
Internal charges and overheads applied	639	691	703	818
Other operating funding applications	0	0	0	347
<b>Total Applications of Operating Funding</b>	<b>B</b>	<b>3,632</b>	<b>3,789</b>	<b>4,057</b>
<b>Surplus/ (deficit) of Operating Funding</b>	<b>A-B</b>	<b>216</b>	<b>277</b>	<b>144</b>
<b>Sources of Capital Funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	55	(7)	123	182
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total Sources of Capital Funding</b>	<b>C</b>	<b>55</b>	<b>(7)</b>	<b>182</b>
<b>Application of Capital Expenditure</b>				
- to meet additional demand	0	0	0	0
- to improve the level of service	412	105	171	0
- to replace existing assets	0	0	152	176
Increase/ (decrease) in reserves	(141)	165	86	150
Increase/ (decrease) in investments	0	0	0	0
<b>Total applications of Capital Funding</b>	<b>D</b>	<b>271</b>	<b>270</b>	<b>326</b>
<b>Surplus/ (deficit) of Capital Funding</b>	<b>C-D</b>	<b>(216)</b>	<b>(277)</b>	<b>(144)</b>
<b>Funding Balance</b>	<b>((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Significant Variance Explanations in comparison to the Long Term Plan

### Operating Funding

#### Internal charges and overheads recovered

The LTP budget was increased to \$4.2m in the 2013/2014 Annual Plan. Actual recoveries were lower than budget due to lower IT operational costs.

#### Payments to staff and suppliers

The LTP budget was increased to \$3.058 m in the 2013/2014 Annual Plan.

Actual expenditure was lower due to lower IT operational and secretarial and management costs (\$405,000).

#### Finance Costs

Finance costs were great than the LTP budget due to additional loan financing costs (\$67,000)

#### Internal charges and overheads applied

The LTP budget was increased to \$ 0.8 m in the 2013/2014 Annual Plan. Actual overheads were lower than budget due to lower IT operational and secretarial and management costs (\$ 127,000).

#### Other Operating Funding applications

Variances were due to disbursements made to community based organisations as part of the Development West Coast Extraordinary Fund.

### Capital Funding

#### Subsidies and Grants

These were reimbursements for disbursements made to community-based organisations as part of the Development West Coast Extraordinary Fund.

### Capital Expenditure

#### Increase in Debt

The debt increased to \$123,000 in the 2013/2014 Annual Plan due to the purchase of motor vehicles previously leased.

A further increase in debt occurred as a result of the purchase of an additional vehicle.

#### Assets – Improve the level of service

Capacity constraints have delayed the implementation of certain IT projects.

#### Assets – Replacement of assets

The LTP budget was increased to \$152,000 to purchase vehicles that were leased. This was considered a more cost effective approach.

# Property Management, Amenities & Reserves

## What do we do?

### Amenities and Reserves

Council provides and maintains active and passive recreational facilities in the Buller District to meet community and environmental needs.

These include parks, reserves and sports facilities.

### Public Toilets

Public toilet facilities are provided by Council at Westport, Reefton and Waimangaroa. Council assists in the provision of toilet facilities in Karamea, Granity, Carters Beach, Inangahua Junction, Springs Junction and Ikamatua.

### Property Management

Council owns and manages a number of properties and buildings in the district for providing sites and buildings for community needs.

### Cemeteries

Council operates the following cemeteries:

- Orowaiti
- Mokihinui
- Reefton - Suburban
- Reefton - Boatmans

Council provides adequate land and plots to meet the district's burial needs.

### Punakaiki Beach Camp

The Punakaiki Beach Camp is located in a picturesque setting on the beach, and adjoins the Paparoa National Park. The camp provides various sized cabins, 20 powered sites and 30 tent sites. The camp has now been leased to a private operator for a term of twenty years.

### Pensioner Housing

Council provides 46 housing units for the elderly:

- 4 in Karamea
- 16 in Reefton
- 26 in Westport

## Why are we involved in these activities?

The provision and maintenance of parks and reserves create a pleasant environment in which to live, work and play, which is an important part of the vision for the district. The provision of public toilet facilities assists with promoting the health and well being of the district and environment. Jointly funding facilities with other agencies allows the public access to facilities at an acceptable cost.

## How we contribute to Strategic Goals and Community Outcomes

This activity supports the following community outcomes:

Community Outcomes	How the Council Contributes
Well-Being	By ensuring our parks and reserves are healthy and safe By providing areas for people to engage in healthy activities
Environment	By offering opportunities for people to contribute to projects that improve our district's environment
Learning	By providing the opportunity to learn through social interaction and recreation
Prosperity	By contributing to the district's image and attracting businesses, skills and tourism
Who we are	By organising community events and providing people with opportunity to interact with different communities and by creating a unique image of the district



## Statement of Service Performance

### Punakaiki Camp

Consultation on the proposal to lease the Punakaiki Camp began in October 2011. This resulted in the formation of a working group to consider all options available to the community. In the 2013/2014 Annual plan Council agreed to fund \$65,000 from General Rates towards the camp's operating losses. Council agreed in principle to consider the use of the Reserve funds for the provision of new or improved facilities that would or may benefit recreation, sporting or public enjoyment of the land at the Punakaiki Camp on a pro rata basis as part of a lease agreement with a the non Council lessee subject to Council approval of the proposed project and assessment of its benefit being for the local community as well as the camping ground.

### Storm Damage - April 2014

The remnants of cyclone Ita brought heavy rains and strong winds to much of New Zealand on 17 April. Winds, peaking at 130km/h (81mph) in Westport. It downed many trees and power lines.

Significant damage estimated in excess of \$350,000 occurred across most Council Parks and Reserves throughout the District, in particular at:

- Victoria Square.
- Kilkenny Park.
- Buller Bridge.
- Orowaiti Cemetery.
- Westport Domain suffered severe damage and the domain has been closed to the public as it has been deemed too dangerous until some trees and overhanging damaged trees have been removed. The domain was an area of residual virgin native bush that while some trees (non-native) have been planted over time the majority was untouched.
- Orowaiti Lagoon picnic area.
- Raynor Park.
- Adams Estate - another area of mainly native bush.
- Dump Causeway - a large number of trees were felled and have been removed.
- Karamea Domain - loss of grandstand roof.

The majority of the work involving the removal of fallen trees and debris has been completed across most Council Parks and Reserves. Considerable work remains in the restoration of track surfaces, boundary fences, stump removal and restoration of grass surfaces. This working will be ongoing during the 2014/2015 year.

## Key Performance Indicators

What we did	What we measured	Target	Actual	Achieved
To provide parks and reserves that meets community and environmental needs	% checks on contractors standard of maintenance on active recreation area	95%	2013/2014: 100% checks were undertaken on the maintenance contractor. Any defects were notified to the contractor who then remediated (2012/2013: 100%)	●
	Weekly safety and maintenance inspections of playground equipment	100%	2013/2014: 100% the contractor completed weekly safety checks on all play ground equipment (2012/2013: 100%)	●
	% of occupancy of elderly persons housing	90%	2013/2014: 98.3% (2012/2013: 97%)	●
	% customer satisfaction on provision of elderly housing	80%	2013/2014: 40 questionnaire's were returned with a satisfaction rate of 83.3% (2012/2013: 71%) Questionnaire was sent to the occupiers of all 44 units	●
	Providing and managing cemeteries to provide for community health	Maintain cemetery facilities to the appropriate national standard with public records available on request	2013/2014: Maintained cemetery facilities to the appropriate national standard with public records available on request (2012/2013: no change)	●
	To have sufficient plots available in all wards to meet current and future demands	Providing adequate plots and land to meet the district's burial needs.	An extension of the Mokihinui Cemetary is planned for 2014/2015 to cater for 100 additional plots. No immediate extensions required in other areas.	●
Provision of public toilets has health and economic benefits supporting local communities, businesses and visitor destinations	Provide sufficient toilet facilities to meet the districts needs.	Facilities are cleaned, inspected and maintained to serviceable standard.	2013/2014: Facilities were inspected, cleaned and maintained to an acceptable standard. The main toilets were inspected and cleaned daily, the other toilets and inspected and cleaned 2 or 3 times a week, depending on season and usage (2012/2013: no change)	●
		Reduction in public toilet facilities in central Westport		
Managing Council property to enable service delivery and safety for its users	Maintain and administer Council properties for its users	100% of service requests responded to in 10 working days	2013/2014: 100% (2012/2013: 100%)	●

## Significant Capital Expenditure

- Completion of the Omau playground (\$43,000 - \$21,000 was work in progress in 2012/2013).
- Modifications to the Westport Skatepark (\$12,000).
- Installation of soft floor matting at the Crampton Road Playground (\$43,000).
- Resealing the King George carpark in Reefton (\$28,000).
- Construction and fit-out of Karamea pensioner flats (\$544,000).
- Upgrade and fit-out of Reefton pensioner flats (\$15,000).
- Purchase and upgrades to a leasehold property (\$72,000).
- Resurfacing the changing room floor at Victoria Square (\$22,000).

## Funding Impact Statement

Property Management, Amenities & Reserves		Budget LTP 2012/2013 \$000	Budget LTP 2013/2014 \$000	Budget AP 2013/2014 \$000	Actual 2013/2014 \$000
Sources of Operating Funding					
General rates, uniform annual general charge, rates penalties		1,210	1,308	1,333	1,333
Targeted rates (other than a targeted rate for water supply)		0	0	0	0
Subsidies and grants for operating purposes		0	0	0	2
Fees and charges and targeted rates for water supply		0	0	0	0
Internal charges and overheads recovered		345	376	386	380
Interest and dividends from investments		0	0	0	0
Local authorities fuel tax, fines, infringement fees & other receipts		1,246	1,293	12,700	1,050
<b>Total Operating Funding</b>	<b>A</b>	<b>2,801</b>	<b>2,977</b>	<b>2,989</b>	<b>2,765</b>
Applications of Operating Funding					
Payments to staff and suppliers		1,908	1,975	1,878	1,887
Finance costs		57	74	74	61
Internal charges and overheads applied		213	227	353	344
Other operating funding applications		0	0	0	0
<b>Total Applications of Operating Funding</b>	<b>B</b>	<b>2,178</b>	<b>2,276</b>	<b>2,305</b>	<b>2,292</b>
<b>Surplus/ (deficit) of Operating Funding</b>	<b>A-B</b>	<b>623</b>	<b>701</b>	<b>684</b>	<b>473</b>
Sources of Capital Funding					
Subsidies and grants for capital expenditure		0	0	0	0
Development and financial contributions		0	0	0	0
Increase/(decrease) in debt		278	(56)	(56)	466
Gross proceeds from sale of assets		0	0	0	0
Lump sum contributions		0	0	0	0
<b>Total Sources of Capital Funding</b>	<b>C</b>	<b>278</b>	<b>(56)</b>	<b>(56)</b>	<b>466</b>
Application of Capital Expenditure					
- to meet additional demand		0	0	0	0
- to improve the level of service		500	83	83	592
- to replace existing assets		388	234	201	182
Increase/ (decrease) in reserves		13	328	344	165
Increase/ (decrease) in investments		0	0	0	0
<b>Total applications of Capital Funding</b>	<b>D</b>	<b>901</b>	<b>645</b>	<b>628</b>	<b>939</b>
<b>Surplus/ (deficit) of Capital Funding</b>	<b>C-D</b>	<b>(623)</b>	<b>(701)</b>	<b>(684)</b>	<b>(473)</b>
<b>Funding Balance</b>	<b>((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Significant Variance Explanations in comparison to the Long Term Plan

### Operating Funding

Local authorities fuel tax, fines, infringements fees and other receipts

During the Annual Plan process the LTP budget was reduced from \$1.293m to \$1.270m.

As the Punakaiki camp is now leased to a lessee, income associated with the camp accrued to the lessee (\$173,000). In addition, the remainder of the shortfall to budget was attributable to lower income from domain boards (\$72,000).

Payments to staff and suppliers

During the Annual Plan process the LTP budget was reduced from \$1.975m to \$1.878m.

As the Punakaiki camp is now leased to a lessee operational costs associated with the camp have been incurred by the lessee, resulted in lower expenditure to budget (\$158,000).

This was offset by additional expenditure associated with Cyclone Ita cleanup costs in Parks and Reserves (\$85,000), additional repairs and maintenance across housing for the elderly in Westport, Reefton and Karamea (\$34,000) and higher domain board expenditure to budget (\$34,000).

### Capital Funding

Increase in Debt

The increase is due to the funding of the newly constructed Karamea pensioner units by an internal loan and internal loan repayments. The LTP budget had planned for a debt reduction of \$56,000.

### Capital Expenditure

Improving the level of service

This variance is due to the carry-forward of the budget for the construction of the Karamea elderly housing of \$399,000 and an overrun to budget of \$145,000. This was mainly due to current building standards escalating construction costs. In addition the GST exempt status was not budgeted for resulting in the budget being understated.

# Council Controlled Organisations

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The following pages set out in detail each of the Council Controlled Organisations (CCO's).

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- The Activities of Council have been grouped as follows:
- Westport Airport
  - Buller Holdings Limited
  - WestReef Services Limited
  - Buller Recreation Limited
  - Westport Harbour Limited
  - Buller Health Trust
  - Tourism West Coast
-

# Westport Airport

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Westport Airport is a joint venture between the Crown and Buller District Council, with each holding a 50% interest. Management and control of Westport Airport is vested in the Buller District Council.

## Objective:

- To operate as close as possible to a commercial business in a cost effective and efficient manner.
- To maintain the Westport Airport assets.
- To enter into any commercial undertakings that will complement the airport operations.

## Nature and Scope of Activities:

To operate airport facilities at Westport. This includes the provision, maintenance, upgrading and enhancement of services and facilities to accommodate the landing of aircraft and the safe and efficient facilitation of passengers and cargo, having regard to the regulatory requirements of the Civil Aviation Authority of New Zealand.



## Performance Targets and Results

Buller District Council accounts for its half share in the Westport Airport Authority.

Performance against the targets set in the Airport Authority's Statement of Corporate Intent is as follows:

Westport Airport (half share)	Budget LTP 2012/2013 \$000	Budget LTP 2013/2014 \$000	Budget AP 2013/2014 \$000	Actual 2013/2014 \$000
<b>Sources of Operating Funding</b>				
General rates, uniform annual general charge, rates penalties	57	68	73	73
Targeted rates (other than a targeted rate for water supply)	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges and targeted rates for water supply	0	0	0	0
Internal charges and overheads recovered	0	0	0	0
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringement fees & other receipts	58	59	58	57
<b>Total Operating Funding</b>	<b>A</b>	<b>115</b>	<b>127</b>	<b>130</b>
<b>Applications of Operating Funding</b>				
Payments to staff and suppliers	51	53	57	43
Finance costs	0	10	10	0
Internal charges and overheads applied	10	10	10	11
Other operating funding applications	0	0	0	0
<b>Total Applications of Operating Funding</b>	<b>B</b>	<b>61</b>	<b>73</b>	<b>54</b>
<b>Surplus/ (deficit) of Operating Funding</b>	<b>A-B</b>	<b>54</b>	<b>54</b>	<b>76</b>
<b>Sources of Capital Funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	350	(9)	(9)	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total Sources of Capital Funding</b>	<b>C</b>	<b>350</b>	<b>(9)</b>	<b>0</b>
<b>Application of Capital Expenditure</b>				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	350	0	0	3
Increase/ (decrease) in reserves	54	45	45	73
Increase/ (decrease) in investments	0	0	0	0
<b>Total applications of Capital Funding</b>	<b>D</b>	<b>404</b>	<b>45</b>	<b>76</b>
<b>Surplus/ (deficit) of Capital Funding</b>	<b>C-D</b>	<b>(54)</b>	<b>(54)</b>	<b>(76)</b>
<b>Funding Balance</b>	<b>((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>



## Non-Financial Performance and Targets

### A commitment to the environment

To comply with the Resource Management Act and undertake its activities in an environmentally sound manner having regard to the interest of the community.

### A commitment to service

To systematically improve the quality and effectiveness of services provided to customers.

### A commitment to the community

- To operate the airport with due regard to sound, cultural and environmental issues arising from the community in which they are located.
- A commitment to full ownership and independent air transport.
- To seek full contribution or divestment.

# Buller Holdings Limited

The nature and scope of Buller Holdings Limited is to provide a holding company structure for the ownership of selected Council assets and investments. Buller Holdings Limited provides a commercial focus in the governance and administration of these assets, enabling more effective management of Council's commercial activities therefore allowing for maximum returns on behalf of the ratepayers.

## Objective

To operate as a successful business and to be guided by the following principles:

- Financial performance;
- Service;
- Employee relations; and
- Safety and environment.

## Nature and Scope of Activities

The nature and scope of Buller Holdings Limited is to provide a holding company structure for the ownership of selected Council assets and investments.

## Financial Targets and Results

Description	Budget 2013/2014 \$000	Actual 2013/2014 \$000
Group revenue	12,848	16,368
Group expenditure	11,101	15,728
Net operating surplus	1,747	640
Provision for capex	663	
Return on revenue	4.7%	4.0%
Distribution	815	641

## Financial Results

In the 2013/2014 year the group generated a profit before taxation of \$497,000 (2012/2013: \$850,000). This is a very positive result when compared with 2012. A subvention payment of \$458,000 was made during the year from Buller Holdings Ltd to Buller District Council. A further subvention payment from WestReef Services Ltd to Buller District Council was made of \$183,000, making a total distribution of \$641,000 during the year ended 30 June 2014.

## Subsidiary Companies

WestReef Services Ltd has had another strong year generating revenue of \$11,849,483 compared to \$9,245,000 for the 2013 year. Profit before taxation of \$1,346,217 whilst pleasing does not represent a corresponding level of increase and this is due largely to declining margins for core Buller District Council contract works and the timing for work completed on the Westport Water Treatment Plant upgrade contract. The company has in the past had a strategy of growing competitively tendered works and remains focused on this strategy to ensure it reduces its dependency on the Council for revenue.

Buller Recreation Ltd has performed well throughout the year generating a loss before taxation of \$735,000 compared to a loss of \$759,000 in the 2013 year. After accounting for depreciation and other non-cash items, the company generated a small cash surplus.

Westport Harbour Ltd ended the year with a pre-tax profit of \$40,643 compared to a profit of \$436,000 in 2013. This is a disappointing result predominantly driven by unforeseen maintenance costs related to dredge slipping maintenance. However the company has a policy of bringing assets up to acceptable levels and maintaining these over the long term and these costs are seen as part of the ownership risk associated with a vessel such as the dredge.

## Service Performance

Objective	Target	Actual	Achieved
Financial Performance	The company is committed to operate as a successful business and achieve a commercial rate of return on the investment in the business. This will mean meeting the targets of subsidiaries as stated in the Statements of Intent.	2013/2014: The group generated a profit before taxation of \$497,000 (2012/2013: \$850,000).	●
	To actively pursue additional revenue streams resulting in the increased profitability of BHL so as to increase the dividend payable to Council.	2013/2014: WestReef Services Ltd has had another strong year generating revenue of \$11,849,483 (2012/2013: \$9,245,000).	●
		2013/2014: Westport Harbour Ltd ended the year with a pre-tax profit of \$40,643 (2012/2013: \$436,000). This is a disappointing result driven by unforeseen costs relating to dredge slipping maintenance.	●
		2013/2014: Buller Recreation Ltd has performed well throughout the year generating a loss before taxation of \$735,000 (2012/2013: loss of \$759,000). The company generated a small cash surplus.	●
		2013/2014: During the year a total of \$641,000 in subvention payments were paid to Council (2012/2013: \$942,000).	●
Service	3 meetings per year between Council and BHL Board	2013/2014: 5 meetings held during the period with Directors.	●
	CEO's meet 6 times per year	2013/2014: CEO's have met 4 times during the period and three with the chairman present (2012/2013: 5 times).	●
	Formal monthly reporting to Council	2013/2014: Quarterly reports to Council and two other reports provided to Council.	●
	Compliance with charter and protocols	2013/2014: All charter and protocol requirements adhered to.	●

# WestReef Services Limited

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WestReef Services Limited is 100% owned by Buller Holdings Limited.

## Objective

To operate as a successful business and to be guided by the following principles:

- Financial performance;
- Service; and
- Employee relations.

## Nature and Scope of Activities

The nature and scope of WestReef Services Limited's activities are to predominantly provide contracting services for physical works in the Buller Region and the West Coast of the South Island. Its activities include maintenance and construction services for:

- Roads and bridges;
- Parks and reserves (including associated facilities);
- Rural fire emergency response;
- Landfill sites;
- Roadside vegetation control;
- Response for road and civil defence emergencies;
- Utility services (water and sewerage reticulation);
- Vehicle workshop repairs;
- Refuse collection and kerbside recycling;
- Property maintenance.

## How WestReef Services performed?

The 2013/2014 twelve-month period has seen a variety of changes occur throughout the Buller District and WestReef Services alike. We have operated in a challenging economic environment, experienced growth and obtained many achievements as a company.

A major contributor to change throughout the district recently has been the reduction in international coking coal prices; this has markedly slowed development and had a drastic impact on revenue streams within the private sector. Despite the corresponding regional economic downturn WestReef Services has continued in its drive forward, both in a developmental capacity and financially. In April this year Cyclone Ita changed the face of the district causing extensive damage and thus generating much demolition and restorative work for the company.

With a total operating revenue of \$11.8m, comparatively this presented a substantial increase (28%) on the previous twelve-month period. The increase in revenue can largely be attributed to the Westport Water Treatment Plant upgrade contract. Whilst we have experienced development in revenue over the past year we have maintained a profit margin (\$1.3m) also identical to the 2012/2013 period.

2013/2014 has seen a clear shift in the economic climate however WestReef Services has grown in terms of capability. We have proceeded in undertaking several key construction projects. Most notably, Stage 1 of the Westport Water Treatment Plant contract - the largest contract to date has progressed well. Additionally, for the fourth consecutive year, we successfully tendered the Derby Street contract. Our relationship with the Old Ghost Road has prospered and continues with further stages to be awarded.

Further development of the company fleet has seen us make some major capital purchases. Attaining new up-to-date plant and equipment has placed WestReef Services in a position where we can be competitive in a variety of markets, both existing and up-coming.

Entering the Leading Light Business awards, WestReef Services were a finalist in three categories, and was the recipient of the Leading Light Enterprise Award.

## Performance Targets and Results

Performance Measure	Target	Achievement	Achieved
Profitability	10% of gross revenue before subvention payment	2013/2014: 11% achieved (2012/2013: 14.6%).	●
	To grow gross revenue by 5%	2013/2014: 28% achieved due to securing the water treatment upgrade contract (2012/2013: 9%).	●
Quality	Renewal of TQA1 certification	2013/2014: Achieved May 2014 (2012/2013: May 2013).	●
Client satisfaction	Meet monthly with major client, BDC engineers, to obtain feedback on specific contract performance	2013/2014: 11 meetings held with BDC, and 6 meetings were held with other clients (2012/2013: Achieved).	●
Community support	Support at least 6 community activities	2013/2014: 8 community activities supported (2012/2013: 12).	●
Employee satisfaction	Employee turnover <15% per annum excluding retirement	2013/2014: 22% in total based on FTE basis, 14% excluding 6 redundancies due to loss of refuse contract (2012/2013: 20%).	●
	Weekly staff meetings with minutes kept	2013/2014: Weekly staff meetings were held and minuted for all departments (2012/2013: Achieved).	●
	Ensure succession plans are put in place for all senior management positions	2013/2014: Succession plans are current (2012/2013: Succession plans in place).	●
Safety	Lost time injuries <5% of total hours	2013/2014: Nil for the year (2012/2013: 0.38%).	●
Growth	Grow revenue from competitively procured work - target 30% of gross revenue	2013/2014: 54% achieved due to securing the water treatment upgrade contract (2012/2013: 41% due to success in tendering major outside contracts including Derby Street upgrade, Coaltown and Punakaiki Treatment Plant).	●

# Westport Harbour Limited

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Westport Harbour Limited is 100% owned by Buller Holdings Limited.

01 September 2005 the operation of the Westport Harbour and the management of the harbour assets have been carried out by Buller Port Services Limited, a wholly owned subsidiary of Holcim (New Zealand) Limited ("Holcim") pursuant to a Harbour Management Agreement between the Council and Holcim dated 16 March 2006 ("the HMA").

The term of the HMA expired on 31 August 2010 and with effect from the expiry of the HMA Westport Harbour Limited has operated the Harbour in accordance with agreed service levels.

On 01 September 2010 Council sold land and buildings to Westport Harbour Limited and in consideration Buller Holdings Limited issued 1,118,000 shares to Council with a par value of \$1.00. The remainder of the port assets were leased to Westport Harbour Limited.

## Objective

To operate as a successful business and to be guided by the following principles:

- Financial performance;
- Service;
- Employee relations; and
- Safety and environment.

## Nature and Scope of Activities

Westport Harbour Limited will be involved in providing land, facilities, plant and labour for receiving, delivery, stockpiling and shipment of a wide range of products and raw materials; the ownership of land and facilities necessary to maintain the company's commercial assets; and the provision of facilities associated with the repair and servicing of vessels

## How Westport Harbour Limited performed?

A very testing and trying year for Westport Harbour Limited with Holcim NZ's announcement of its pending departure confirming the future loss of our main customer, as such this naturally continues to give cause for concern.












The profit for the year was \$40,643 (2012/2013: \$436,000). Considerably less than the previous year, however this can be attributed to unforeseen dredge maintenance costs that have been incurred during the *Kawatiri's* bi-annual slipping.

During the year the departure of Harbour Master Bill Daniels prompted a rethink of the existing operational management structure. It was decided in the present financial climate and with the ports future uncertain, that the current Dredge Master could split his role to encompass Deputy Harbour Master duties with a relief HM brought in for the rare situations where this was necessary. In order to free up the Dredge Master for the DHM role, it was necessary to bring in another experienced Dredge Master, and this made sense, particularly with plans for the future of the port being initially in out-port dredging opportunities. We have been extremely lucky to recruit Mike Dennis, a very experienced Dredge Master from South Africa, who has fitted into the system very well.

The inshore fishing fleet's activity has continued to trend upward over the past 12-months and ensure the Harbour area is very active during relevant fishing seasons.

Development and Contractual arrangements surrounding the Coal Handling Facility have been placed on hold due to the well-publicised decline in the mining sector, as previously mentioned this combined with the pending departure of Holcim from the port, operations have forced a rethink of the ports future with all possible future opportunities currently being investigated.

## Performance Targets and Results

Performance Measure	Target	Achievement	Achieved
Profitability	9% of gross revenue (pretax)	2013/2014: Pre-tax operating profit is 11.5% before dredge slipping (2012/2013: 14%).	
	15% on BHL's investment before subvention payment (post tax)	2013/2014: 0.1% due to dredge slipping costs (2012/2013: 29%)	
Growth	Pursue all opportunities for practical growth	2013/2014: Dialogue with Greymouth Gisborne and Centre Port (Wellington) regarding outport dredging. Also Nelson contract confirmed (2012/2013: Substantial work was undertaken to draft a joint venture for a 40 year venture with Bathurst Resources for coal shipping).	
Service performance	Maintain by dredging: A bar depth of >2.8m at chart datum An average river depth in the main channel of 3.8m at chart datum A cement berth depth of 5.6m to 6m The floating basin main berth and Talley's wharf at 5m To consistently deliver services to customers in accordance with contracts	2013/2014: Average bar depth of 3.4m (2012/2013: During the year there were two occasions where bar depths reduced to under 2.8m necessitating the implementation of the bar management plan). Regular dredging was undertaken at the spit and regular soundings indicated a minimum depth of 3.8m. Regular dredging at the silo/coal berths/ floating basis and regular soundings to support vessel requirements. No complaints were received, and a compliment was received from our major customer.	
Succession planning	Maintain succession plans for key positions	2013/2014: Review completed as part of Harbour Management structure changes (2012/2013: Succession plans in place).	
	Maintain competency levels required for all employees.	2013/2014: Achieved - all seafarer medicals and certifications are current.	
Policies	Engage policies to assist to maintain a comprehensive system of health and safety procedures.	2013/2014: System maintained with current Safety Management System under review as required by MNZ (2012/2013: Achieved).	
Safety	Promote a safety first/zero harm culture	2013/2014: 11 monthly meetings were held to identify and address any hazards or safety concerns (2012/2013: All staff participating in monthly meeting).	
	Lost time incidents of nil	2013/2014: Nil LTI incidents occurred (2012/2013: Two LTI incidents).	
Environment	Avoid harm to environment as consequence of port operations	2013/2014: No environmental incidents during the year (2012/2013: no change).	
	Maintain oil spill response capability	2013/2014: Oil spill response training held in January 2014. Harbourmaster is now a trained Regional On-scene Commander (2012/2013: Oil spill response exercise completed in June 2013).	

# Buller Recreation Limited

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Council incorporated a Council Controlled Organisation, Buller Recreation Limited, which is 100% owned by Buller Holdings Limited.

In the Council meeting held on 24 June 2009, Council agreed to transfer the Solid Energy Centre to Buller Recreation Limited, and Westport Harbour to Westport Harbour Limited effective 1 July 2009.

In the meeting of 23 September 2009 Council ratified the purchase and sale documents for the sale of the assets to Buller Recreation Limited. The sale was concluded and Council received 17,570 m shares in Buller Holdings Limited, valued at \$17.570m, and transferred the assets to Buller Recreation Limited.

## Objective

To operate as a successful business and to be guided by the following principles:

- Financial performance;
- Service;
- Employee relations; and
- Safety and environment.

## Nature and Scope of Activities

The nature and scope of the company's activities are to provide accessible sport, recreation and event services and facilities to residents and visitors to the Buller District of New Zealand.

Its activities will include provision of services for:

- Recreational swimming and learn to swim programmes
- Aquatic sports events
- Indoor court sports competitions and events
- Fitness centre programmes and classes
- Outdoor turf sports

The Directors will consider opportunities from time to time with regard to other types of activities or expanding the reach of the Buller Recreation Limited for the provision of services outside of the centre's physical location.

## How has Buller Recreation Limited performed













The 2013/2014 year was another successful one for the Solid Energy Centre given the economic climate of the region during this period. Our membership has unfortunately reduced due in part to economic pressures and a competitor gym opening in town, however we still have well over 500 members which is great to see, and between 11-15,000 people come through our doors each month of the year.

Tribe Team Training was introduced to the SEC in March 2014, with one of the squash courts being converted to a training room specifically for this programme. Four teams of 8 were expected for the first session, however 6 teams signed up which was great to see. Since then Tribe has grown to 8 teams, and has stayed at that level which is well beyond our initial expectations.

The energy improvements on the building have significantly reduced costs, with electricity consumption dropping by 20%. There are still some aspects of the improvement programme to implement, but we have already seen through this winter the improvement in system reliability and energy use.



## Performance Targets and Results

Performance Measure	Target	Achievement	Achieved	
Profitability	Revenue and expenditure in line with budget	2013/2014: Revenue exceeds budget by 3% (2012/2013: -0.1%).		
		2013/2014: Expenditure (excluding depreciation and tax) exceeds budget by 9% predominantly due to high unbudgeted repairs and maintenance to the building (2012/2013: above budget by 5%).		
Fitness membership	450 members	2013/2014: Above target but less than last year due to financial climate of the town and new competition gym (2012/2013: achieved).		
		2013/2014: 486 as at 30 June 2014 (2012/2013: 625 as at 30 June 2013).		
		2013/2014: Average of 562 (2012/2013: Average was 634).		
	Retention rate >75%	2013/2014: Achieved (based on February-June figures). Retention as at 30 June 2014 is 87%, ranges from 80-94% (2012/2013: Not measured but believed to be achieved).		
Aquatic centre usage	4,000 visits per month	2013/2014: Achieved. Average 4,341. Above target but less than last year due to financial climate in Westport (2012/2013: Average 5,102 visits per month due to higher multi-membership numbers).		
		Achieve 150 swimming students (averaged over twelve months)	2013/2014: Achieved but lower than previous year due to reduced staff availability (2012/2013: Achieved).	
			2013/2014: Average of 165 per month (2012/2013: Average of 195)	
Safety	Nil serious harm incidents	2013/2014: Achieved (2012/2013: Achieved).		
	100% compliance with Health and Safety procedures	2013/2014: Achieved (2012/2013: Achieved).		
Employee satisfaction	Maintain well qualified and committed workforce.	2013/2014: No specific target set (2012/2013: new measure).	-	
	Maintain regular communication with all employees.	2013/2014: Bi-monthly meetings held with all employees (2012/2013: Achieved).		
Asset Management Plan (AMP)	Maintain a comprehensive AMP	2013/2014: Achieved (2012/2013: Achieved).		
	Complete maintenance and replacement in accordance with AMP (monitor monthly).	2013/2014: Achieved (2012/2013: Achieved).		

# Buller Health Trust

The Buller Health Trust was established in 1997 for the preservation of public health and wellbeing in the Buller District.

The Mayor and Chief Executive are appointed trustees of the Buller Health Trust.


## Objective

- To benefit the community;
- To be a good employer; and
- To be environmentally and socially responsible.

## Nature and Scope of Activities

To be involved in establishing, maintaining, controlling, aiding or carrying on medical and dental clinics or any other body in accordance with the Trust Deed, with the objective on conserving public health and wellbeing in the community of the Buller District.

## Performance Targets and Results

Target	Actual	Achieved
To support provision of appropriate medical services to the Buller community.	2013/2014: Dental services were available 100% of the year (2012/2013: 100%)	
To operate on a breakeven basis	2013/2014: Annual result was a \$81,430 surplus (2012/2013: \$64,441 surplus)	

# Tourism West Coast

Tourism West Coast is the official Regional Tourism Organisation for the West Coast region.

The Board of Directors is made up of five members. The Buller District Council appoints one member, along with the one each from Westland District Council and Grey District Council. The Council also provides annual funding to Tourism West Coast.

The other two members are appointed by Development West Coast and from the Tourism industry.



## Objective

- Enhance the West Coast's basic promotional capabilities;
- Co-ordinate the work of development and promotional agencies;
- Secure long term funding; and
- Provide advisory and support services for the local tourism industry.

## Nature and Scope of Activities

Tourism promotion at a regional level.

## Performance Targets and Results

Target	Actual	Achieved
The Chairperson of the Board and Chief Executive of Tourism West Coast will address Council on an annual basis	2013/2014: Presentation completed to Council during Annual Plan process.	
The Annual Report is to be presented to Council within two months of adoption	2013/2014: As at balance date Council had not yet received the Annual Report.	

# Financial Statements

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- Contains:
- Statement of Comprehensive Income
  - Statement of Changes in Equity
  - Statement of Financial Position
  - Statement of Cashflows
  - Council's Funding Impact Statement
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# Statement of Comprehensive Income

for the year ended 30 June 2014

	Note	Parent			Group	
		2013/2014 Actual \$'000	2013/2014 Budget AP \$'000	2012/2013 Actual \$'000	2013/2014 Actual \$'000	2012/2013 Actual \$'000
<b>OPERATING REVENUE</b>						
General Rates	1	7,424	7,450	6,989	7,424	6,989
Targeted Rates (excluding Metered Water)	1	5,234	5,237	5,025	5,234	5,025
Metered Water Charges		216	281	229	216	229
Rate Penalties	1	158	230	214	158	214
Subsidies and Grants		5,823	5,429	6,669	5,823	6,669
Investment Income	2	1,400	1,693	1,605	640	586
Other Income	2	34	0	76	10	72
Development and Financial Contributions		545	0	389	545	389
Fees and Charges		3,585	4,378	4,284	8,622	9,652
Gain on Derivative Contracts		371	0	469	371	469
Vested Assets		256	103	635	256	635
Profit on Sale of Assets		69	0	0	83	0
Gain on Revaluations of Investment Land		0	270	0	0	0
Share in Profit (Loss) of Associate		0	0	0	(7)	(13)
<b>TOTAL Operating Revenue</b>	<b>3</b>	<b>25,115</b>	<b>25,071</b>	<b>26,584</b>	<b>29,376</b>	<b>30,916</b>
<b>OPERATING EXPENDITURE</b>						
Employee Benefit Expense		4,268	4,219	4,063	9,857	9,443
Depreciation and Amortisation		5,256	5,852	5,198	6,689	6,257
Finance Costs		1,505	1,561	1,322	1,505	1,248
Other Expenses		12,350	11,961	13,957	10,173	11,894
Impairment of Assets		0	696	0	0	0
Assets Written Off		669	350	815	699	815
Loss on Sale of Assets		0	0	0	0	20
Loss on Revaluations of Investment Land	12	505	0	132	505	132
Loss on Sale of Investment Property		70	0	21	70	21
<b>TOTAL Operating Expenditure</b>	<b>4</b>	<b>24,623</b>	<b>24,639</b>	<b>25,508</b>	<b>29,498</b>	<b>29,830</b>
<b>NET Surplus (Deficit) Before Taxation</b>	<b>5</b>	<b>492</b>	<b>432</b>	<b>1,076</b>	<b>(123)</b>	<b>1,086</b>
Income Tax Expense	6	0	0	0	(89)	(30)
<b>NET Surplus (Deficit) After Taxation</b>		<b>492</b>	<b>432</b>	<b>1,076</b>	<b>(34)</b>	<b>1,116</b>
<b>OTHER COMPREHENSIVE INCOME</b>						
Increase /(Decrease) in Infrastructure Revaluation Reserves		8,746	14,300	0	9,109	0
Gain/(Loss) on Investment Recognised in Asset Revaluation Reserve		(2)		8	(2)	8
<b>TOTAL Comprehensive Income</b>		<b>9,236</b>	<b>14,732</b>	<b>1,084</b>	<b>9,073</b>	<b>1,124</b>

The accompanying notes and accounting policies form part of these Financial Statements.

# Statement of Changes in Equity

for the year ended 30 June 2014

	Parent			Group	
	2013/2014 Actual \$000	2013/2014 Budget AP \$000	2012/2013 Actual \$000	2013/2014 Actual \$000	2012/2013 Actual \$000
EQUITY as at 1 JULY	309,905	310,947	308,821	308,209	307,085
Total Comprehensive Income	9,236	14,732	1,084	9,073	1,124
<b>TOTAL EQUITY at End of Year</b>	<b>319,141</b>	<b>325,679</b>	<b>309,905</b>	<b>317,282</b>	<b>308,209</b>
COMPONENTS OF EQUITY					
Accumulated Funds	171,120	173,541	171,741	168,217	169,364
Reserves	3,836	2,405	2,723	3,836	2,723
Asset Revaluation Reserve	144,185	149,733	135,441	145,229	136,122
<b>TOTAL EQUITY at End of Year</b>	<b>319,141</b>	<b>325,679</b>	<b>309,905</b>	<b>317,282</b>	<b>308,209</b>

The accompanying notes and accounting policies form part of these Financial Statements.

# Statement of Financial Position

as at 30 June 2014

	Notes	Parent			Group	
		2013/2014 Actual \$000	2013/2014 Budget AP \$000	2012/2013 Actual \$000	2013/2014 Actual \$000	2012/2013 Actual \$000
<b>CURRENT ASSETS</b>						
Cash and Cash Equivalents	8	2,499	1,581	2,084	4,689	3,341
Trade and Other Receivables	9	4,718	4,325	5,608	5,110	5,872
Derivative Financial Instruments	16	15	0	0	15	0
Inventories		17	17	18	363	295
Other Current Assets	10	94	9	12	25	195
Short Term Investments		10,640	14,938	11,972	10,640	12,496
Assets Held for Sale	11	148	0	378	148	378
<b>TOTAL Current Assets</b>		<b>18,131</b>	<b>20,870</b>	<b>20,072</b>	<b>20,990</b>	<b>22,577</b>
<b>NON CURRENT ASSETS</b>						
Investment in Council Controlled Organisations	12	20,304	18,902	20,316	37	39
Other Investments	12	66	0	80	133	154
Investment Property	12	9,797	10,991	10,777	9,797	10,777
Infrastructural Assets	13	279,029	289,855	269,028	278,704	268,853
Other Non Current Assets	13	21,873	23,725	21,049	39,270	38,841
Derivative Financial Instruments	16	46	0	0	46	0
Deferred Tax	6	0	0	0	200	173
Intangible Assets	14	125	95	197	837	932
<b>Total Non Current Assets</b>		<b>331,240</b>	<b>343,568</b>	<b>321,447</b>	<b>329,024</b>	<b>319,769</b>
<b>TOTAL ASSETS</b>		<b>349,371</b>	<b>364,438</b>	<b>341,519</b>	<b>350,014</b>	<b>342,346</b>
<b>CURRENT LIABILITIES</b>						
Trade and Other Payables	15	3,844	5,951	3,132	4,122	3,400
Derivative Financial Instruments	16	0	708	20	0	20
Employee Benefits	17	634	482	589	1,327	1,168
Provisions	19	35	0	33	35	33
Current Portion of Term Debt	18	80	618	80	80	80
<b>TOTAL Current Liabilities</b>		<b>4,593</b>	<b>7,759</b>	<b>3,854</b>	<b>5,564</b>	<b>4,701</b>
<b>NON CURRENT LIABILITIES</b>						
Derivative Financial Instruments	16	124	0	414	124	414
Provisions	19	1,539	1,436	1,455	1,539	1,455
Bond Deposits		80	82	83	80	83
Employee Entitlements	17	280	199	238	309	350
Deferred Tax	6	0	0	0	1,502	1,564
Term Debt	18	23,614	29,283	25,570	23,614	25,570
<b>TOTAL Non Current Liabilities</b>		<b>25,637</b>	<b>31,000</b>	<b>27,760</b>	<b>27,168</b>	<b>29,436</b>
<b>EQUITY</b>						
Accumulated Funds	20	171,120	173,541	171,741	168,217	169,364
Reserves	21	3,836	2,405	2,723	3,836	2,723
Asset Revaluation Reserve	22	144,185	149,733	135,441	145,229	136,122
<b>TOTAL Equity</b>		<b>319,141</b>	<b>325,679</b>	<b>309,905</b>	<b>317,282</b>	<b>308,209</b>
<b>TOTAL LIABILITIES and ASSETS</b>		<b>349,371</b>	<b>364,438</b>	<b>341,519</b>	<b>350,014</b>	<b>342,346</b>

The accompanying notes and accounting policies form part of these Financial Statements.

# Statement of Cashflows

For the year ended 30 June 2014

	Parent			Group	
Notes	2013/2014 Actual \$000	2013/2014 Budget AP \$000	2012/2013 Actual \$000	2013/2014 Actual \$000	2012/2013 Actual \$000
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>					
<i>Cash was provided from:</i>					
Rates	13,017	12,917	12,126	13,017	12,126
Other Income	10,588	10,088	10,961	14,721	16,573
Interest Received	760	878	644	1,569	566
Tax Received	0	0	0	2	0
Dividends & Subvention Payments Received	825	815	850	0	0
	25,190	24,698	24,581	29,309	29,265
<i>Cash was applied to:</i>					
Payments to Suppliers and Employers	17,142	16,000	18,353	19,841	21,242
Interest Paid	1,420	1,561	1,371	1,397	1,345
Income Tax Paid	0	0	0	0	0
Net GST Movement	(290)	0	167	(349)	198
	18,272	17,561	19,891	20,889	22,785
<b>NET CASH from Operating Activities</b>	<b>7</b>	<b>6,918</b>	<b>4,690</b>	<b>8,420</b>	<b>6,480</b>
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>					
<i>Cash was provided from:</i>					
Disposal of Fixed Assets	774	0	481	797	481
Investment Realised	11,971	494	10,941	12,415	12,011
	12,745	494	11,422	13,212	12,492
<i>Cash was applied to:</i>					
Purchase of Fixed Assets	6,661	10,717	6,264	7,739	8,457
Purchase of Investments	10,591	2,082	12,215	10,549	12,199
Purchase of Intangibles	41	0	161	41	161
	17,293	12,799	18,640	18,329	20,817
<b>NET CASH from Investing Activities</b>	<b>(4,548)</b>	<b>(12,305)</b>	<b>(7,218)</b>	<b>(5,117)</b>	<b>(8,325)</b>
<b>CASHFLOWS FROM FINANCING ACTIVITIES</b>					
<i>Cash was provided from:</i>					
Loans Raised	1,500	4,555	2,626	1,500	2,626
<i>Cash was applied to:</i>					
Repayment of loans	3,455	618	0	3,455	0
<b>NET CASH from Financing Activities</b>	<b>(1,955)</b>	<b>3,937</b>	<b>2,626</b>	<b>(1,955)</b>	<b>2,626</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>415</b>	<b>(1,231)</b>	<b>98</b>	<b>1,348</b>	<b>781</b>
<b>OPENING CASH AS AT 1 JULY</b>	<b>2,084</b>	<b>2,812</b>	<b>1,986</b>	<b>3,341</b>	<b>2,560</b>
<b>CLOSING CASH AS AT 30 JUNE</b>	<b>2,499</b>	<b>1,581</b>	<b>2,084</b>	<b>4,689</b>	<b>3,341</b>

The accompanying notes and accounting policies form part of these Financial Statements.



Council		Budget LTP 2012/2013 \$000	Actual 2012/2013 \$000	Budget AP 2013/2014 \$000	Actual 2013/2014 \$000
<b>Sources of Operating Funding</b>					
General rates, uniform annual general charge, rates penalties		7,013	6,989	7,450	7,424
Targeted rates (other than a targeted rate for water supply)		5,026	5,025	5,237	5,234
Subsidies and grants for operating purposes		1,753	3,414	2,231	2,737
Fees and charges and targeted rates for water supply		277	229	281	216
Internal charges and overheads recovered		0	0	0	0
Interest and dividends from investments		1,553	1,605	1,693	1,400
Local authorities fuel tax, fines, infringement fees & other receipts		4,520	4,497	4,609	3,743
<b>Total Operating Funding</b>	<b>A</b>	<b>20,142</b>	<b>21,759</b>	<b>21,501</b>	<b>20,754</b>
<b>Applications of Operating Funding</b>					
Payments to staff and suppliers		14,735	16,003	15,502	15,817
Finance costs		1,339	1,322	1,561	1,505
Internal charges and overheads applied		0	0	0	0
Other operating funding applications		585	2,016	678	801
<b>Total Applications of Operating Funding</b>	<b>B</b>	<b>16,659</b>	<b>19,341</b>	<b>17,741</b>	<b>18,123</b>
<b>Surplus/ (deficit) of Operating Funding</b>	<b>A-B</b>	<b>3,483</b>	<b>2,418</b>	<b>3,760</b>	<b>2,631</b>
<b>Sources of Capital Funding</b>					
Subsidies and grants for capital expenditure		1,601	1,599	2,847	2,441
Development and financial contributions		0	389	0	545
Increase/(decrease) in debt		2,994	2,626	4,164	(1,955)
Gross proceeds from sale of assets		480	518	494	630
Lump sum contributions		1,566	1,656	350	645
<b>Total Sources of Capital Funding</b>	<b>C</b>	<b>6,641</b>	<b>6,788</b>	<b>7,855</b>	<b>2,305</b>
<b>Application of Capital Expenditure</b>					
- to meet additional demand		0	0	0	0
- to improve the level of service		6,044	2,453	6,762	3,591
- to replace existing assets		3,554	4,286	3,955	4,420
Increase/ (decrease) in reserves		98	1,435	404	(1,743)
Increase/ (decrease) in investments		428	1,032	494	(1,332)
<b>Total applications of Capital Funding</b>	<b>D</b>	<b>10,124</b>	<b>9,206</b>	<b>11,615</b>	<b>4,937</b>
<b>Surplus/ (deficit) of Capital Funding</b>	<b>C-D</b>	<b>(3,483)</b>	<b>(2,418)</b>	<b>(3,760)</b>	<b>(2,631)</b>
<b>Funding Balance</b>	<b>((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Notes to the Financial Statements

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Contains:	Note 1 ~ Rates Revenue
	Note 2 ~ Investment Income
	Note 3 ~ Operating Revenue
	Note 4 ~ Operating Expenditure
	Note 5 ~ Operating Surplus
	Note 6 ~ Income Tax
	Note 7 ~ Reconciliation of Net Surplus after Tax to Cashflows from Operating Activities
	Note 8 ~ Cash and Cash Equivalents
	Note 9 ~ Trade and Other Receivables
	Note 10 ~ Other Current Assets
	Note 11 ~ Non Current Assets held for sale
	Note 12 ~ Investments
	Note 13 ~ Property, Plant and Equipment
	Note 14 ~ Intangible Assets
	Note 15 ~ Trade and Other Payables
	Note 16 ~ Derivative Financial Instrument
	Note 17 ~ Employment Benefit Liabilities
	Note 18 ~ Borrowings
	Note 19 ~ Provisions
	Note 20 ~ Accumulated Funds
	Note 21 ~ Reserves
	Note 22 ~ Asset Revaluation Reserves
	Note 23 ~ Related Party Transactions and Balances
	Note 24 ~ Council Subsidiaries, Associates and Joint Ventures
	Note 25 ~ Statement of Commitments, Contingent Liabilities and Contingent Assets
	Note 26 ~ Capital Management
	Note 27 ~ Financial Instruments
	Note 28 ~ Post Balance Date Events
	Note 29 ~ Explanations of Major Variances against Budget
	Note 30 ~ Insurance of Assets

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## Note 1 ~ Rates Revenue

Rates Revenue	Parent	
	2013/2014 Actual \$000	2012/2013 Budget \$000
General rates	7,424	6,989
Targeted Rates attributable to Activities:		
Water	2,031	1,902
Refuse and Sanitation	2,919	2,835
Roading	0	0
Economic Development	285	288
Penalties	158	214
<b>TOTAL Revenue from Rates</b>	<b>12,817</b>	<b>12,228</b>

### Rates Remissions

Rates revenue is shown net of rates remissions, BDC's rates remission policy allows BDC to remit rates on sporting, cultural and other community organisations.

	Parent	
	2013/2014 Actual \$000	2012/2013 Budget \$000
<b>TOTAL Rates Revenue</b>	<b>12,898</b>	<b>12,295</b>
Rates Remissions:		
Land used for sport	32	37
Land protected for historical or cultural purposes	49	30
<b>TOTAL Remissions</b>	<b>81</b>	<b>67</b>
<b>Rates Revenue Net of Remissions</b>	<b>12,817</b>	<b>12,228</b>

### Rating Base Information

The rating base used to set the rates for 2013/14 were 7,437 rating units within the Buller District as at 30 June 2013. The total capital value of these rating units as at 30 June 2013 was \$2,288,882,950, of which \$1,267,480,230 consisted of land value.

## Note 2 ~ Investment Income

	Parent		Group	
	2013/2014 Actual \$000	2012/2013 Actual \$000	2013/2014 Actual \$000	2012/2013 Actual \$000
<b>Investment Income</b>				
Interest	1,424	1,309	1,305	1,232
Dividend Income and Subvention Income	641	942	0	0
	2,065	2,251	1,305	1,232
Less: Internal Interest	665	646	665	646
<b>TOTAL Investment Income</b>	<b>1,400</b>	<b>1,605</b>	<b>641</b>	<b>586</b>

	Parent		Group	
	2013/2014 Actual \$000	2012/2013 Actual \$000	2013/2014 Actual \$000	2012/2013 Actual \$000
<b>Other Income</b>				
Investment Loan Discount Amortisation Revenue	24	4	0	0
Donations	10	0	10	0
Sundry Income	0	72	0	72
<b>TOTAL Other Income</b>	<b>34</b>	<b>76</b>	<b>10</b>	<b>72</b>

## Note 3 ~ Operating Revenue

Revenue by Activity	Parent			Group	
	2013/2014 Actual \$000	2013/2014 Budget AP \$000	2021/2013 Actual \$000	2013/2014 Actual \$000	2012/2013 Actual \$000
Democracy	30	41	0	30	0
Community Services	1,683	1,488	2,701	1,683	2,701
Regulatory Services	1,597	1,603	1,729	1,597	1,729
Amenities and Reserves	1,431	1,656	1,585	1,431	1,585
Roading and Urban Development	3,782	3,598	4,061	3,782	4,061
Solid Waste	1,330	1,103	1,423	1,330	1,423
Water Supplies	3,371	3,896	2,331	3,371	2,331
Wastewater	2,220	2,276	2,164	2,220	2,164
Stormwater	5	8	10	5	10
Airport	57	58	58	57	58
In House Professional Services	562	743	683	562	683
Support Services	4,202	4,199	4,548	4,202	4,548
	20,270	20,669	21,293	20,270	21,293
Plus:					
General Rates	7,424	7,450	6,989	7,424	6,989
Rates Penalties	158	230	214	158	214
Investment Income	1,400	1,693	1,605	641	586
Profit on Sale of Assets	69	0	0	0	0
Gain on Derivative Contracts	371	0	469	371	469
Vested Assets	256	103	635	256	635
Sundry Income	34	0	76	10	72
Gain on Revaluation of Investment Land	0	270	0	0	0
Group Income	0	0	0	5,120	5,368
Share in Profit/(Loss) of Associate	0	0	0	(7)	(13)
	29,982	30,415	31,281	34,243	35,613
Less: Internal Recoveries	(4,867)	(5,344)	(4,697)	(4,867)	(4,697)
<b>TOTAL Income</b>	<b>25,115</b>	<b>25,071</b>	<b>26,584</b>	<b>29,376</b>	<b>30,916</b>

## Note 4 ~ Operating Expenditure

Expenditure by Activity	Parent			Group	
	2013/2014 Actual \$000	2013/2014 Budget AP \$000	2012/2013 Actual \$000	2013/2014 Actual \$000	2012/2013 Actual \$000
Democracy	984	1,038	830	984	830
Community Services	4,421	4,475	5,162	4,421	5,162
Regulatory	1,983	2,280	2,282	1,983	2,282
Amenities and Reserves	2,292	2,306	2,297	2,292	2,297
Roading and Urban Development	4,203	3,890	4,083	4,203	4,083
Solid Waste	2,115	1,825	1,954	2,115	1,954
Water Supplies	1,353	1,427	1,320	1,353	1,320
Wastewater	1,371	1,583	1,482	1,371	1,482
Stormwater	206	228	233	206	233
Airport	54	77	72	54	72
In House Professional Services	615	663	562	615	562
Support Services	4,058	3,914	4,407	4,058	4,407
	23,655	23,707	24,684	23,655	24,684
Plus:					
Depreciation and Amortisation					
- Democracy	0	0	0	0	0
- Community Services	457	444	360	457	360
- Regulatory	72	120	55	72	55
- Amenities and Reserves	441	556	451	441	451
- Roothing and Urban Development	2,435	2,708	2,648	2,435	2,648
- Solid Waste	92	98	98	92	98
- Water Supplies	647	663	552	647	552
- Wastewater	662	707	640	662	640
- Stormwater	198	200	194	198	194
- Airport	54	55	54	54	54
- In House Professional Services	14	16	8	14	8
- Support Services	184	285	139	184	139
- Group Depreciation	0	0	0	1,418	1,059
Other Group Expenses	0	0	0	3,442	3,243
Assets Written Off	669	350	815	669	815
Impairment of Assets	0	696	0	0	0
Loss on Sale of Assets	0	0	0	0	20
Loss on Revaluations of Investment Land	505	0	132	505	132
Loss on Sale of Investment Property	70	0	21	70	21
Less:					
Internal Recoveries	(4,867)	(5,344)	(4,697)	(4,867)	(4,697)
Internal Interest	(665)	(622)	(646)	(665)	(646)
<b>Total Expenditure</b>	<b>24,623</b>	<b>24,639</b>	<b>25,508</b>	<b>29,498</b>	<b>29,830</b>

## Note 5 ~ Operating Surplus

Operating Surplus was determined after Accounting for:	Parent		Group	
	2013/2014 Actual \$000	2012/2013 Actual \$000	2013/2014 Actual \$000	2012/2013 Actual \$000
Fees to principal auditor:				
Audit fees for financial statement audit	104	101	206	204
Additional audit fees for 2011/2012 financial statement audit	0	10	0	10
Audit fees (1/2 share WAA)	4	4	4	4
Grants and Donations Expense	807	2,018	807	2,018
Lease Income	610	398	334	104
Lease Expense	69	133	95	137
<i>Movement in provision doubtful debts:</i>				
Accounts Receivable	13	11	13	11

### (i) Remuneration

During the year to 30 June 2014, the total remuneration and value of non-financial benefits received by or payable to the Mayor, other Councillors and the Chief Executive of the Council were as follows:

	2013/2014 Actual \$000	2012/2013 Actual \$000
Chief Executive:		
Paul Wylie	244,251	232,000
Mayor:		
Pat McManus (to 15 October 2013)	22,643	66,819
Garry Howard (from 16 October 2013)	45,537	0
Councillors:		
David Barnes (to 15 October 2013)	4,914	17,182
Andrew Basher (from 16 October 2013)	11,350	0
Lynn Brooks (from 16 October 2013)	11,350	0
Peter Campbell (to 15 October 2013)	4,914	14,462
Jim Halsall (to 15 October 2013)	4,914	14,394
Gregory Hart (from 16 October 2013)	10,756	0
Dave Hawes	16,265	14,462
John Hill (to 15 October 2013)	4,914	14,462
Graham Howard	15,670	14,462
Richard Marsh (from 27 February 2013 to 15 October 2013)	4,914	4,468
Margaret Montgomery (to 15 October 2013)	4,914	17,938
Robyn Nahr (from 16 October 2013)	10,756	0
Graeme Neylon	20,374	14,462
Fred Ratahi (resigned 29 November 2012)	0	6,643
Sheryl Rhind (from 16 October 2013)	10,756	0
Sharon Roche (from 16 October 2013)	11,350	0
Philip Rutherford (from 16 October 2013)	11,363	0
Rosalie Sampson (to 15 October 2013)	6,707	19,742
<b>Total Mayor and Councillors</b>	<b>234,361</b>	<b>219,496</b>

## (ii) Severance Payments

During the year to 30 June 2014 no severance payments were made to staff (2012/2013: no severance payments made).

## (iii) Employee Staffing Levels and Remuneration

Number of Employees	2013/2014	2012/2013
Fulltime	41.0	41.0
Fulltime Equivalent of other employees	11.7	10.5

Buller District Council defines a full time equivalent employee as one that works a minimum of 40 hours per week. However there are a number of employees who work 37.5 hours per week under historic employment agreements. In 2013/2014 there were 3 employees (2012/2013: 3 employees). These employees are regarded as full time employees for the purposes of this disclosure. The total number of employees employed by Council in 2014 was 68 (2012/2013: 66).

### Remuneration Levels

2013/2014				
	less than \$60,000	\$60,000 to \$79,999	\$80,000 to \$99,999	\$100,000 to \$259,999
Number of Employees	39	12	11	6

2012/2013				
	less than \$60,000	\$60,000 to \$79,999	\$80,000 to \$99,999	\$100,000 to \$239,999
Number of Employees	38	12	10	6

The Local Government Act (2002) requires that if the number of employees in a remuneration band is 5 or fewer then that band is combined with the next highest band.

In 2013/2014 there were 5 or fewer employees in the \$100,000 to \$119,999 band, the \$120,000 to \$139,999 band, the \$120,000 to \$139,999 band and the \$140,000 to \$159,000 band hence inclusion of those employees in a \$100,000 to \$259,999 remuneration band.

(In 2012/2013 there were 5 or fewer employees in the \$100,000 to \$119,999, the \$120,000 to \$139,999 band and the \$140,000 to \$159,999 band hence inclusion of those employees in a \$100,000 to \$239,999 remuneration band.)



## Note 6 ~ Income Tax

Components of Tax Expense	Parent		Group	
	2013/2014 Actual \$000	2012/2013 Actual \$000	2013/2014 Actual \$000	2012/2013 Actual \$000
Current Tax Expenses	0	0	0	0
Adjustments to Current Tax in Prior Year	0	0	0	0
Deferred Tax Expenses	0	0	(89)	(30)
<b>Income Tax Expense</b>	<b>0</b>	<b>0</b>	<b>(89)</b>	<b>(30)</b>

Relationship between Tax and Accounting Profit	Parent		Group	
	2013/2014 Actual \$000	2012/2013 Actual \$000	2013/2014 Actual \$000	2012/2013 Actual \$000
Surplus/(Deficit) Before Tax	492	1,076	(123)	1,086
Tax @ 28%	138	302	(34)	304
Non-Deductible Expenditure	0	0	9	0
Non-Taxable Income	(393)	(555)	(73)	(330)
Change in Building Depreciation	0	0	3	3
Prior Year Adjustment	0	0	(1)	3
Group Loss Offset	179	264	0	0
Temporary Differences Not Recognised	7	(11)	0	0
Tax Losses Not Recognised	69	0	0	0
Deferred Tax Adjustments	0	0	7	(10)
<b>Income Tax Expense</b>	<b>0</b>	<b>0</b>	<b>(89)</b>	<b>(30)</b>

## Deferred Tax Assets/(Liabilities)

Parent	Property, Plant and Equipment	Financial Instruments	Employee Entitlements	Other Provisions	Tax Losses	Total
Balance at 1 July 2012	0	0	0	0	0	0
Charged to Profit and Loss	0	0	0	0	0	0
Balance at 1 July 2013	\$0	\$0	\$0	\$0	\$0	\$0
Charged to Profit and Loss	0	0	0	0	0	0
Charged to Equity	0	0	0	0	0	0
Balance at 1 July 2014	\$0	\$0	\$0	\$0	\$0	\$0

Group	Property, Plant and Equipment	Financial Instruments	Employee Entitlements	Other Provisions	Tax Losses	Total
Balance at 1 July 2012	(2,210)	0	175	20	594	(1,421)
Charged to Profit and Loss	62	0	(10)	(22)	0	30
Balance at 1 July 2013	(2,148)	0	165	(2)	594	(1,391)
Charged to Profit and Loss	2	0	12	7	68	89
Charged to Equity	0	0	0	0	0	0
Balance at 1 July 2014	(2,146)	0	177	5	662	(1,302)

### Additional disclosures

2013/2014: Council has an unrecognised deferred tax asset in relation to temporary timing differences of \$104,055 (2012/2013: \$129,605) and tax losses of \$2,365,750 (2012/2013: \$2,120,347). This deferred tax asset has been recognised at the group level.

## Note 7 ~ Reconciliation of Net Surplus after Tax to Cashflows from Operating Activities

	Parent		Group	
	2013/2014 Actual \$000	2012/2013 Actual \$000	2013/2014 Actual \$000	2012/2013 Actual \$000
Surplus/(Deficit) after Tax	492	1,076	(34)	1,116
Add/(less) non-cash items:				
Depreciation and Amortisation Expense	5,256	5,198	6,689	6,257
Impairment	0	0	0	0
Movement in Provisions	86	(48)	86	(48)
Movement in Deferred Taxation	0	0	(89)	(31)
Other Non Cash Items	0	0	0	0
Vested Assets	(256)	(635)	(256)	(635)
Loan Amortisation	(24)	(4)	0	0
(Gains)/Losses in Fair Value of Investment Property	505	132	505	132
(Gains)/Losses on Derivative Financial Instruments	(371)	(469)	(371)	(469)
	5,196	4,174	6,564	5,206
Add/(less) Items Classified as Investing Activities:				
(Gains)/Losses on Disposal of Investment Property and PPE	1	21	70	41
Assets Written Off	669	815	699	815
Movement in Fixed Asset Accounts Payable	(1,046)	330	(583)	552
	(376)	1,166	186	1,408
Add/(less) Movements in Working Capital Items:				
Trade and Other Receivables	890	(963)	762	(1,164)
Inventories	1	(2)	(68)	(109)
Other Current Assets	(82)	(3)	170	(151)
Trade and Other Payables	712	(919)	722	21
Employee Benefits	85	160	118	152
	1,606	(1,727)	1,704	(1,251)
Net Cash Inflow/(Outflow) from Operating Activities	6,918	4,690	8,420	6,480

## Note 8 ~ Cash and Cash Equivalents

	Parent		Group	
	2013/2014 Actual \$000	2012/2013 Actual \$000	2013/2014 Actual \$000	2012/2013 Actual \$000
Cash at bank and in hand	2,499	2,084	4,086	2,841
Short term deposits maturing three months or less from the date of acquisition	0	0	603	500
<b>Total Cash and Cash Equivalents</b>	<b>2,499</b>	<b>2,084</b>	<b>4,689</b>	<b>3,341</b>

The carrying value of short-term deposits with maturity dates of three months or less approximates their fair value.

Cash and Bank Overdrafts include the following for the purposes of the Cashflow Statement:

	Parent		Group	
	2013/2014 Actual \$000	2012/2013 Actual \$000	2013/2014 Actual \$000	2012/2013 Actual \$000
Cash at bank and in hand	2,499	2,084	4,086	2,841
Short term bank deposits maturing within three months	0	0	603	500
Bank overdrafts	0	0	0	0
	<b>2,499</b>	<b>2,084</b>	<b>4,689</b>	<b>3,341</b>

## Note 9 ~ Trade and Other Receivables

	Parent		Group	
	2013/2014 Actual \$000	2012/2013 Actual \$000	2013/2014 Actual \$000	2012/2013 Actual \$000
Trade Receivables	2,223	3,131	3,017	3,907
Amounts due from Controlled Entities (excluding GST):				
WestReef Ltd	8	11	0	0
Buller Holdings Ltd	111	88	0	0
Buller Arts and Recreation Trust	12	0	0	0
Westport Harbour Ltd	87	45	0	0
NZTA Roding Subsidies	927	667	927	667
Interest Receivable	85	87	85	87
Subvention Receivable	184	368	0	0
Rates Receivable	1,181	1,298	1,181	1,298
	4,818	5,695	5,210	5,959
Less:				
Provisions for Doubtful Debts	(100)	(87)	(100)	(87)
	4,718	5,608	5,110	5,872
Represented by:				
Current Portion	4,718	5,608	5,110	5,872
Term Portion	0	0	0	0

### Fair Value

Trade and other receivables are non-interest bearing and receipt is normally on 30 day terms. The carrying value of trade, and other receivables (excluding loans to related parties and community loans) approximates their fair value.

### Impairment

There is no concentration of credit risk with respect to receivables outside the group, as the group has a large number of customers.

Buller District Council does not provide for any impairment on rates receivables as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. Ratepayers can apply for payment plan options in special circumstances. Where such payment plans are in place debts are discounted to the present value of future repayments.

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

	2013/2014			2012/2013		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
<b>Council</b>						
Not past due	3,562	0	3,562	4,402	0	4,402
Past due 1-60 days	392	0	392	380	0	380
Past due 61-120 days	29	0	29	46	0	46
Past due > 120 days	835	100	735	867	87	780
<b>TOTAL</b>	<b>4,818</b>	<b>100</b>	<b>4,718</b>	<b>5,695</b>	<b>87</b>	<b>5,608</b>

<b>Group</b>						
Not past due	3,881	0	3,881	4,469	0	4,469
Past due 1-60 days	413	0	413	465	0	465
Past due 61-120 days	81	0	81	157	0	157
Past due > 120 days	835	100	735	868	87	781
<b>TOTAL</b>	<b>5,210</b>	<b>100</b>	<b>5,110</b>	<b>5,959</b>	<b>87</b>	<b>5,872</b>

The doubtful debt provision has been calculated based on expected losses for Council's pool of debtors. Expected losses have been determined based on an analysis of Council's losses in previous periods, and review of specific debtors as detailed below:	Parent		Group	
	2013/2014 Actual \$000	2012/2013 Actual \$000	2013/2014 Actual \$000	2012/2013 Actual \$000
Individual Impairment	100	87	100	87
Collective Impairment	0	0	0	0
<b>Total Provision for Impairment</b>	<b>100</b>	<b>87</b>	<b>100</b>	<b>87</b>

Individually impaired receivables have been determined to be impaired because of the significant financial difficulties being experienced by the debtor. An analysis of these individually impaired debtors are as follows:	Parent		Group	
	2013/2014 Actual \$000	2012/2013 Actual \$000	2013/2014 Actual \$000	2012/2013 Actual \$000
Past Due 1-60 days	0	0	0	0
Past due 61-120 days	0	0	0	0
Past due > 120 days	100	87	100	87
<b>Total Individual Impairment</b>	<b>100</b>	<b>87</b>	<b>100</b>	<b>87</b>

Movement in the provision for impairment of receivables are as follows:	Parent		Group	
	2013/2014 Actual \$000	2012/2013 Actual \$000	2013/2014 Actual \$000	2012/2013 Actual \$000
<b>At 1 July</b>	<b>87</b>	<b>76</b>	<b>87</b>	<b>76</b>
Additional provisions made during the year	13	11	13	11
Provisions reversed during the year	0	0	0	0
Receivables written-off during the period	0	0	0	0
<b>At 30 June</b>	<b>100</b>	<b>87</b>	<b>100</b>	<b>87</b>

Buller District Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

## Note 10 ~ Other Current Assets

	Parent		Group	
	Actual 2013/2014 \$000	Actual 2012/2013 \$000	Actual 2013/2014 \$000	Actual 2012/2013 \$000
Work in Progress	11	7	18	11
Prepayments	83	5	7	184
	94	12	25	195

## Note 11 ~ Non Current Assets held for Sale

As at 30 June 2014 the assets held for sale, being surplus to requirements are listed below (2012/2013: Council had investment land and an item of plant and equipment for sale).

	Parent		Group	
	Actual 2013/2014 \$000	Actual 2012/2013 \$000	Actual 2013/2014 \$000	Actual 2012/2013 \$000
Non-Current Assets held for Sale are:				
Investment Land	112	342	112	342
Westport Transfer Station Portable Weighbridge	36	36	36	36
<b>Total Assets held for Sale</b>	<b>148</b>	<b>378</b>	<b>148</b>	<b>378</b>



## Note 12 ~ Investment in Council Controlled Organisations and Other Investments

	Parent		Group	
	Actual 2013/2014 \$000	Actual 2012/2013 \$000	Actual 2013/2014 \$000	Actual 2012/2013 \$000
Investment in CCO's (Buller Holdings Ltd)	16,954	16,909	0	0
Investment in CCO's (Loans to subsidiaries)	3,313	3,368	0	0
Investments in other CCO's (NZ Local Government Insurance Corporation Ltd)	37	39	37	39
<b>Total Investment in CCO's</b>	<b>20,304</b>	<b>20,316</b>	<b>37</b>	<b>39</b>
Other Investments:				
Investment in Associate	0	0	67	74
Bond Deposits	66	80	66	80
<b>Total Other Investments</b>	<b>66</b>	<b>80</b>	<b>133</b>	<b>154</b>

Council subscribed for 45,000 of additional shares in Buller Holdings Limited in 2013/2014 for \$45,000 in cash payments. The equity was to be used to fund capital expenditure in Buller Recreation Limited (2012/2013: no capital transactions).

There was no impairment in Buller Holdings in 2013/2014 (2012/2013: Buller District Council's investment in Buller Holdings Limited was not impaired).

	2013/2014 \$000	2012/2013 \$000
Investments acquired - Shares issued by Buller Holdings Limited	45	0
Investments acquired (disposed of) - Advances and Loans	0	0
	<b>45</b>	<b>0</b>

All loans to Council Controlled Organisations have been advanced at market interest rates, with the exception of a loan advance to Buller Recreation Limited from Council which was loaned to Council from the Energy Efficiency and Conservation Authority at Nil interest. The loan was used for energy efficiency initiatives at the Solid Energy Centre.

The fair value of loans to related parties in 2013/2014 is \$3,313,266 (2012/2013: \$3,368,576). Fair value has been determined using cashflows discounted at a rate based on market interest rates including an additional risk to take into account the specific risks of each loan. The interest rate on the loan of \$2,363,860 to Buller Holdings Ltd is 4.69%. The interest rate on the loan of \$200,000 to Westport Harbour Ltd is 4.99%.

Investment Property	Parent		Group	
	Actual 2013/2014 \$000	Actual 2012/2013 \$000	Actual 2013/2014 \$000	Actual 2012/2013 \$000
Balance at 1 July	10,777	11,410	10,777	11,410
Transfers to Non Current Assets Held for Sale	(112)	(342)	(112)	(342)
Disposals/Adjustments	(365)	(159)	(365)	(159)
Fair value gains/(losses) on valuation	(505)	(132)	(505)	(132)
Balance 30 June	9,797	10,777	9,797	10,777

Investment Property - Income and Expenses	Parent		Group	
	Actual 2012/2013 \$000	Actual 2011/2012 \$000	Actual 2012/2013 \$000	Actual 2011/2012 \$000
Rental Income from Investment Property	136	101	136	101
Direct Expenses of income Generating Investment Property	0	0	0	0
Direct Expenses of non-income Generating Investment Property	0	0	0	0

Buller District Council's investment properties are valued annually at fair value effective 30 June. All investment properties were valued based on open market evidence in 30 June 2014. The valuation was performed by Quotable Value, an independent valuer. Quotable Value are an experienced valuer with extensive market knowledge in the types of investment properties owned by Council. The total value of investment property valued by Quotable Value as at 30 June 2014 was \$9,797,000 (2012/2013: \$10,777,000).

As at 30 June 2014 there was one leasehold property with a sale value of \$112,500 lodged at Council's solicitors pending completion of sale. This is disclosed in Note 11 (2012/2013: 5 properties total sale value \$342,000).

**- Council 2014**  
**Infrastructure Assets**

	Cost/ Revaluation 01-07-13	Accumulated Depreciation 01-07-13	Carrying Amount 01-07-13	Current year Addition	Current Disposals / Impairment Charges	Transfer (to)/from Assets Held for Sale	Accumulated Depreciation on disposals	Current Year Depreciation	Transfers/ Others	Revaluation Gains	Cost/ Revaluation 30-06-14	Accumulated Depreciation 30-06-14	Carrying Amount 30-06-14
Land under roads	19,303	0	19,303	0	(1)	0	0	0	100	0	19,402	0	19,402
Sewerage	25,772	(599)	25,173	294	(384)	0	8	(622)	0	1,220	25,689	0	25,689
Stormwater	9,381	(193)	9,188	147	(19)	0	1	(198)	0	583	9,702	0	9,702
Roads and Bridges	194,392	(2,641)	191,751	2,104	(154)	0	0	(2,432)	10	5,604	196,883	0	196,883
Water supplies	20,389	(543)	19,846	549	(99)	0	7	(643)	0	1,339	20,999	0	20,999
Airport runway	174	(87)	87	0	0	0	0	(8)	0	0	174	(95)	79
Landfills/Transfer Stns	1,831	(446)	1,385	0	0	0	0	(80)	0	0	1,831	(526)	1,305
Wharves	2,103	(561)	1,542	0	0	0	0	(35)	0	0	2,103	(596)	1,507
Work in Progress	753	0	753	2,832	0	0	0	0	(122)	0	3,463	0	3,463
	<b>274,098</b>	<b>(5,070)</b>	<b>269,028</b>	<b>5,926</b>	<b>(657)</b>	<b>0</b>	<b>16</b>	<b>(4,018)</b>	<b>(12)</b>	<b>8,746</b>	<b>280,246</b>	<b>(1,217)</b>	<b>279,029</b>

	Cost/ Revaluation 01-07-13	Accumulated Depreciation 01-07-13	Carrying Amount 01-07-13	Current year Addition	Current Disposals / Impairment Charges	Transfer (to)/from Assets Held for Sale	Accumulated Depreciation on disposals	Current Year Depreciation	Transfers/ Others	Revaluation Gains	Cost/ Revaluation 30-06-14	Accumulated Depreciation 30-06-14	Carrying Amount 30-06-14
Land	4,424	0	4,424	0	0	0	0	0	(100)	0	4,324	0	4,324
Leasehold improvements	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings	17,410	(4,221)	13,189	803	(16)	0	4	(471)	(329)	0	17,868	(4,688)	13,180
Office Equipment, Furniture & Fittings	1,598	(1,363)	235	84	(1)	0	0	(83)	1	0	1,682	(1,446)	236
Vehicles	731	(301)	430	269	(12)	0	3	(111)	0	0	988	(409)	579
Library Books	711	(482)	229	49	0	0	0	(74)	0	0	760	(556)	204
Plant and Equipment	1,761	(1,356)	405	195	(6)	0	3	(179)	427	0	2,377	(1,532)	845
Other Assets	3,081	(1,173)	1,908	558	(13)	0	12	(160)	29	0	3,655	(1,321)	2,334
Vessels	4,385	(4,229)	156	0	0	0	0	(47)	0	0	4,385	(4,276)	109
Work in Progress	73	0	73	7	0	0	0	0	(18)	0	62	0	62
	<b>34,174</b>	<b>(13,125)</b>	<b>21,049</b>	<b>1,965</b>	<b>(48)</b>	<b>0</b>	<b>22</b>	<b>(1,125)</b>	<b>10</b>	<b>0</b>	<b>36,101</b>	<b>(14,228)</b>	<b>21,873</b>
<b>Total</b>	<b>308,272</b>	<b>(18,195)</b>	<b>290,077</b>	<b>7,891</b>	<b>(705)</b>	<b>0</b>	<b>38</b>	<b>(5,143)</b>	<b>(2)</b>	<b>8,746</b>	<b>316,347</b>	<b>(15,445)</b>	<b>300,902</b>

**- Group 2014**

	Cost/ Revaluation 01-07-13	Accumulated depreciation 01-07-13	Carrying Amount 01-07-13	Current year Addition	Current Year Disposals	Transfer (to)/from Assets Held for Sale	Accumulated Depreciation on disposals	Current Year Depreciation/ Impairment Charges	Transfers/ Others	Revaluation Gains	Cost/ Revaluation 30-06-14	Accumulated Depreciation 30-06-14	Carrying Amount 30-06-14
Land under roads	19,303	0	19,303	0	(1)	0	0	0	100	0	19,402	0	19,402
Sewerage	25,754	(599)	25,155	289	(384)	0	8	(622)	0	1,243	25,689	0	25,689
Stormwater	9,362	(193)	9,169	132	(19)	0	1	(198)	0	615	9,700	0	9,700
Roads and Bridges	194,311	(2,641)	191,670	1,971	(154)	0	0	(2,432)	30	5,798	196,883	0	196,883
Water supplies	20,338	(543)	19,795	484	(99)	0	7	(643)	2	1,453	20,999	0	20,999
Airport runway	174	(87)	87	0	0	0	0	(8)	0	0	174	(95)	79
Landfills/Transfer Stations	1,825	(446)	1,379	(1)	0	0	0	(80)	(28)	0	1,796	(526)	1,270
Wharves	2,104	(561)	1,543	0	0	0	0	(35)	0	0	2,104	(596)	1,508
Work in Progress	752	0	752	2,546	0	0	0	0	(124)	0	3,174	0	3,174
	<b>273,923</b>	<b>(5,070)</b>	<b>268,853</b>	<b>5,421</b>	<b>(657)</b>	<b>0</b>	<b>16</b>	<b>(4,018)</b>	<b>(20)</b>	<b>9,109</b>	<b>279,921</b>	<b>(1,217)</b>	<b>278,704</b>

	Cost/ Revaluation 01-07-13	Accumulated depreciation 01-07-13	Carrying Amount 01-07-13	Current year Addition	Current Year Disposals	Transfer (to)/from Assets Held for Sale	Accumulated Depreciation on disposals	Current Year Depreciation/ Impairment Charges	Transfers/ Others	Revaluation Gains	Cost/ Revaluation 30-06-14	Accumulated Depreciation 30-06-14	Carrying Amount 30-06-14
Land	5,789	0	5,789	0	0	0	0	0	(100)	0	5,689	0	5,689
Leasehold improvements	829	(72)	757	103	0	0	0	(142)	0	0	932	(214)	718
Buildings	33,447	(6,685)	26,762	1,170	(16)	0	4	(1,129)	(333)	0	34,268	(7,800)	26,468
Office Equipment, Furniture & Fittings	2,118	(1,722)	396	145	(10)	0	9	(169)	1	0	2,254	(1,882)	372
Vehicles	4,295	(2,367)	1,928	568	(79)	0	70	(541)	0	0	4,784	(2,838)	1,946
Library Books	711	(482)	229	49	0	0	0	(74)	0	0	760	(556)	204
Plant and Equipment	2,852	(1,902)	950	417	(65)	0	56	(298)	427	0	3,631	(2,144)	1,487
Other Assets	2,976	(1,174)	1,802	547	(13)	0	12	(160)	28	0	3,538	(1,322)	2,216
Vessels	4,385	(4,229)	156	0	0	0	0	(47)	0	0	4,385	(4,276)	109
Work in Progress	72	0	72	7	0	0	0	0	(18)	0	61	0	61
	<b>57,474</b>	<b>(18,633)</b>	<b>38,841</b>	<b>3,006</b>	<b>(183)</b>	<b>0</b>	<b>151</b>	<b>(2,550)</b>	<b>5</b>	<b>0</b>	<b>60,302</b>	<b>(21,032)</b>	<b>39,270</b>
<b>Total</b>	<b>331,397</b>	<b>(23,703)</b>	<b>307,694</b>	<b>8,427</b>	<b>(840)</b>	<b>0</b>	<b>167</b>	<b>(6,568)</b>	<b>(15)</b>	<b>9,109</b>	<b>340,223</b>	<b>(22,249)</b>	<b>317,974</b>

**- Council 2013  
Infrastructure Assets**

	Cost/ Revaluation 01-07-12	Accumulated depreciation 01-07-12	Carrying Amount 01-07-12	Current year Addition	Current year Disposals / Impairment Charges	Transfer (to)/from Assets Held for Sale	Accumulated Depreciation on disposals	Current Year Depreciation	Transfers/ Others	Revaluation Gains	Cost/ Revaluation 30-06-13	Accumulated Depreciation 30-06-13	Carrying Amount 30-06-13
Land under roads	19,303	0	19,303	0	0	0	0	0	0	0	19,303	0	19,303
Sewerage	25,545	0	25,545	274	(47)	0	1	(600)	0	0	25,772	(599)	25,173
Stormwater	9,096	0	9,096	362	(77)	0	1	(194)	0	0	9,381	(193)	9,188
Roads and Bridges	192,360	0	192,360	2,254	(222)	0	0	(2,641)	0	0	194,392	(2,641)	191,751
Water supplies	19,294	0	19,294	712	(178)	0	5	(548)	561	0	20,389	(543)	19,846
Airport runway	174	(79)	96	0	0	0	0	(8)	0	0	174	(87)	87
Landfills/Transfer Stations	1,860	(426)	1,434	54	(83)	0	67	(87)	0	0	1,831	(446)	1,385
Wharves	2,103	(526)	1,577	0	0	0	0	(35)	0	0	2,103	(561)	1,542
Work in Progress	987	0	987	327	0	0	0	0	(561)	0	753	0	753
	<b>270,722</b>	<b>(1,031)</b>	<b>269,692</b>	<b>3,983</b>	<b>(607)</b>	<b>0</b>	<b>74</b>	<b>(4,113)</b>	<b>0</b>	<b>0</b>	<b>274,098</b>	<b>(5,070)</b>	<b>269,028</b>

	Cost/ Revaluation 01-07-12	Accumulated depreciation	Carrying Amount 01-07-12	Current year Addition	Current year Disposals / Impairment Charges	Transfer (to)/from Assets Held for Sale	Accumulated Depreciation on disposals	Current Year Depreciation	Transfers/ Others	Revaluation Gains	Cost/ Revaluation 30-06-13	Accumulated Depreciation 30-06-13	Carrying Amount 30-06-13
Land	4,324	0	4,324	0	0	0	0	0	100	0	4,424	0	4,424
Leasehold improvements	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings	14,711	(3,879)	10,832	1,817	(341)	0	104	(446)	1,223	0	17,410	(4,221)	13,189
Office Equipment, Furniture and Fittings	1,655	(1,384)	271	22	(2)	0	1	(78)	21	0	1,598	(1,363)	235
Vehicles	516	(239)	278	215	0	0	0	(62)	0	0	731	(301)	430
Library Books	651	(414)	237	60	0	0	0	(68)	0	0	711	(482)	229
Plant and Equipment	2,005	(1,465)	540	14	(107)	0	87	(129)	0	0	1,761	(1,356)	405
Other Assets	2,701	(1,036)	1,665	356	(34)	0	9	(146)	58	0	3,081	(1,173)	1,908
Vessels	4,385	(4,177)	208	0	0	0	0	(52)	0	0	4,385	(4,229)	156
Work in Progress	1,329	0	1,329	146	0	0	0	0	(1,402)	0	73	0	73
	<b>32,277</b>	<b>(12,594)</b>	<b>19,684</b>	<b>2,630</b>	<b>(484)</b>	<b>0</b>	<b>201</b>	<b>(981)</b>	<b>0</b>	<b>0</b>	<b>34,174</b>	<b>(13,125)</b>	<b>21,049</b>
<b>Total</b>	<b>302,999</b>	<b>(13,625)</b>	<b>289,376</b>	<b>6,613</b>	<b>(1,091)</b>	<b>0</b>	<b>275</b>	<b>(5,094)</b>	<b>0</b>	<b>0</b>	<b>308,272</b>	<b>(18,195)</b>	<b>290,077</b>

## - Group 2013

	Cost/ Revaluation 01-07-12	Accumulated depreciation 01-07-12	Carrying Amount 01-07-12	Current year Addition	Current Year Disposals	Transfer (to)/from Assets Held for Sale	Accumulated Depreciation on disposals	Current Year Depreciation/ Impairment Charges	Transfers/ Others	Revaluation Gains	Cost/ Revaluation 30-06-13	Accumulated Depreciation 30-06-13	Carrying Amount 30-06-13
Land under roads	19,303	0	19,303	0	0	0	0	0	0	0	19,303	0	19,303
Sewerage	25,545	0	25,545	256	(47)	0	1	(600)	0	0	25,754	(599)	25,155
Stormwater	9,123	0	9,123	346	(77)	0	1	(194)	(30)	0	9,362	(193)	9,169
Roads and Bridges	192,362	0	192,362	2,171	(222)	0	0	(2,641)	0	0	194,311	(2,641)	191,670
Water supplies	19,294	0	19,294	661	(178)	0	5	(548)	561	0	20,338	(543)	19,795
Airport runway	174	(79)	95	0	0	0	0	(8)	0	0	174	(87)	87
Landfills/Transfer Stations	1,832	(426)	1,406	47	(83)	0	67	(87)	29	0	1,825	(446)	1,379
Wharves	2,104	(526)	1,578	0	0	0	0	(35)	0	0	2,104	(561)	1,543
Work in Progress	986	0	986	327	0	0	0	0	(561)	0	752	0	752
	<b>270,723</b>	<b>(1,031)</b>	<b>269,692</b>	<b>3,808</b>	<b>(607)</b>	<b>0</b>	<b>74</b>	<b>(4,113)</b>	<b>(1)</b>	<b>0</b>	<b>273,923</b>	<b>(5,070)</b>	<b>268,853</b>

	Cost/ Revaluation 01-07-12	Accumulated depreciation 01-07-12	Carrying Amount 01-07-12	Current year Addition	Current Year Disposals/ Impairment Charges	Transfer (to)/from Assets Held for Sale	Accumulated Depreciation on disposals	Current Year Depreciation	Transfers/ Others	Revaluation Gains	Cost/ Revaluation 30-06-13	Accumulated Depreciation 30-06-13	Carrying Amount 30-06-13
Land	5,341	0	5,341	380	0	0	0	0	68	0	5,789	0	5,789
Leasehold Improvements	88	(8)	80	741	0	0	0	(64)	0	0	829	(72)	757
Buildings	29,486	(6,550)	22,936	2,405	(1,135)	0	953	(1,085)	2,688	0	33,447	(6,685)	26,762
Office Equipment, Furniture & Fittings	2,086	(1,607)	479	52	(42)	0	43	(157)	21	0	2,118	(1,722)	396
Vehicles	3,813	(1,926)	1,887	484	0	0	0	(441)	(2)	0	4,295	(2,367)	1,928
Library Books	651	(414)	237	60	0	0	0	(68)	0	0	711	(482)	229
Plant and Equipment	3,050	(1,947)	1,103	111	(154)	0	120	(75)	(155)	0	2,852	(1,902)	950
Other Assets	3,951	(1,092)	2,859	337	(34)	0	9	(91)	(1,278)	0	2,976	(1,174)	1,802
Vessels	4,385	(4,177)	208	0	0	0	0	(52)	0	0	4,385	(4,229)	156
Work in Progress	1,328	0	1,328	146	0	0	0	0	(1,402)	0	72	0	72
	<b>54,179</b>	<b>(17,721)</b>	<b>36,458</b>	<b>4,716</b>	<b>(1,365)</b>	<b>0</b>	<b>1,125</b>	<b>(2,033)</b>	<b>(60)</b>	<b>0</b>	<b>57,474</b>	<b>(18,633)</b>	<b>38,841</b>
<b>Total</b>	<b>324,902</b>	<b>(18,752)</b>	<b>306,150</b>	<b>8,524</b>	<b>(1,972)</b>	<b>0</b>	<b>1,199</b>	<b>(6,146)</b>	<b>(61)</b>	<b>0</b>	<b>331,397</b>	<b>(23,703)</b>	<b>307,694</b>

## Note 14 ~ Intangible Assets

	Parent		Group		
	Computer Software & Licences	Total	Goodwill	Software Licences	Total
	\$000	\$000	\$000	\$000	\$000
<b>Cost</b>					
Balance at 1 July 2012	421	421	728	22	1,171
Transfers	0	0	0	0	0
Additions	161	161	0	0	161
Disposals	0	0	0	0	0
<b>Balance at 30 June 2013</b>	<b>582</b>	<b>582</b>	<b>728</b>	<b>22</b>	<b>1,332</b>
Balance at 1 July 2013	582	582	728	22	1,332
Transfers	0	0	0	0	0
Additions	41	41	0	15	56
Disposals	0	0	30	3	30
<b>Balance at 30 June 2014</b>	<b>623</b>	<b>623</b>	<b>698</b>	<b>34</b>	<b>1,358</b>
<b>Accumulated Amortisation and Impairment</b>					
Balance at 1 July 2012	281	281	0	8	289
Transfers	0	0	0	0	0
Amortisation charge	104	104	0	7	111
Disposals	0	0	0	0	0
<b>Balance at 30 June 2013</b>	<b>385</b>	<b>385</b>	<b>0</b>	<b>15</b>	<b>400</b>
Balance at 1 July 2013	385	385	0	15	400
Transfers	0	0	0	0	0
Amortisation charge	113	113	0	8	121
Disposals	0	0	0	0	0
<b>Balance at 30 June 2014</b>	<b>498</b>	<b>498</b>	<b>0</b>	<b>23</b>	<b>521</b>
<b>Carrying Amounts</b>					
Balance at 30 June 2013	197	197	728	7	932
<b>Balance at 30 June 2014</b>	<b>125</b>	<b>125</b>	<b>698</b>	<b>11</b>	<b>837</b>

Goodwill has been assessed for impairment during the year. Due to the performance of the subsidiary during the period it was determined that goodwill was not impaired.

## Note 15 ~ Trade and Other Payables

	Parent		Group	
	Actual 2013/2014 \$000	Actual 2012/2013 \$000	Actual 2013/2014 \$000	Actual 2012/2013 \$000
Trade Payables	1,804	1,861	3,654	3,034
Amounts due to related parties:				
WestReef Ltd	1,445	747	0	0
Revenue Received in Advance	595	524	468	366
<b>TOTAL Trade and Payables</b>	<b>3,844</b>	<b>3,132</b>	<b>4,122</b>	<b>3,400</b>

Trade and other payables are non-interest bearing and are normally settled on 30 day terms, therefore the carrying value of creditors and other payables approximates their fair value.



## Note 16 ~ Derivative Financial Instrument

	Parent		Group	
	Actual 2013/2014 \$000	Actual 2012/2013 \$000	Actual 2013/2014 \$000	Actual 2012/2013 \$000
<b>Current Asset Portion</b>				
Interest Rate Swaps	15	0	15	0
<b>Total Current Asset Portion</b>	<b>15</b>	<b>0</b>	<b>15</b>	<b>0</b>
<b>Non Current Asset Portion</b>				
Interest Rate Swaps	46	0	46	0
<b>Total Current Asset Portion</b>	<b>46</b>	<b>0</b>	<b>46</b>	<b>0</b>
<b>Current Liability Portion</b>				
Interest Rate Swaps	0	20	0	20
<b>Total Current Liability Portion</b>	<b>0</b>	<b>20</b>	<b>0</b>	<b>20</b>
<b>Non-Current Liability Portion</b>				
Interest Rate Swaps	124	414	124	414
<b>Total Non-Current Liability Portion</b>	<b>124</b>	<b>414</b>	<b>124</b>	<b>902</b>

The notional principal amounts of the outstanding interest rate swap contracts at 30 June 2014 were \$20,000,000 (2012/2013: \$17,000,000).

At 30 June 2014 the fixed interest rates of interest rate swaps vary from 3.18% to 4.94% (2012/2013: 3.18% to 5.42%).

The interest rate swaps have been included at fair value.

The termination date of the interest rate swap contracts of \$20,000,000 at 30 June 2014 vary from 28 June 2015 to 31 March 2020 (2012/2013: 31 March 2014 to 31 March 2019).

## Note 17 ~ Employment Benefit Liabilities

	Parent		Group	
	Actual 2013/2014 \$000	Actual 2012/2013 \$000	Actual 2013/2014 \$000	Actual 2012/2013 \$000
Accrued pay	181	161	228	192
Annual leave and long service leave	515	489	1,075	1,057
Retirement gratuities	218	177	333	269
<b>Total Employee Benefit Liabilities</b>	<b>914</b>	<b>827</b>	<b>1,636</b>	<b>1,518</b>
Comprising:				
Current	634	589	1,327	1,168
Non-Current	280	238	309	350
<b>Total Employee Benefit Liabilities</b>	<b>914</b>	<b>827</b>	<b>1,636</b>	<b>1,518</b>

## Note 18 ~ Borrowings

	Parent		Group	
	Actual 2013/2014 \$000	Actual 2012/2013 \$000	Actual 2013/2014 \$000	Actual 2012/2013 \$000
<b>Current</b>				
Bank overdraft	0	0	0	0
Secured loans	80	80	80	80
<b>Total current borrowings</b>	<b>80</b>	<b>80</b>	<b>80</b>	<b>80</b>
<b>Non-current</b>				
Secured loans	23,614	25,570	23,614	25,570
<b>Total non-current borrowings</b>	<b>23,614</b>	<b>25,570</b>	<b>23,614</b>	<b>25,570</b>
<b>Total Borrowings</b>	<b>23,694</b>	<b>25,650</b>	<b>23,694</b>	<b>25,650</b>

Council's debt was due to be repaid in July 2014. On 28 June 2013 the \$35,000,000 facility had been renegotiated for another year and matures on 1 July 2015.

Buller District Council's has debt of \$3,423,860 (2012/2013; \$8,323,860) on floating interest rates. The interest is set quarterly at the 90-day bill rate + 0.11%.

Council has interest rate swaps and floating rates for fixed interest rates for \$20,000,000 (2012/2013; \$17,000,000) of this debt. For more details of the swaps refer to Note 16 in the financial accounts.

Council has an interest free loan from the Energy Efficiency and Conservation Authority with a face value of \$397,914 for 5 years due to be repaid on 15 May 2018. The fair value balance of this loan to be repaid as at 30 June 2014 was \$270,406 (2012/2013: \$325,716).

### Security

The overdraft is secured by a general security agreement. The maximum amount that can be drawn down against the overdraft facility is \$1,250,000 (2012/2013: \$1,250,000). There are no restrictions on the use of this facility.

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

### Refinancing

Council manages its borrowings in accordance with its funding and financial policies, which includes a Treasury policy. These policies have been adopted as part of Council's 2012-2022 Long Term Plan.

## Maturity analysis and effective interest rates

The following is a maturity analysis of Council's borrowings:

	Overdraft Council \$000	Overdraft Group \$000	Secured Loans Council & Group \$000
<b>2013/2014</b>			
Less than one year	0	0	80
weighted average effective interest rate	8.45%	8.45%	0
Later than one year but not more than five years	0	0	23,614
weighted average effective interest rate	0%	0%	5.72%
Later than five years	0	0	0
weighted average effective interest rate	0%	0%	0%
	0	0	23,694

	Overdraft Council \$000	Overdraft Group \$000	Secured Loans Council & Group \$000
<b>2012/2013</b>			
Less than one year	0	0	80
Weighted average effective interest rate	7.95%	7.95%	0
Later than one year but not more than five years	0	0	25,570
Weighted average effective interest rate	0%	0%	5.50%
Later than five years	0	0	0
Weighted average effective interest rate	0%	0%	0%
	0	0	25,650

## Fair value of non-current borrowings

The carrying amounts of borrowings are at market interest rates and approximate their fair values, with the exception of a \$397,914 loan from the Energy Efficiency and Conservation Authority which is loaned to Council with no interest charged providing the terms of the loan are not breached. The loan is on-loaned to Buller Recreation Limited on the same terms.

## Internal Borrowings

Council has internal borrowings. Internal borrowings are funds which are utilised from Council's term deposits with banks, generally on terms which are more favourable than borrowing the funds externally. The cost of borrowing these funds is then allocated to the activities that utilise them. Internal borrowings are eliminated on consolidation of activities in Council's financial statements.

Council had the following internal loans allocated to the listed Groups of Activities at balance date:

	2012/2013 \$000	2012/2013 \$000	2012/2013 \$000	2012/2013 \$000
	Loans Repaid during Period	Loans Drawn down during Period	Interest Paid for the year	Balance as at 30 June
Support Services	0	0	0	0
Community Services	23	278	32	693
Regulatory Services	18	0	12	174
Property Management , Amenities and Reserves	123	301	54	854
Water Supplies	67	0	118	1,678
Solid Waste	47	0	80	1,331
Wastewater	218	0	316	5,552
Stormwater	17	52	31	458
Professional Services Business Unit	5	0	2	25
	518	631	645	10,765

	2013/2014 \$000	2013/2014 \$000	2013/2014 \$000	2013/2014 \$000
	Loans Repaid during Period	Loans Drawn down during Period	Interest Paid for the year	Balance as at 30 June
Support Services	31	212	9	181
Community Services	34	393	49	1,052
Regulatory Services	37	135	16	272
Property Management , Amenities and Reserves	54	520	60	1,320
Water Supplies	74	144	117	1,748
Solid Waste	50	0	77	1,282
Wastewater	228	0	305	5,323
Stormwater	19	0	30	439
Professional Services Business Unit	9	16	2	32
	536	1,420	665	11,649

## Note 19 ~ Provisions

Environmental Provision	Landfill Aftercare Provision	Contaminated Site Remediation	Total Environmental Provisions	Total Environmental Provisions
	2013/2014 \$000	2013/2014 \$000	2013/2014 \$000	2012/2013 \$000
Opening Balance	1,480	9	1,489	1,536
Additional Provisions	0	0	0	0
Amounts Used	(171)	0	(171)	(25)
Other Adjustments	135	0	135	(8)
Discounting Changes	121	0	121	(14)
Closing Balance	1,565	9	1,574	1,489

Total Provisions	Parent		Group	
	2013/2014 \$000	2012/2013 \$000	2013/2014 \$000	2012/2013 \$000
Council and Group				
Current Liability	35	33	35	33
Non-current Liability	1,539	1,455	1,539	1,455
	1,574	1,488	1,574	1,488

in 2013/2014 the group provision (current portion) includes a provision for maintenance on the Harbour dredge vessel of \$111,000, see below (2012/2013: 104,000).

Provision for Slipping	Parent	
	2013/2014 \$000	2012/2013 \$000
Opening Balance	104	0
Additional Provisions	111	104
Amounts Used	104	0
Unused Provision Reversed	0	0
Closing Balance	111	104

Provision for Slipping is provided by Westport Harbour Limited for the Kawatiri Dredge which is owned by Council. The provision is not included in the parent financials and is eliminated on consolidation from the Group accounts. The disclosure is intended for information purposes only.

## Landfill Aftercare Provision

Council has responsibility under its resource consents to provide ongoing maintenance and monitoring of its landfills after the sites are closed. Council's closure and post closure responsibilities include:

Closure responsibilities:

- Lay cover and re-vegetation
- Drainage control
- Water quality monitoring

Post Closure responsibilities:

- Ground and surface water quality monitoring
- Landfill gas monitoring
- Site maintenance
- Mitigation of environmental effects identified
- Annual reporting in accordance with consent conditions

The expected closure dates for Council's landfill sites are as follows:

Westport	- Closed 2008 - now capped
Birchfield	- Closed 2005
Karamea	- 2034
Ikamatua	- Closed 2005
Charleston	- Closed 2010 - now capped
Mawheraiti	- Closed 2005
Inangahua	- Closed 2010 - now capped
Reefton	- Closed 2005
Maruia	- 2021

The cash outflows for landfill post-closure costs have been estimated to occur for a period of 25-50 years from the closure of the site. The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred.

The provision has been estimated taking into account existing technology and is discounted using a discount rate of 5.31% which is based on the rolling monthly average NZ Government 10 Year Bond rate over the last ten years (2012/2013: 5.45%).

## Note 20 ~ Accumulated Funds

	Parent		Group	
	Actual 2013/2014 \$000	Actual 2012/2013 \$000	Actual 2013/2014 \$000	Actual 2012/2013 \$000
Opening Balance as at 1 July	171,741	171,516	169,364	169,099
Net Surplus (Deficit) for the Period	492	1,076	(34)	1,116
Transfer from Reserves	829	798	829	798
Transfer to Reserves	(1,942)	(1,649)	(1,942)	(1,649)
Balance at 30 June	171,120	171,741	168,217	169,364



## Note 21 ~ Reserves

	Parent		Group	
	Actual 2013/2014 \$000	Actual 2012/2013 \$000	Actual 2013/2014 \$000	Actual 2012/2013 \$000
Balance as at 1 July	2,723	1,872	2,723	1,872
Add: Transfer from Accumulated Funds	1,942	1,649	1,942	1,649
	4,665	3,521	4,665	3,521
Less: Transfer to Accumulated Funds	(829)	(798)	(829)	(798)
Balance at 30 June	3,836	2,723	3,836	2,723

### Reserve Fund Disclosures

Changes to the Local Government Act 2002 now require councils to provide a summary of the Reserve funds that it holds. These changes have placed more focus on the accounting for and disclosure of reserves. The Act defines reserve funds as "money set aside by a local authority for a specific purpose". Reserves are part of equity which may or may not be physically backed by cash/investments.

Reserves are often used to separate a funding surplus of an activity. The Act requires Council to specify the amount deposited in the fund, and the amount withdrawn from the fund over the 10 year period that the Long Term Plan covers. Council does not transfer money from one reserve to fund another. Council also does not charge/pay 'internal' interest on any surplus or deficit balances that each individual reserve may have. Opening balance surpluses are usually due to approved committed projects not yet being undertaken or completed.

Separate Reserves	Activity that the Reserve relates to	Purpose of the Reserve	Opening Balance 1 July 2012	Transfers to Reserves	Transfers from Reserve	Balance 30 June 2013	Opening Balance 1 July 2013	Transfers to Reserves	Transfers from Reserves	Balance 30 June 2014
			\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Amenities Reserve	various not specified	Proceeds from general ratepayer to fund various infrastructure where there was no government subsidy available	365	0	0	365	365	0	0	365
Community Development - Other	various not specified	Funds from depreciation used for the upgrade and construction of replacement Council assets	988	1,255	690	1,553	1,553	1,393	780	2,167
Reserve Contributions	Regulatory	Proceeds from subdivision for public reserve upgrades	480	387	107	760	760	433	41	1,152
Miles Bequest	Property Management, Amenities & Reserves	Funds set aside for the purchase of engraved seats at the Westport cemetery	2	0	0	2	2	0	0	2
Powell Bequest	Property Management, Amenities & Reserves	Funds bequested to Council for the purchase of public seating in Westport	3	0	0	3	3	0	0	3
Mayor's Relief Fund	Democracy	Funds for providing grants for relief at the discretion of the Mayor	2	5	2	5	5	3	8	1
Boiler Replacement Fund	Property Management, Amenities & Reserves	Funds set aside to go toward replacement of boiler at Brougham Street offices	7	0	0	7	7	0	0	7
Development Contributions	Regulatory	Proceeds from commercial and industrial development to provide for social and recreation need of the area	14	0	0	14	14	105	0	119
Sale of Gifted Property	various not specified	Funds set aside from the sale of property gifted to Council	11	0	0	11	11	0	0	11
Infrastructure Contributions	Regulatory	Funds set aside for upgrading infrastructure where appropriate	0	3	0	3	3	7	0	10
<b>TOTAL Reserves Only</b>			<b>1,872</b>	<b>1,650</b>	<b>799</b>	<b>2,723</b>	<b>2,723</b>	<b>1,942</b>	<b>829</b>	<b>3,836</b>
Refuse Collection	Solid Waste	Separates all funding and expenditure and surpluses or deficits for the refuse collection activity	(156)	440	391	(107)	(107)	257	404	(254)
Recycling	Solid Waste	Separates all funding and expenditure and surpluses or deficits for the recycling activity	(119)	723	600	4	4	266	369	(99)
Contracted Refuse/Recycling	Solid Waste	Separates all funding and expenditure and surpluses or deficits for the refuse collection and recycling activities	0	0	97	(97)	(97)	449	396	(44)
Karamea Solid Waste	Solid Waste		-	-	-	-	-	40	31	10
Maruia Solid Waste	Solid Waste		-	-	-	-	-	5	3	1
Westport Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	(1,599)	2,591	1,499	(506)	(506)	2,794	1,511	777
Reefton Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	307	335	834	(193)	(193)	422	312	(83)
Little Wanganui Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	39	11	6	45	45	12	10	47
Mokihinui Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	21	11	4	29	29	11	3	37
Ngakawau Hector Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	176	49	23	202	202	49	23	228

Separate Reserves	Activity that the Reserve relates to	Purpose of the Reserve	Opening Balance 1 July 2012	Transfers to Reserves	Transfers from Reserve	Balance 30 June 2013	Opening Balance 1 July 2013	Transfers to Reserves	Transfers from Reserves	Balance 30 June 2014
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Waimangaroa Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	27	37	36	28	28	38	33	33
Cape Foulwind Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	288	68	14	342	342	74	19	398
Punakaiki Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	20	212	228	4	4	58	48	14
Inangahua Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	14	8	17	5	5	8	7	6
South Granity Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	15	9	2	22	22	8	12	18
Westport Sewerage	Wastewater/ Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	(1,695)	1,855	1,753	(1,593)	(1,593)	1,893	1,731	(1,430)
Reefton Sewerage	Wastewater/ Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	59	277	194	142	142	290	147	285
Little Wanganui Sewerage	Wastewater/ Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	(20)	32	26	(14)	(14)	36	16	6
Inangahua Junction Sewerage	Wastewater/ Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	(1)	0	0	(1)	(1)	0	1	(2)
Punakaiki Sewerage	Wastewater/ Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	(16)	0	0	(16)	(16)	0	0	(16)
Punakaiki Camp	Property Management, Amenities & Reserves	Separates all funding and expenditure and surpluses or deficits for the Punakaiki Camp activity	(168)	240	276	(204)	(204)	62	133	(275)
Punakaiki Sea Wall	Property Management, Amenities & Reserves	Separates all funding and expenditure and surpluses or deficits for the Punakaiki seawall activity	2	0	0	2	2	0	0	2
Dog Control	Regulatory	Separates all funding and expenditure and surpluses or deficits for the dog control activity	(156)	207	236	(185)	(185)	203	210	(192)
Promotion & Development	Community Services	Separates all funding and expenditure and surpluses or deficits for the promotion and development activity	(11)	462	448	3	3	467	506	(36)
TOTAL Separate Balances Only			(2,973)	7,567	6,684	(2,088)	(2,088)	7,483	5,924	(528)
TOTAL Reserves and Separate Balances			(1,101)	9,217	7,483	635	635	9,425	6,752	3,308

Please note: Reserves and Separate Balances are disclosed separately within the financial statements. The Reserves total in this note reconciles to the Reserves component of Equity in the financial statements. The Separate Balances total in this note is not included in Reserves within Equity but is included within the Accumulated Funds component of Equity in the financial statements.

## Note 22 ~ Asset Revaluation Reserves

	Parent		Group	
	Actual 2013/2014 \$000	Actual 2012/2013 \$000	Actual 2013/2014 \$000	Actual 2012/2013 \$000
Opening Balance as at 1 July	135,441	135,433	136,122	136,114
Change in Asset Values through Comprehensive Income	8,744	8	9,107	8
Closing Balance as at 30 June	144,185	135,441	145,229	136,122
Comprising:				
Library Books	258	258	258	258
Roads and Bridges	117,290	111,686	117,941	112,122
Sewerage	9,309	8,088	9,413	8,170
Stormwater	7,219	6,636	7,296	6,681
Water Supplies	10,099	8,761	10,311	8,860
Landfill	0	0	0	19
Investment Revaluation Reserve	10	12	10	12
Balance at 30 June	144,185	135,441	145,229	136,122

## Note 23 ~ Related Party Transactions and Balances

Buller District Council is the ultimate parent of the Group and controls four Entities in the Buller Holdings Group, being Buller Holdings Ltd, WestReef Services Limited, Westport Harbour Ltd and Buller Recreation Ltd.

Council also controls Westport Airport Authority, Buller Health Trust and Buller Arts and Recreation Trust.

The following transaction were carried out with related parties:

	Actual 2013/2014 \$000	Actual 2012/2013 \$000
<b>WestReef Services Limited</b>		
Services provided by Council during the year	123	153
Services provided to Council during the year	10,099	7,230
Accounts payable to Council at 30 June	8	11
Accounts receivable from Council at 30 June	1,445	747
Subventions revenue to Council during the year	184	368
Subventions payable to Council at 30 June	184	368
<b>Buller Recreation Limited</b>		
Service level fee paid by Council to Buller Recreation	853	853
Service level fee paid in advance by Council to Buller Recreation	76	0
Services provided to Council during the year	0	2
Services provided by Council during the year	20	21
Accounts receivable from Council at 30 June	0	0
Loans owed to Council at 30 June	270	326
Contribution towards Hockey Turf	0	598
<b>Buller Holdings Limited</b>		
Accounts payable to Council at 30 June	111	88
Loans owed to Council at 30 June	2,364	2,364
Subventions revenue to Council during the year	457	574
Interest Expenses paid to Council	111	88
Total Shares Issued to Council	19,033	18,988
Shares Issued during the year	45	0
<b>Westport Airport Authority Limited</b>		
Services provided by Council during the year	30	31
Services provided by Westreef during the year	15	29
Rates, lease and interest charges paid to Council during the year	2	10
Current account balance owed (to) from Council at 30 June	72	76
Lease Payments made to Westport Harbour Ltd during the year	3	3

	Actual 2013/2014 \$000	Actual 2012/2013 \$000
<b>Westport Harbour Limited</b>		
Services provided by Council during the year	114	113
Interest Expenses paid to Council	34	27
Lease Payments made to Council during the year	206	206
Loans owed to Council at 30 June	200	200
Advances relating to purchase of business as at 30 June	479	479
Accounts payable to Council at 30 June	87	45
<b>Buller Health Trust</b>		
Interest paid to Council during the year	0	3
<b>Buller Arts and Recreation Trust</b>		
Funds paid to Council during the year	14	40
Accounts payable to Council at 30 June	12	0

In addition there are administration services provided by Council to Buller Health Trust during the year for no consideration.

No debts or transactions were written off between parties during the period (2012/2013: No debts were written off).

### Key Management and Members of Council

Mayor Pat McManus (elected member until 15 October 2013) is a director/owner of Rainbow Cake Kitchen. Up until this date goods to the value of \$54 were provided to Council (2012/2013: \$746). In addition no goods or services were provided by Gibbys Café (related party as guarantor to a loan) (2012/2013: Nil).

Councillor Margaret Montgomery (elected member until 15 October 2013) is an owner of Westport Holiday Park. Up until this date there were no goods or services provided to Council (2012/2013: \$1,370).

Councillor Peter Campbell (elected member until 15 October 2013) is a principal of Campbell And Associates. Up until this date no goods or services were provided to Council (2012/2013: Nil). At a Group level goods and services to the value of \$4,627 were provided to Council controlled entities (2012/2013: \$10,761).

Mayor Garry Howard (elected member from 16 October 2013) is a Director of Swordfish Limited. From 16 October 2013 until the end of the period reserve contributions to the value of \$110,371 were paid to Council by the company.

Councillor Sharon Roche (elected member from 16 October 2013) is a director/shareholder of IT@Work. From 16 October 2013 until the end of the period goods to the value of \$1,274 were provided to Council. Councillor Roche is also a director of Buller Electricity Limited which owns Electro Services Limited. From 16 October 2013 until the end of the period goods and services to the value of \$79,332 were provided to Council.

Key Management Personnel Compensation	Actual 2013/2014 \$000	Actual 2012/2013 \$000
Salaries and other short term employee benefits	933	872
Post employment, other long term benefits and share-based payments	0	0
	933	872

Key management personnel include the Mayor, Councillors, Executive and other senior management personnel.

## Note 24 ~ Council Subsidiaries, Associates & Joint Ventures

Council has a significant interest in the following entities:

Entity	Ownership	Status	Principal Activities	Interest held by Council
WestReef Services Limited	Subsidiary	CCTO	Infrastructure, Maintenance & Construction	100%
Buller Holdings Limited	Subsidiary	CCTO	Ownership of Selected Council Assets & Investments	100%
Westport Harbour Limited	Subsidiary	CCTO	Port Operations	100%
Buller Recreation Limited	Subsidiary	CCO	Sports and Recreation Facilities	100%
Buller Health Trust	Controlled	Exempted as a CCO	Dental Services	100%
Buller Arts and Recreation Trust	Controlled	Controlled	Charitable Trust	100%
Westport Airport Authority	Joint Venture	CCO	Airport Operation	50%
Tourism West Coast (INC)	Associate	Exempted as a CCO	Incorporated Society	29%
Denniston Heritage Trust	Associate	Trust	Incorporated Society	29%

CCTO: Council Controlled Trading Organisation

CCO: Council Controlled Organisation

Council passed a resolution to exempt Tourism West Coast and Buller Health Trust as a Council Controlled Organisation as is permitted under the Local Government Act (2002).

### Westport Airport Authority

Westport Airport Authority is proportionately consolidated on a line-by-line basis in the Parent Financial Statements.

In 2013/2014 there were no contributions made by the joint venture holders (2012/2013: contributions of \$526,334 were made).

Buller District Council's 50% share of its interest in the joint venture is detailed as follows:

	2013/2014 \$000	2012/2013 \$000
Current Assets	6	4
Long Term Assets (represented by Equity)	2,963	3,016
Current Liabilities	3	3
Long Term Liabilities	0	0
Income	57	58
Expenses	111	126

## Note 25 ~ Statement of Commitments, Contingent Liabilities & Contingent Assets

Commitments	Parent		Group	
	Actual 2013/2014 \$000	Actual 2012/2013 \$000	Actual 2013/2013 \$000	Actual 2012/2013 \$000
Capital Commitments Approved and Contracted	1,562	414	1,744	634
<b>Non-cancellable Operating Lease Commitments</b>				
Motor Vehicles:				
Not later than a year	8	12	8	12
Later than one year but not later than five years	3	10	3	10
Later than five years	0	0	0	0
	11	22	11	22
Office Equipment:				
Not later than a year	57	54	57	54
Later than one year but not later than five years	0	54	0	54
Later than five years	0	0	0	0
	57	108	57	108

Westport Harbour Ltd leases land and buildings from Buller District Council. Operating lease revenue are as follows:

### Lease Revenue commitments with Westport Harbour Limited

	2013/2014 \$000	2012/2013 \$000
Less than a year	206	206
More than 1 year less than 2	125	206
More than 2 years less than 5	324	341
Greater than 5 years	3,366	3,474
	4,021	4,227

### Other Contracts

The following contracts (except for the refuse, recycling and landfill contract which ended in 2014) were renewed with WestReef Services Limited in 2012/2013 for another 7 years and expire on 30 June 2019. These contracts are rolled over annually.

	2013/2014 \$000	2012/2013 \$000
Utility Services and Fire Fighting	1,079	990
Parks, Reserves, and Cemeteries	843	834
Refuse Collection, Recycling and Landfill Operation	550	471
	2,472	2,295

These contracts have a seven year right of renewal (except for Landfill Operation) subject to negotiation between the parties. It has been agreed that the existing contracts be rolled over for a further year until further notice.

Council's Roothing Network Maintenance Contract was renewed in July 2010 under Transfund's Competitive Pricing Procedures. The existing contract has been extended for subsequent renewable yearly terms since then. The commitments under this contract are as follows:

Roothing	2013/2014 \$000	2012/2013 \$000
Not later than one year	2,169	2,250



## Contingent Liabilities

Contingent Liabilities for Council and the Group are as follows:

- Council has a suspensory loan as at 30 June 2014 of \$400,000 owing to Housing New Zealand. If Council decides not to proceed with planned pensioner housing upgrades then this amount is required to be paid back (2012/2013: \$400,000).
- Council has provided the Coaltown Trust with a guarantee for \$500,000.
- Council has no outstanding leaky home claims for which it may be liable (2012/2013: no leaky home claims), (2012/2013: There was a claim against Council by a commercial property owner. The owner claimed a building that they purchased in 2007 should not have been signed off as meeting earthquake standards by Council when it issued a building consent for alterations performed on the building in 2007. The matter is being handled by Council's insurers and Council's exposure is limited to the excess on Council's insurance policy).
- 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 superannuation scheme. In the unlikely event that the other participating employers cease to participate in the scheme, the Council could be responsible for the entire deficit of the scheme. Similarly, if a number of employers ceased to participate in the scheme, Council could be responsible for an increased share of the deficit. The Fund has advised that insufficient information is available to use defined benefit accounting as it is not possible to determine, from the terms of the scheme, the extent to which the deficit will affect future contributions by employers, as there is no prescribed basis for allocation.
- Westreef had \$651,000 in Performance Bonds outstanding with Westpac as at 30 June 2014 (2012/2013: \$64,000).
- Buller Health Trust has no contingent liabilities as at 30 June 2014. (2012/2013 nil).
- Buller Holdings Limited has no contingent liabilities as at 30 June 2014 (2012/2013: nil).
- Westport Harbour Ltd has no contingent liabilities as at 30 June 2014 (2012/2013: nil).
- Buller Arts & Recreation Trust and Tourism West Coast (Inc) also have no contingent liabilities as at 30 June 2014 (2012/2013: Nil).

## Contingent Assets

Buller District Council has a contingent asset relating to construction of the Solid Energy Centre's hockey turf. The turf had not met expectations as a playing surface. Council met with contractors involved in the original construction of the hockey ground to seek settlement. As at balance date no settlement has been agreed.

A significant storm event in April 2014 has resulted in a potential claim with Council's insurers for damage to Council assets. As at balance date this claim amounted to \$12,000 above Council's deductible on the insurance policy. Payment will be contingent on Council's insurer accepting the claim in full.

The Group has no other contingent assets as at 30 June 2014.

Council has a lease in place with Coaltown Trust for lease of the Cultural Hub building. The lease commitments are as follows:

### Lease Revenue commitments with Coaltown Trust

	2013/2014 \$000	2012/2013 \$000
Less than a year	67	67
More than 1 year less than 2	67	67
More than 2 years less than 5	201	201
Greater than 5 years	268	335
	603	670

## Note 26 ~ Capital Management

The Council's capital is its equity (or ratepayers funds), which comprise retained earnings, reserves and asset revaluation 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 the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the 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 the 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 the Long Term Plan.

Buller District 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.

### Financial Instrument Risks

Buller District 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.

### Market Risk

#### Price Risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. Council may be exposed to equity securities price risk on its investments, which are classified as financial assets held at fair value through equity. This price risk on its investment portfolio in accordance with the limits set out in Council's Investment Policy.

Council currently doesn't hold listed equity instruments which are publicly traded and included in the NZX50 equity index.

#### 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 investments are disclosed in Note 12 and on Council's borrowings in Note 18.

#### 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. Borrowings 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 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.

#### Cashflow Interest Rate Risk

Cashflow interest rate risk that the cashflows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose Council to cashflow interest rate risk.

Council manages its cashflow 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, except for funds owed by New Zealand Transport Agency (NZTA) for subsidised roading works. Other than this it has a large number of credit customers, mainly ratepayers. Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

#### 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 meetings 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 against its overdraft facility of \$1,250,000 (2012/2013: \$1,250,000). There are no restrictions on the use of this facility.

The maturity profiles of Council's interest bearing investments and borrowings are disclosed in Note 18.

	Parent		Group	
	2013/2014 \$000	2012/2013 \$000	2013/2014 \$000	2012/2013 \$000
<b>Financial Assets</b>				
Loans and Receivables:				
Cash and Cash Equivalents	2,499	2,084	4,689	3,341
Debtors and Other Receivables	4,718	5,608	5,110	5,872
Other Financial Assets:				
- Short Term Deposits	10,640	11,972	10,640	12,496
- Community Loans	0	0	0	0
- Loans to Related Parties	3,313	3,369	0	0
<b>Total Loans and Receivables</b>	<b>21,170</b>	<b>23,033</b>	<b>20,438</b>	<b>21,709</b>
Fair Value through other Comprehensive Income				
Other Financial Assets:				
- Unlisted shares	37	39	37	39
<b>Total Fair Value Through Other Comprehensive Income</b>	<b>37</b>	<b>39</b>	<b>37</b>	<b>39</b>
Fair Value through Surplus/Deficit - Held for Trading				
Derivative Financial Instrument Assets	61	0	61	0
<b>Total Financial Assets At Fair Value through Surplus/Deficit</b>	<b>61</b>	<b>0</b>	<b>61</b>	<b>0</b>
<b>Financial Liabilities</b>				
Fair Value through Surplus/Deficit - Held for Trading				
Derivative Financial Instrument Liabilities	124	434	124	434
<b>Total Financial Liabilities at Fair Value through Surplus/Deficit</b>	<b>124</b>	<b>434</b>	<b>124</b>	<b>434</b>
Financial Liabilities At Amortised Cost				
Creditors And Other Payables	3,844	3,132	4,122	3,400
Borrowings:				
- Bank Overdraft	0	0	0	0
- Secured Loans	23,694	25,650	23,694	25,650
<b>Total Financial Liabilities At Amortised Cost</b>	<b>27,538</b>	<b>28,782</b>	<b>27,816</b>	<b>29,050</b>

## Fair Value Hierarchy Disclosures

For those instruments recognised at fair value in the statement of financial position fair values are determined according to:

- Valuation techniques using observable inputs (level 2) - Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non-observable inputs (level 3) - Financial instruments valued using models where one or more significant inputs are not observable.

	Observable Inputs \$000	Significant Non- Observable Inputs \$000	Total \$000
<b>Parent 2013/2014</b>			
Financial Assets:			
Unlisted Shares	0	37	37
Derivative Financial Instrument Assets	61	0	61
Financial Liabilities:			
Derivative Financial Instrument Liabilities	124	0	124
<b>Group 2013/2014</b>			
Financial Assets:			
Unlisted Shares	0	37	37
Derivative Financial Instrument Assets	61	0	61
Financial Liabilities:			
Derivative Financial Instrument Liabilities	124	0	124

	Observable Inputs \$000	Significant Non- Observable Inputs \$000	Total \$000
<b>Parent 2012/2013</b>			
Financial Assets:			
Unlisted Shares	0	39	39
Derivative Financial Instrument Assets	0	0	0
Financial Liabilities:			
Derivative Financial Instrument Liabilities	434	0	434
<b>Group 2012/2013</b>			
Financial Assets:			
Unlisted Shares	0	39	39
Derivative Financial Instrument Assets	0	0	0
Financial Liabilities:			
Derivative Financial Instrument Liabilities	434	0	434

## Maximum Exposure to Credit Risk

Buller District Council's maximum exposure for each class of financial instrument is as follows:

	Parent		Group	
	2013/2014 \$000	2012/2013 \$000	2013/2014 \$000	2012/2013 \$000
Cash at Bank and Term Deposits	13,138	14,056	15,328	15,837
Debtors and Other Receivables	4,718	5,608	5,110	5,872
Community and Related Party Loans	3,313	3,369	0	0
<b>Total Credit Risk</b>	<b>21,170</b>	<b>23,033</b>	<b>20,438</b>	<b>21,709</b>

## Credit Quality of Financial Assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poors or Fitch Credit Ratings (if available) or to historical information about counterparty default rates:

	Parent		Group	
	2013/2014 \$000	2012/2013 \$000	2013/2014 \$000	2012/2013 \$000
<b>Counterparties With Credit Ratings</b>				
Cash at Bank and Term Deposits:				
AA	9,670	10,588	11,860	12,369
BB	3,468	3,468	3,468	3,468
<b>Total Cash at Bank and Term Deposits</b>	<b>13,138</b>	<b>14,056</b>	<b>15,328</b>	<b>15,837</b>
<b>Counterparties Without Credit Ratings</b>				
Cash at Bank and Term Deposits:				
Existing counterparty with no defaults in the past	0	0	0	0
<b>Total Cash at Bank and Term Deposits</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Community and Related Party Loans:				
Existing counterparty with no defaults in the past	3,313	3,369	0	0
<b>Total Community and Related Party Loans</b>	<b>3,313</b>	<b>3,369</b>	<b>0</b>	<b>0</b>

## Contractual Maturity Analysis of Financial Liabilities

This table analyses Buller District Council's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date.

The amounts disclosed are the contractual undiscounted cashflows.

	Carrying Amount \$000	Contractual Cashflows \$000	Less than 1 Year \$000	1-2 Years \$000	2-5 Years \$000	More Than 5 Years \$000
<b>Parent 2013/2014</b>						
Creditors and Other Payables	3,844	3,844	3,844	0	0	0
Net Settled Derivative Liabilities	124	124	0	12	112	0
Bank Overdraft	0	0	0	0	0	0
Secured Loans	23,694	27,618	3,127	5,475	14,868	4,148
<b>Total</b>	<b>27,662</b>	<b>31,586</b>	<b>6,971</b>	<b>5,487</b>	<b>14,980</b>	<b>4,148</b>

<b>Group 2013/2014</b>						
Creditors and Other Payables	4,122	4,122	4,122	0	0	0
Net Settled Derivative Liabilities	124	124	0	12	112	0
Bank Overdraft	0	0	0	0	0	0
Secured Loans	23,694	27,618	3,129	5,475	14,868	4,148
<b>Total</b>	<b>27,940</b>	<b>31,864</b>	<b>7,248</b>	<b>5,487</b>	<b>14,980</b>	<b>4,148</b>

	Carrying Amount \$000	Contractual Cashflows \$000	Less than 1 Year \$000	1-2 Years \$000	2-5 Years \$000	More Than 5 Years \$000
<b>Parent 2012/2013</b>						
Creditors and Other Payables	3,132	3,132	3,132	0	0	0
Net Settled Derivative Liabilities	434	434	0	20	(1)	415
Bank Overdraft	0	0	0	0	0	0
Secured Loans	25,650	29,568	2,156	11,425	10,823	5,164
<b>Total</b>	<b>29,216</b>	<b>33,134</b>	<b>5,288</b>	<b>11,445</b>	<b>10,822</b>	<b>5,579</b>

<b>Group 2012/2013</b>						
Creditors and Other Payables	3,400	3,400	3,400	0	0	0
Net Settled Derivative Liabilities	434	434	0	20	(1)	415
Bank Overdraft	0	0	0	0	0	0
Secured Loans	25,650	29,568	2,156	11,425	10,823	5,164
<b>Total</b>	<b>29,484</b>	<b>33,402</b>	<b>5,556</b>	<b>11,445</b>	<b>10,822</b>	<b>5,579</b>

## Contractual Maturity Analysis of Financial Assets

This table analyses Buller District Council's financial assets into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Carrying Amount \$000	Contractual Cashflows \$000	Less than 1 Year \$000	1-2 Years \$000	2-5 Years \$000	More Than 5 Years \$000
<b>Parent 2013/2014</b>						
Cash and Cash Equivalents	2,499	2,499	2,499	0	0	0
Debtors and Other Receivables	4,718	4,718	4,718	0	0	0
Other Financial Assets:						
- Short Term Deposits	10,640	12,291	12,291	0	0	0
- Net Settled Derivative Assets	61	61	15	0	46	0
- Loans to Related Parties	3,313	3,556	3,237	80	239	0
<b>Total</b>	<b>21,231</b>	<b>23,125</b>	<b>22,760</b>	<b>80</b>	<b>285</b>	<b>0</b>

<b>Group 2013/2014</b>						
Cash and Cash Equivalents	4,689	4,689	4,689	0	0	0
Debtors and Other Receivables	5,110	5,110	5,110	0	0	0
Other Financial Assets:						
- Short Term Deposits	10,640	10,640	10,640	0	0	0
- Net Settled Derivative Assets	15	15	15	0	0	0
- Loans to Related Parties	0	0	0	0	0	0
<b>Total</b>	<b>20,454</b>	<b>20,454</b>	<b>20,454</b>	<b>0</b>	<b>0</b>	<b>0</b>

	Carrying Amount \$000	Contractual Cashflows \$000	Less than 1 Year \$000	1-2 Years \$000	2-5 Years \$000	More Than 5 Years \$000
<b>Parent 2012/2013</b>						
Cash and Cash Equivalents	2,084	2,084	2,084	0	0	0
Debtors and Other Receivables	5,608	5,608	5,608	0	0	0
Other Financial Assets:						
- Short Term Deposits	11,972	12,291	12,291	0	0	0
- Loans to Related Parties	3,369	3,556	3,237	80	239	0
<b>Total</b>	<b>23,033</b>	<b>23,539</b>	<b>23,220</b>	<b>80</b>	<b>239</b>	<b>0</b>

<b>Group 2012/2013</b>						
Cash and Cash Equivalents	3,341	3,341	3,341	0	0	0
Debtors and Other Receivables	5,872	5,872	5,872	0	0	0
Other Financial Assets:						
- Short Term Deposits	12,496	12,496	12,496	0	0	0
- Loans to Related Parties	0	0	0	0	0	0
<b>Total</b>	<b>21,709</b>	<b>21,709</b>	<b>21,709</b>	<b>0</b>	<b>0</b>	<b>0</b>



## Financial Instrument Risks

### Sensitivity Analysis

The tables below illustrate the potential profit and loss and equity (excluding retained earnings) impact for reasonably possible market movements, with all other variables held constant, based on Buller District Council's financial instrument exposures at the balance date.

Council - Interest Rate Risk	Note	2013/2014 \$000				2012/2013 \$000			
		-100bps		+100bps		-100bps		+100bps	
		Profit	Other Equity	Profit	Other Equity	Profit	Other Equity	Profit	Other Equity
<b>Financial Assets</b>									
Cash and Cash Equivalents	1	(10)	0	10	0	(12)	0	12	0
Other Financial Assets - short term deposits	2	(106)	0	106	0	(119)	0	119	0
Other Financial Assets - derivatives held for trading	3	(20)	0	20	0	0	0	0	0
<b>Financial Liabilities</b>									
Derivatives - held for trading	4	(180)	0	180	0	(170)	0	170	0
Borrowings - Secured Loans	5	34	0	(34)	0	83	0	(83)	0
<b>Total Sensitivity to Interest Rate Risk</b>		<b>(282)</b>	<b>0</b>	<b>282</b>	<b>0</b>	<b>(218)</b>	<b>0</b>	<b>218</b>	<b>0</b>

### Explanation of Sensitivity Analysis - Council

#### Financial Assets

##### 1. Cash and Cash Equivalents

Cash and cash equivalents of \$2,499,000 (2012/2013: \$2,084,000) of which \$1,499,000 (2012/2013: \$934,000) are held in non-interest bearing cheque deposit accounts. A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$10,000 (2012/2013: \$12,000).

##### 2. Other Financial Assets - Short Term Deposits

Short Term Deposits consist of term deposits at financial institutions and total \$10,640,000 (2012/2013: \$11,972,000). A movement in interest rates of plus or minus 1.0% has an effect on investment income of \$106,000 (2012/2013: \$120,000).

##### 3. Other Financial Assets - Derivatives - Held for Trading

Derivative financial instruments held for trading consist of interest rate swaps with a fair value totalling \$61,000 (2012/2013: nil). A movement in interest rates of plus or minus 1.0% has an effect on realised receipts/(payments) on the derivatives during the period of \$20,000 (2012/2013: Nil).

#### Financial Liabilities

##### 4 Derivatives - Held For Trading

Derivative financial instruments held for trading consist of interest rate swaps with a fair value totalling \$124,000 (2012/2013: \$434,000). A movement in interest rates of plus or minus 1.0% has an effect on realised receipts/(payments) on the derivatives during the period of \$180,000 (2012/2013: \$170,000).

##### 5. Borrowings - Secured Loans

Council has floating rate debt with a principal amount totalling \$3,424,000 (2012/2013: \$8,324,000). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$34,000 (2012/2013: \$83,000). A movement in market interest rates on fixed rate debt does not have any impact on interest expense.

Council - Interest Rate Risk	Note	2013/2014 \$000				2012/2013 \$000			
		-100bps		+100bps		-100bps		+100bps	
		Profit	Other Equity	Profit	Other Equity	Profit	Other Equity	Profit	Other Equity
<b>Financial Assets</b>									
Cash and Cash Equivalents	1	(16)	0	16	0	(17)	0	17	0
Other Financial Assets - short term deposits	2	(106)	0	106	0	(124)	0	124	0
Other Financial Assets - derivatives held for trading	3	(20)	0	20	0	0	0	0	0
<b>Financial Liabilities</b>									
Derivatives - held for trading	4	(180)	0	180	0	(170)	0	170	0
Borrowings - secured loans	5	34	0	(34)	0	83	0	(83)	0
<b>Total Sensitivity to Interest Rate Risk</b>		<b>(288)</b>	<b>0</b>	<b>288</b>	<b>0</b>	<b>(228)</b>	<b>0</b>	<b>228</b>	<b>0</b>

## Explanation of Sensitivity Analysis - Group

### Financial Assets

#### 1. Cash and Cash Equivalents

Cash and cash equivalents of \$4,689,000 (2012/2013: \$3,341,000) of which \$3,073,000 (2012/2013: \$1,691,000) are held in non-interest bearing cheque deposit accounts. A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$16,000 (2012/2013: \$17,000).

#### 2. Other Financial Assets - Short Term Deposits

Short Term Deposits consist of term deposits at financial institutions and total \$10,640,000 (2012/2013: \$12,496,000). A movement in interest rates of plus or minus 1.0% has an effect on investment income of \$106,000 (2012/2013: \$124,000).

#### 3. Other Financial Assets - Derivatives held for Trading

Derivative financial instruments held for trading consist of interest rate swaps with a fair value totalling \$61,000 (2012/2013: nil). A movement in interest rates of plus or minus 1.0% has an effect on realised receipts/(payments) on the derivatives during the period of \$20,000 (2012/2013: Nil).

### Financial Liabilities

#### 4. Derivatives - Held For Trading

Derivative financial instruments held for trading consist of interest rate swaps with a fair value totalling \$124,000 (2012/2013: \$434,000). A movement in interest rates of plus or minus 1.0% has an effect on realised receipts/(payments) on the derivatives during the period of \$180,000 (2012/2013: \$170,000).

#### 5. Borrowings - Secured Loans

The Group has floating rate debt with a principal amount totalling \$3,424,000 (2012/2013: \$8,324,000). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$34,000 (2012/2013: \$83,000). A movement in market interest rates on fixed rate debt does not have any impact on interest expense.

## Note 28 ~ Post Balance Date Events

There are no significant events occurring after balance date that impact on the reported financial information for the year ending 30 June 2014 for Buller District Council and the Group (2012/2013: Nil)

## Note 29 ~ Explanations of Major Variances against Budget

Explanations of major variances from Council's budget figures in the 2013/2014 Annual Plan are as follows:

### Statement of Comprehensive Income

Total revenue was \$25.1m compared to a budget of \$25m.

- Greater financial assistance was received (\$0.4m).
- Unanticipated Reserves and financial contributions (\$0.5m).
- Vested assets (\$0.25m).
- Gain on derivative contract (\$0.4m).

These gains were offset by lower Fees and charges totalling \$0.8m due to:

- Slower economic climate which impacts building and planning income and patronage across a wide variety of other activities.
- Optimistic budget for Westport metered water (\$79,000).
- Professional Services business unit Loss (\$64,000).
- Lower investment income (\$0.3m) due to term deposits being cashed in to pay down debt.

Operating Expenditure totalled \$24.6m compared to a budget of \$24.6m: main variances included:

- Lower depreciation to budget (\$0.6m). This was mainly in roading, information services and Westport sewerage.
- Finance costs were lower than budget due to the reduction in debt (\$56,000).
- Planned reduction in building and planning expenditure totalling (\$223,000) to offset lower income received.
- No requirement to impair the investments in Buller Holdings Ltd (\$0.7m).

These reductions were offset by:

- Loss on revaluation of investment land (\$505,000).
- Loss on the sale of leasehold land (\$70,000).
- Loss on sale of assets (\$ 0.3m).
- Higher other expenses associated with remediation of the Reefton landfill (\$130,000) and wide spread damage caused by Cyclone Ita . This resulted in clean-up costs in Westport and Karamea in Parks and Reserves (\$85,000) and additional costs in Roading (\$250,000).

### Statement of Financial Position

- Cash and cash equivalents were 0.9m higher than budget due to unanticipated movements in income and expense items.
- Short term investment were \$4.3m lower than budget due to the repayment of debt.
- Trade and trade receivables were \$0.4m higher than budget due to more difficult economic conditions.
- Investment in Council Controlled Trading Organisations were \$1.4m higher than budget due to the appreciation in these investments as opposed to the impairment that was predicted.
- Investment Property was \$1.2m lower than budget due to a challenging property market which marked down the value of all real estate.
- Other non current assets were \$1.8m lower than variations in construction timelines to budget.
- Trade and other payables - \$2.1m lower due to optimistic forecast levels.
- Derivative Financial Instruments - \$0.7m due to interest rates increasing and the contracts increasing in value for Council.
- Debt was \$6.2m lower due to repayment of debt and deferral of capital projects.

### Cashflow Statement

- Other income was \$0.5m high than budgeted primarily due to additional NZTA subsidy for storm damage to the Karamea highway.
- Payment to suppliers was \$1.1m higher than budgeted because of the relative level of payables anticipated in the budget verses actual balance sheet
- Interest paid was \$140,000 less than budgeted due to lower debt funded capital expenditure than budgeted and a debt repayment plan.
- Purchase of fixed assets was less than budgeted due to the carry forward of \$3m to complete the Westport and Karamea water supply upgrades. This was offset by unbudgeted expenditure for the construction of a rock wall in the Inangahua River (\$189,000) and budget over run on the construction of the Karamea Pensioner Housing (\$145,000).
- Loans raised were less than budgeted because of less capital expenditure for the period than planned.
- Repayment of loans was higher than anticipated due to a decision to pay down a portion of debt with term deposits proceeds

## Note 30 ~ Insurance of Assets

The cost of the Canterbury earthquakes has highlighted the importance of good risk management and the part insurance and/or risk financing plays when it comes to rebuilding public assets. In many instances councils can provide services in the future only through the continuing use of their assets. Public entities have had to think carefully about how they are managing their risks and how they are using the insurance and risk finance options available to them.

### Water, Waste Water and Storm Water Assets

The total value of this asset category in the financial statements as at 30 June 2014 is \$56,390,000 (cost/revaluation). These activities have a total asset value for insurance purposes of \$114,267,228. Of this \$16,916,311 of mainly above ground infrastructure plant is fully insured for replacement value. Council insures 40% of the remaining assets of \$97,350,917 directly with the Local Authority Protection Programme (LAPP) with the remaining 60% being funded by Central Government.

### Roading and Footpath Assets

The total value of these assets in the financial statements as at 30 June 2014 is \$196,883,000 (cost/revaluation). These activities are not insured by Council and do not have an asset value for insurance purposes for this activity of assets.

Council would receive a minimum of 62% subsidy from the NZTA (the NZTA financial assistance rate is currently under review and may change) with the remaining portion of the loss likely to be loan funded by Council to replace the assets. There is no self insurance fund maintained by Council for replacement of roading assets in the event of a loss.

### Wharves, Vessels and Maritime Navigation Assets

The total value of these assets in the financial statements as at 30 June 2014 is \$6,488,000 (cost/revaluation). These assets have an asset value for insurance purposes of \$16,851,735. Vessels and hydrographical equipment are fully insured for \$12,194,000.

The remaining assets comprising wharves and land based navigational assets \$4,657,735 are partially insured. Council insures 40% of the value of these assets with LAPP.

The remaining 60% of the insurance value of these assets is self insured by Council. There is currently no self insurance fund maintained by Council for replacement of these assets in the event of a loss.

### Land, Buildings, Plant & Equipment

The total value of these assets in the financial statements as at 30 June 2014 is \$28,173,000 (cost/revaluation). This activity has a total asset value for insurance purposes of \$47,621,866. This includes assets such as non infrastructure assets, Council plant and buildings and airport assets, excluding runways.

### Vehicles

The total value of assets in this category in the financial statements as at 30 June 2014 is \$988,000 (cost/revaluation). This activity has a total asset value for insurance purposes of \$972,260. All vehicles are insured for market value. Council is insured for all glass related claims.

# Accounting Policies

## Reporting Entity

The Buller District Council is a territorial local authority governed by the Local Government Act 2002.

The Buller District Council group consists of Buller District Council and its subsidiaries Buller Holdings Ltd, WestReef Services Ltd (owned by Buller Holdings Ltd), Buller Recreation Ltd and Westport Harbour Ltd (all 100% owned), subsidiaries in substance Buller Health Trust and Buller Arts and Recreation Trust (BART) and Westport Airport Authority (50% joint venture).

The primary objective of Buller District Council is to provide goods and services for the community or social benefit, rather than making a financial return. Accordingly, Buller District Council has designated itself and the group as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements of Buller District Council are for the year ended 30 June 2014. The financial statements were authorised for issue by Council on 29 October 2014.

## Basis of Preparation

The financial statements of Buller District Council have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of schedule 10, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The financial statements have been prepared on a historical cost basis, modified by the revaluation of certain infrastructural assets, investment property and financial instruments.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$1,000) unless stated. The functional currency of Buller District Council is New Zealand dollars.

There have been no changes in accounting policies during the financial year.

## Subsidiaries

Subsidiaries are those entities where Buller District Council has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the entity. This power exists where Buller District Council controls the majority voting power of the governing body or where such policies have been irreversibly predetermined by Buller District Council.

The subsidiaries of Buller District Council are Buller Holdings Limited, WestReef Services Limited, Westport Harbour Limited, Buller Recreation Limited Buller Health Trust and Buller Arts and Recreation Trust (BART).

Buller District Council measures the cost of a business combination as the aggregate of the fair values at the date of exchange, of assets given, liabilities incurred or assumed, in exchange for control of the subsidiary plus any costs attributable to the business combination.

Any excess of the cost of the business combination over Buller District Council's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities, is recognised as goodwill. If Buller District Council's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the difference will be recognised immediately in the surplus or deficit.

The purchase method of consolidation has been used to prepare the consolidated financial statements, which involves adding together like items of assets, liabilities, equity, income and expenses on a line by line basis. All significant intra-group balances, transactions, income and expenses are eliminated on consolidation.

Buller District Council's investment in its subsidiaries is carried at cost in the Buller District Council's own "parent entity" financial statements.

## Associates

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

Buller District Council accounts for an investment in an associate using the equity method. The investment in an associate is initially recognised at cost and the carrying amount is increased or decreased to recognise the share of the surplus or deficit of the associate.

The Council has two associates, Tourism West Coast and Denniston Heritage Trust. There is no equity investment and therefore no results are equity accounted for in these financial statements. Further disclosure of the results of these associates is provided in [Note 24](#).

## Joint Ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control.

Buller District Council has a 50/50 joint venture interest in the Westport Airport Authority with Ministry of Transport.

Buller District Council recognises in its financial statements the assets it controls, the liability and expenses it incurs, and the share of income that it earns from the joint venture.

## Revenue

Revenue is measured at the fair value of consideration received. Revenue from the rendering of services is recognised by the reference to the stage of completion of the transaction at balance date based on the actual service provided as a percentage of the total services to be provided.

## Rates Revenue

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable.

## Other Revenue

Buller District Council receives Government Grants from the New Zealand Transport Authority, which subsidises part of Buller District Council's costs in maintaining the local roading infrastructure. Grants are received from the Ministry of Health for eligible sewerage schemes. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure are fulfilled.

Sales of goods are recognised when a product is sold to a customer. Sales are usually in cash. The recorded revenue is the gross amount of the sale.

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Assets vested in Buller District Council are recognised as revenue when control over the asset is obtained.

Rental income is recognised on a straight line basis.

Interest income is recognised using the effective interest method.

Dividends are recognised when the right to receive the payment has been established.

## Borrowing Costs

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

## Grant Expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure at the time when such application has been received.

Discretionary grants are those grants that Buller District Council has no obligation to award and are recognised as expenditure when a successful applicant has been notified of the Buller District Council's decision.

## Income Tax

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantively enacted by balance date.

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

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

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

Deferred tax is recognised on taxable temporary differences arising from investments in subsidiaries and associates, and interests in joint ventures, except where the Council can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantively enacted by balance date.

Current tax and deferred tax is charged or credited against the surplus or deficit for the period, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity..

## Leases

### Finance Leases

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

At the commencement of the lease term, Buller District 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 Buller District Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the lease term or useful life, whichever is the shortest..

### Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of the 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 on hand, deposits held on call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown as current liabilities in the Statement of Financial Position.

## Trade and other receivables

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

Loans, including loans to community organisations made by Buller District 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 the present value of the expected future cash flows of the loan is recognised in the surplus or deficit.

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

## Inventories

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at the lower of cost and current replacement cost.

Inventories held for use in the production of goods and services on a commercial basis are valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the FIFO method.

The write down from cost to current replacement cost or net realisable value is recognised in the surplus or deficit.

## 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 the sale transaction rather than 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.

Any impairment losses for writedowns of non current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have previously been recognised.

Non current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

## Financial Assets

Buller District Council classifies its financial assets into the following four categories:

- Financial assets at fair value through surplus or deficit;
- Held-to-maturity investments;
- Loans and receivables; and
- Fair value through other comprehensive income.

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 or deficit in which case the transaction costs are recognised in surplus or deficit.

Purchases and sales of investments are recognised on trade date, the date on which Buller District Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred, Buller District Council having transferred substantially all the risks and rewards of ownership.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Buller District Council uses a variety of methods and makes assumptions that are based on market conditions existing at 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, are used to determine fair value for the remaining financial instruments.

## Financial Assets at Fair Value Through Surplus or Deficit

This category has two sub-categories:

- Financial assets held for trading
- Those designated at fair value through surplus or deficit at inception.

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management.

Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the surplus or deficit.

Currently Buller District Council recognises derivative financial instruments in this category.

## Held to Maturity Investments

Held to maturity investments are assets with fixed or determinable payments and fixed maturities that Buller District 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 or deficit.

Currently Buller District Council does not hold any financial assets in this category.



## 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 or deficit. Loans and receivables are classified as "trade and receivables" and short and long term investments in the Statement of Financial Position.

Investments in this category include loans to subsidiaries and other companies and term deposits.

## Fair Value Through Other Comprehensive Income

Financial assets at fair value through other comprehensive income are those that are designated into this category at initial recognition or are not classified in any of the other categories above.

This category encompasses:

- Investments that Buller District Council intends to hold long-term but which may be realised before maturity.
- Shareholdings that Buller District Council holds for strategic purposes. Buller District Council's investments in its subsidiary and associate companies are not included in this category as they are held at cost whereas this category is to be measured at fair value.

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

Gains and losses are recognised directly in other comprehensive income except for impairment losses, which are recognised in the surplus or deficit.

Investments in this category include shares in other companies.

## Impairment of Financial Assets

At each balance sheet date Buller District Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the surplus or deficit.

Any cumulative losses previously recognised in equity will be removed from equity and shown in the surplus or deficit.

## Derivative Financial Instruments

Buller District Council uses derivative financial instruments to hedge exposure to interest rate risks arising from financing activities. In accordance with its treasury policy, Buller District Council does not hold or issue derivative financial instruments for trading purposes. However derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

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.

The gain or loss on re-measurement to fair value is recognised immediately in surplus or deficit. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

The fair value of interest rate swaps is the estimated amount that Council would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties. The fair value of forward contracts is their quoted market price at the balance sheet date, being the present value of the quoted forward price.

Buller District Council has not adopted hedge accounting to account for its derivative financial instruments.

## Property, Plant and Equipment

Property, plant and equipment consist of:

**Council Assets** – These include land, buildings, plant and machinery, motor vehicles, office equipment, library books and the Airport runway.

**Infrastructure Assets** – These include roads, footpaths, traffic facilities, street lights, bridges, culverts, water reticulation, storm water reticulation, sewerage reticulation and landfill.

**Harbour Assets** – These include land, buildings, wharves, plant and machinery, office equipment, motor vehicles and harbour vessels.

**WestReef Assets** – These include leasehold improvements, plant and equipment, office equipment, office furniture, fittings and computer equipment.

**Buller Health Trust Assets** – These include plant and equipment and furniture and fittings.

Property, plant and equipment is shown at cost or revaluation, 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 Buller District Council and the cost of the item can be reliably measured.

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

### Disposals

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

### 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 Buller District 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 or erosion protection assets, 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:

## Council Assets

	Depreciation Rate (%)	Useful Life (Years)
Motor vehicles	15%	7
Office Equipment	10% to 50%	2 - 10
Plant and machinery	3.33% to 15%	7 - 30
Buildings	1% to 10%	10 - 100
Library Books	10%	10
Airport runway		
- Basecourse	1.3%	75
- Seal	5%	20

## Infrastructure Assets

	Depreciation Rate (%)	Useful Life (Years)
Roads		
- Formation	Not depreciated	
- Basecourse - unsealed roads	Not depreciated	
- Basecourse – sealed roads	1% to 2%	50 - 100
- Seal	4% to 12.5%	8 - 25
Footpaths		
- Basecourse	Not depreciated	
- Pavement	1.25% to 10%	10 - 80
Traffic facilities	5% to 10%	10 - 20
Street lights	3.33%	30
Bridges	1% to 2%	50 - 100
Culverts	1.11% to 1.25%	80 - 90
Water Reticulation		
- Drains	Not depreciated	
- Kerb and Channelling	1.25%	80
- Pipes	1.10% to 4.10%	25 - 100
- Valves, hydrants	1.67%	60
- Intake structures	1.11% to 2%	50 - 90
- Reservoirs	1.25%	80
- Resource Consents	2.85%	35
- Pump stations	2% to 6.67%	15 - 50
- Treatment Equipment	2% to 6.67%	15 - 50
- Tunnels	0.7% to 4%	25 - 150
Stormwater Reticulation		
- Pipes	1% to 1.54%	65 - 100
Sewerage Reticulation		
- Pipes	1% to 1.42%	70 - 100
- Treatment Plants	1.11% to 6.67%	15 - 90
- Pump Stations	1.11% to 6.67%	15 - 90
- Manholes	1.11%	90

## Harbour Assets

	Depreciation Rate (%)	Useful Life (Years)
Wharves	1.67%	60
Buildings	2.5%	40
Plant and Machinery	3.3% to 10%	10 - 30
Office Equipment	20% to 33.5%	3 - 5
Motor Vehicles	10% to 20%	5 - 10
Harbour Vessels	5% to 6.7%	15 - 20

## WestReef Services Limited Assets

	Depreciation Rate (%)	Useful Life (Years)
Leasehold Improvements	6.5% to 15%	6.7 - 15
Plant and Equipment	5.5% to 40%	2.5 - 18
Vehicles	8% to 29%	3 - 12
Office Equipment	8% to 40%	2.5 - 12.5
Office Furniture and Fittings	8% to 24%	4 - 12.5
Computer Equipment	18% to 36%	3 - 5.5

## Buller Health Trust Assets

	Depreciation Rate (%)	Useful Life (Years)
Plant and Equipment	10% to 50%	2 - 10
Furniture and Fittings	7% to 13.5%	7.4 - 14.3
Furniture and Fittings (accommodation)	16.2% to 48%	2.1 - 6.2 years

Capital work in progress is not depreciated. The total cost of the project is transferred to Property Plant and Equipment on its completion and then depreciated.

The residual value and useful life of an asset is reviewed and adjusted if applicable, at each financial year end.

## Revaluation

Those asset classes that are revalued are valued on a basis described below. 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.

**Council Land** - The Airport land was revalued to fair value as determined by market based evidence by an independent valuer. The most recent valuation was performed by Quotable Value with an effective date as at 30 June 2005. Council land is recognised at deemed cost.

**Harbour Land** - The Harbour land was revalued to fair value as determined by market based evidence by an independent valuer. The most recent valuation was performed by Quotable Value with an effective date as at 30 June 2005. Harbour land is recognised at deemed cost.

**Infrastructural Assets** - The infrastructural assets are valued on a three yearly valuation cycle at fair value determined on a depreciated replacement cost basis by an independent valuer. At balance date Buller District Council assesses the carrying values of its infrastructural assets to ensure that they do not differ materially from the assets fair value. The most recent valuation was performed by GHD Limited and the valuation is effective as at 30 June 2014. All infrastructural asset classes carried at valuation were valued. The total value of infrastructural assets valued by GHD Limited on 30 June 2014 was \$253,270,000.

## Accounting for Revaluation

Buller District Council accounts for revaluations of property, plant and equipment on a class of assets basis.

The results of revaluing are credited or debited to an asset revaluation reserve. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the surplus or deficit. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the surplus or deficit, will be recognised first in the surplus or deficit up to the amount previously expensed, and then credited to the revaluation reserve.

## Intangible Assets

### Goodwill

Goodwill is initially measured at its cost, being the excess of the cost of the acquisition over Buller District Council's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Goodwill on acquisition of subsidiaries is included in intangible assets by applying the purchase method.

Goodwill arising in business combinations is not amortised. Instead, goodwill is tested for impairment annually. After initial recognition, Buller District Council measures goodwill at cost less any accumulated impairment losses. An impairment loss recognised for goodwill will not be reversed in any subsequent period.

Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination, in which the goodwill arose.

## 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 cost, including transaction costs.

After initial recognition, Buller District Council measures all investment property at fair value as determined annually by an independent valuer. The most recent valuation of investment property was carried out by Quotable Valuations with an effective date as at 30 June 2014.

Gains or losses arising from a change in the fair value of investment property are recognised in the Surplus or Deficit.

## Impairment of Non Financial Assets

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment.

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 the assets 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 an asset are not primarily dependent on the assets ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits of service potential.

The value in use for cash generating assets is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or 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 was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

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

## Employee Entitlements

### Short Term Benefits

Employee benefits that Buller District 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.

Buller District Council recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that Buller District Council anticipates it will be used by staff to cover future absences.

Buller District Council recognises a liability and expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

### Long Term Benefits

#### - Long Service Leave and Retirement Leave

Entitlements that are payable beyond 12 months, such as long service leave and retirement gratuities, 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 and the likelihood that staff will reach the point of entitlement; and
- The present value of the estimated future cashflows. A discount rate of 4.4%, and a inflation factor of 2.9% 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.

### Superannuation Schemes

#### - Defined Contributions Schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as incurred.

## Provisions

Buller District 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.

## 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 Buller District 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:

- Retained earnings;
- Restricted reserves; and
- Asset revaluation reserve.

## Goods and Services 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 the Council at the beginning of the year in the Annual Plan. The budget figures have been prepared in accordance with NZ IFRS, using accounting policies that are consistent with those adopted by Buller District Council for the preparation of the financial statements.

## Cost Allocation

Buller District Council has derived the cost of service for each significant activity 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 an appropriate cost driver.

## Critical Accounting Estimates and Assumptions

In preparing these financial statements Buller District Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgments 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 form a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

### Landfill Aftercare Provision

The Landfill Aftercare Provision Note discloses an analysis of the exposure of Buller District Council in relation to estimates and uncertainties surrounding the landfill aftercare provision.

## Infrastructural Assets

There are a number of assumptions and estimates used when performing valuations over infrastructural assets which include:

- The physical deterioration and condition of an asset, eg 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 such as stormwater, wastewater and water supply pipes that are underground. The 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 local conditions, eg 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 or deficit. To minimize the risk, Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructure 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 modeling 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 prepare Council's infrastructural asset revaluations. The last valuation was prepared by GHD Limited on 30 June 2014.

## New Standards and Interpretations

From 1 July 2014 the public sector in New Zealand moves to new Public Benefit Entity accounting standards (PBE Standards). These standards are issued by the New Zealand Accounting Standards Board of the External Reporting Board comprising:

- Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS);
- Public Benefit Entity International Financial Reporting Standards (PBE IFRS) including Public Benefit Entity International Accounting Standards (PBE IAS); and
- Public Benefit Entity Financial Reporting Standards (PBE FRS).

There are new standards that have not been part of the current NZ IFRS PBE suite. In particular there are new standards that deal with exchange and non-exchange revenue and service concession arrangements.

It is currently expected that the adoption of these new standards will not have a significant effect on the Council's financial statements. The financial impacts of any changes will be accounted for through opening retained earnings.

### Standards and Interpretations Not Yet Adopted

Standards, amendments, and interpretations but not yet effective that have not been early adopted, and which are relevant to the Council and group, are:

- NZ IFRS 9 (2009) (PBE) Financial Instruments and NZ IFRS 9 (2010) (PBE) Financial Instruments - The Council has previously made the decision not to early adopt NZ IFRS 9 (PBE) Financial Instruments to replace NZ IAS 39 (PBE) Financial Instruments: Recognition and Measurement, as not all phases of NZ IFRS 9 (PBE) have been completed and authorised for use.

The NZ IFRS PBE suite of accounting standards currently applicable for Public Benefit Entities is interim, pending the introduction of a new set of New Zealand Public Benefit Entity Accounting Standards (PBE standards). The transition date to the PBE standards is 1 July 2014.

No disclosures have been made in regard to new or amended NZ IFRS that are only applicable to 'for profit' entities.



# Audit Report

AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

## Independent Auditor's Report

### To the readers of Buller District Council's and group's annual report for the year ended 30 June 2014

The Auditor-General is the auditor of Buller District Council (the District Council) and group. The Auditor-General has appointed me, John Mackey, using the staff and resources of Audit New Zealand to audit:

- the financial statements of the District Council and group that comprise:
  - the statement of financial position as at 30 June 2014 on page 89;
  - the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2014 on pages 87, 88 and 90;
  - the funding impact statement of the District Council on page 91;
  - the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 13 to 71; and
  - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 93 to 152;
- the statement of service provision (referred to as Council Activities) of the District Council on pages 13 to 71 and the funding impact statements in relation to each group of activities of the District Council on pages 13 to 71; and
- the disclosures of the District Council that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 8 to 11, 24, 29, 34 and 38.

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

- information about:
  - internal borrowing on pages 118 and 119;
  - council-controlled organisations on pages 73 to 85;
  - reserve funds on pages 123 to 125;
  - each group of activities carried out by the District Council on pages 13 to 71;

- remuneration paid to the elected members and certain employees of the District Council on page 97;
- employee staffing levels and remuneration on page 98;
- severance payments on page 98;
- rating base units on page 93; and
- insurance of assets on page 143.
- a report on the activities undertaken by the District Council and group to establish and maintain processes to provide opportunities for Maori to contribute to the Council's decision-making processes on page 5; and
- a statement of compliance signed by the mayor of the Council, and by the District Council's and group's chief executive on page 4.

## Opinion

### Audited information

In our opinion:

- the financial statements of the District Council and group on pages 87 to 90 and 93 to 152:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect:
    - the District Council's and group's financial position as at 30 June 2014; and
    - the results of its operations and cash flows for the year ended on that date.
- the funding impact statement of the District Council on page 91, fairly reflects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan.
- the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 13 to 71, fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan.
- the Council Activities of the District Council on pages 13 to 71:
  - complies with generally accepted accounting practice in New Zealand; and
  - fairly reflects the District Council's levels of service for the year ended 30 June 2014, including:



- the levels of service as measured against the intended levels of service adopted in the long-term plan; and
  - the reasons for any significant variances between the actual service and the expected service.
- the funding impact statements in relation to each group of activities of the District Council on pages 13 to 71, fairly reflects by each group of activities, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan.
- the disclosures on pages 8 to 11, 24, 29, 34 and 38 represent a complete list of required disclosures and accurately reflects the information drawn from District Council's audited information.

### **Compliance with the other requirements of schedule 10**

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

Our audit was completed on 29 October 2014. This is the date at which our opinion is expressed.

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

### **Basis of opinion**

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

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

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

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;

- the adequacy of all disclosures in the information we audited;
- determining the appropriateness of the reported Council Activities within the Council's framework for reporting performance; and
- the overall presentation of the information we audited.

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

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

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

## **Responsibilities of the Council**

The Council is responsible for preparing:

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

- the other information in accordance with the requirements of schedule 10 of the Local Government Act 2002.

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

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

### **Responsibilities of the Auditor**

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

### **Independence**

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



John Mackey  
Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand



**Buller** *District*

top of the **West Coast** ●

