



Buller District Council



# Annual Report

2015 / 2016

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# Message from the Mayor

It is very important that Council provides the Annual Report as an Accountability Statement, not only looking at Financial Performance against budget but also projects as detailed in the 2015-2025 Long Term Plan. The financials are covered in the Financial Performance Review.

Council Governance is not only financial and project monitoring, but social advocacy. As an example Council listened to community concerns on policing, well-being and economic development and advocated very strongly on these issues.

The communities rallied together to ensure retention of 'in the community policing' and Council put forward their concerns to Central Government and Police management for a good outcome.

The new Government agencies that provide a wide range of health and community services with assistance of many volunteers, have expressed concerns at the changes in our community and supply of adequate/appropriate support services. The Canterbury District Health Board and Buller REAP worked with the community and Council to produce 'A Buller Community Profile'. The challenge is to collectively have an action plan that addresses issues identified.

The West Coast Regional Growth Study provides a base to align the actions required to support Economic Development with Annual and Long Term Plans. There will be a cost to progress actions and partnerships with private enterprise and Government will be critical.

Over the past year we have worked with the Local Government Commission as they communicated with our communities on what Governance Structure is best and acceptable to the West Coast. While further consultation continues, the four West Coast Council's will continue to implement shared services that benefit ratepayers and the community at large.

2015/2016 has been challenging but, the future is looking better as we work to diversify economic reliance and improve infrastructure.



**Garry Howard**  
~ Mayor

# Chief Executive's Report

This Annual Report covers the performance of the Buller District Council Group operations for the period 1 July 2015 to 30 June 2016.

The annual report sets out in detail how Buller District Council and the Group has performed over the past year, what Council has done well, what needs more work and the challenges Council has met along the way. The report includes our financial performance and position, our non-financial performance (including the introduction of a number of new central government introduced mandatory KPI's for key infrastructure areas), and highlights for the year.

The overall accrual accounting result was lower than expected mainly due to movements in property market valuation which affects Council's investment property portfolio, and the movement in interest rates which affects the value of the fixed interest component of Council's debt. A more in depth review of the operating expenditure reveals that good financial discipline has been exercised by the Council, management and staff in regards to expenditure items that can be controlled and managed. The downturn in the economy continues to reduce regulatory income in building and resource consents. This was able to be offset by proactive management of the expenditure in this area, which the team is to be commended for.

This year saw the completion of the staged infrastructure upgrade of Derby Street between Rintoul and Mill Streets, completion of Burkes Creek bridge which services the Old Ghost road, a property purchase, civil defence backup generator installations and the 'welcome to Westport' signage. A number of key projects were also commenced during the year including the Reefton Community Centre upgrade.

The water upgrades have been challenging. Key advice on the Westport water supply recommended repairs to the trunk-main instead of full replacement, at this stage, and the option of repairs to the present water treatment intake tunnels instead of more costly tunnel piping option. Rural water upgrades have commenced for Inangahua Junction and a bore option for Waimangaroa is underway. The South Granity upgrade will not proceed due to affordability issues and the proposed upgrade for Ngakawau-Hector does not have the community support required to proceed in its present form. The Council is also currently working through ownership issues with this scheme which needs to be resolved before the Ministry of Health Subsidy of 50% can be uplifted.

Overall there has been continued investment in all areas of the core infrastructure areas (\$0.7m on improving the level of service and \$3.5m on asset replacements).

Net debt remains significantly below that predicted in the Long Term Plan. Interest cover remained at around 5%, well within the financial prudence benchmarks for a low growth Council. Cashflow remains positive.

In conclusion, I would like to thank to the Council staff and their willingness to be flexible and go the extra mile. This as always, is a major benefit to ratepayers.

We invite you to read on to find out more about how Council performed over the last twelve months.



**Andy Gowland-Douglas**  
~ Chief Executive

# Mayor & Councillors

## Mayor

### Garry Howard

First Elected: 2013  
| [03] 788-9684 (office)  
| [03] 789-7055 (private)  
| [027] 4474-371 (mobile)  
garry@bdc.govt.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 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)  
| [027] 260-1326 (mobile)  
connscreek@vodafone.co.nz



### Sheryl Rhind

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



# Inangahua Community Board

## Chairperson

### Jenette Hawes

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

## Board Members

### Susan Barnett

First Elected: 2015  
| [03] 732-8440 (home)  
reefton@clear.net.nz

### Alun Bollinger

First Elected: 2016  
| [03] 732-8123 (home)  
albol@kinect.co.nz

### Simon Burke

First Elected: 2016  
| [03] 732-7011 (home)  
simonariel1@gmail.com

# Statement of Compliance & Responsibility

## 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 2016 fairly reflect the financial position and operations of the Buller District Council and Group.



Garry Howard - Mayor

26 October 2016



Andy Gowland-Douglas - Chief Executive

26 October 2016

# Consultation with Maori

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

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 Māori capacity to have input into these processes.

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



Pōwhiri for Andy Gowland-Douglas (CEO) at the Arahura Marae.

# Performance Review

## An overview of our Financial Performance

### Overall Result

Total Operating Revenue was \$22.0m which was \$2.0m below budget. Councils Total Operating Expenditure was \$23.1m which exceeded budget by \$600,000. Overall Buller District Council has a \$1.1m deficit compared to a predicted surplus in the 2015/2016 Long Term Plan of \$1.5m.

Total operating revenue was lower than anticipated due to a number of factors. Subsidies and grants income was down because subsidies for drinking water upgrades were not received as the capital projects they related to were not completed at balance date. Investment income was lower than budgeted due to the timing of distributions from Buller Holdings. Economic conditions also impacted on fees and charges income from building and resource consents as well as income expected from Financial Contributions which is related to development. Council also budgeted for a gain in value in its investment properties which did not eventuate due to soft property market conditions.

Total operating expenditure, which was over budget, was mainly affected by over \$1.4m in non-cash accrual transactions including loss on derivatives, write-downs in the value of Council investment property and asset replacement writeoffs.

Some of these transactions are related to market conditions, and are not within the control of Council. Hidden in the result, which is explained in detail below, are savings made in financing costs and other expenses. These savings were made by exercising good cost control throughout Council activities and transition during the year to a more cost effective debt facility.

Total Comprehensive Revenue and Expense includes budgeted increment for revaluation of Council infrastructure assets. This was not carried out in 2015/2016 as it was not required due to the low movement in cost indexes. The revaluation and associated costs will be deferred until 2016/2017.

## Statement of Performance

### Operating revenue:

#### Subsidies and grants (\$0.8m less than budgeted)

■ Subsidies and grants were less than budgeted mainly because there was less financial assistance received than budgeted for the rural drinking water upgrades. Subsidies totalling \$1.3m for Ngakawau-Hector, Waimangaroa, Inangahua, and South Granity Tank water supplies were not received during the year as the capital projects they related to were not completed for a number of reasons. The Ngakawau-Hector drinking water supply upgrade was deferred due to lack of community support and issues around schemes design and ownership. South Granity did not proceed because it did not qualify for a subsidy and the scheme was not affordable to the residents without one. Waimangaroa and Inangahua Junction upgrades are underway but the subsidies are likely to be paid in 2016/2017.

■ In 2015/2016 Council received \$3.3m in NZTA subsidies. This was marginally lower than budget (\$82,000) due to variations in the roading programme delivered during the year.

■ The deficit in Subsidies and grants was offset by receipt of \$544,000 of unbudgeted Development West Coast grants for distribution or redistribution during the year.

#### Fees and Charges (\$212,000 less than budgeted)

Council received \$2.9m in fees and charges compared to a budget amount of \$3.1m. The variance was over a variety of Council activities. An economic slowdown in the district over the last year has resulted in less Planning income (\$118,000) and Building income (\$120,000) than expected. This is offset by a small amount of additional income from a number of other areas.

#### Development and Financial Contributions

Reserves contribution income was affected by a slowdown in development activity which resulted in \$70,000 less income than budgeted for.

#### Investment Income

In 2014/2015 Council received \$1.3m in Subvention distributions from the Holding Company compared to a budget of \$875,000. This year there is less distributed to Council (\$400,000 as opposed to a budget of \$875,000) to compensate for additional pay-out in 2014/2015. The remainder of the budget deficit of \$71,000 is attributed to less investment income from term deposits due to decreases in interest rates over the year.

## Operating Expenditure:

### Employee Benefit Expenses

(\$152,000 higher than budgeted)

The budget variance of \$152,000 was mainly made up of \$140,000 extra expenses to account for the CEO retirement, addition of staff in the Democracy area of \$29,000. The remainder was a minor variance in Professional Services Business Unit due to a higher level recruitment than budgeted for. This was offset by savings in manager salaries of \$46,000 due to a delay in recruitment of the Chief Executive Officer position until after balance date.

### Depreciation and Amortisation

(\$330,000 less than budgeted)

Depreciation was less than budgeted due to a number of capital expenditure projects that were not completed as planned, mainly water supply projects.

### Finance Costs

(\$280,000 less than budgeted)

To correctly analyse the budget variances a couple of factors need to be adjusted. Finance costs of \$120,000, which includes a budgeted finance line fee was not included in Finance Costs budget in Long Term Plan (LTP) but included in the budget for Other Expenses in that document. In addition a non-cash amount of discounting interest, which relates to movements in Councils Landfill provision over the year, of \$166,000 (credit interest) needs to be factored in to the analysis. When these factors are taken into account there is an overall saving of around \$280,000 made in finance costs compared to the budget. This is due to lower interest rates than anticipated over the course of the year and Council moving a large part of its debt facility to the Local Government Funding Agency (LGFA) which also reduced Council's standing finance costs in the process.

### Other Expenses

(\$214,000 less than budgeted)

As explained in the previous section \$120,000 including a budgeted finance line fee was not included in the Finance Costs budget in the LTP but included in the Other Expenses budget at this level. This actual cost is accounted for in Finance costs. Unbudgeted DWC grants expenses of \$342,000 are also included in the total. Factoring this into the variances analysis means there are \$214,000 less expenses than budgeted in this area. The savings are spread across a wide range of Council activities. Notable savings have been made in the Planning and Building areas and also over a wide range of cost centres in the Amenities and Reserves area. Insurance cost savings for the organisation of around \$74,000 was another category of expenses where savings were made.

### Loss on Revaluation of Investment Property

(\$793,000 unfavourable variance to budget)

A small budgeted gain was anticipated, but continuing softening of the local property market has resulted in a net non cash loss for the period.

### Loss on the Derivative Contracts

(\$425,000 unfavourable variance to budget)

A decline in interest rates throughout 2016 resulted in a non cash loss on Council's interest rate swaps of \$425,000. The decline in interest rates was not anticipated by forecasters when the 2015/2016 budgets were put together by Council.

## Statement of Position

### Council's Net debt position

Net debt (debt less term deposits) was \$10.3m at balance date. The 2015/2025 LTP budget estimated that net debt would be \$15.8m for this period.

The lower net debt levels are mainly due to the Westport water tunnel upgrade and Waimangaroa water supplies, Reefton Community Centre, Urban Streetscape and V2010 projects which have not yet been drawn down as the projects either did not proceed or were not completed at year end. Debt funding transactions for the purchase of a building asset and a bridge construction was not carried out until after balance date.

### Capital Expenditure

Council continue to maintain assets and upgrade them when required. Major projects this year have included:

- Roading capital expenditure totalling \$2m including the continuing pavement upgrade of Derby Street, remedial work on the Karamea Highway and Burkes creek bridge construction to facilitate use of the Old Ghost Road.
- Wastewater, stormwater and water infrastructure upgrade of Derby Street continued, with the block between Rintoul and Mill Street completed during the year.
- Council commenced a number of community assets during the year, notably the Reefton Community Centre.

Although not significant in value, Council completed purchase of backup generators to aid the provision of its operations in the case of a civil defence event.

■ A number of drinking water upgrades totalling \$3.5m have not been completed at balance date for a number of reasons. Council continues to work with rural communities to ensure suitable drinking water is provided to those communities.

■ Over the course of the year across all areas of infrastructure and other Council activities Council replaced \$3.5m of assets and spent \$0.6m on capital expenditure, that improved the level of service provided throughout the district compared to a capital budget of \$8.6m predicted in the Long Term Plan.

## Financial Prudence Benchmarks

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

<b>Affordability benchmarks</b>	Rates Income affordability	Rates income complies with the limits set in the council's financial strategy.	●
	Rates increases affordability benchmark	Rates increases comply with the limits set in the council's financial strategy.	●
	Debt affordability benchmark	Debt complies with the limits set in the council's financial strategy.	●
<b>Sustainability benchmarks</b>	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 10% of operating revenue.	●
<b>Predictability benchmarks</b>	Debt control benchmark	Net debt is less than or equal to forecast debt in the long-term plan.	●
	Operations control benchmark	Net cash flow from operations equals or exceeds budget.	●

Benchmark met



Benchmark not met





## For the 2015/2016 Annual Report Council has met 5 of the 8 financial prudence benchmarks.

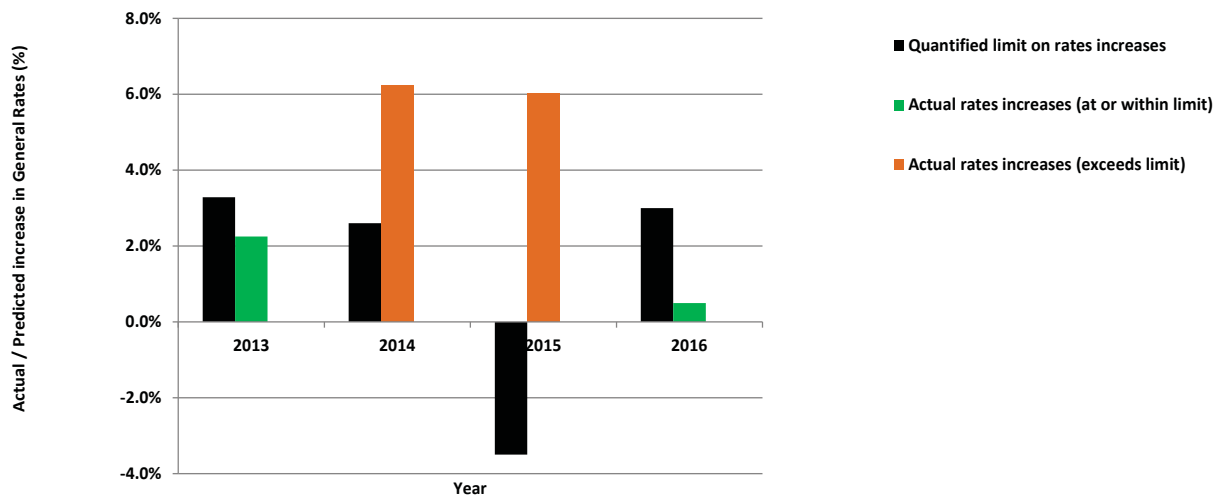
Council met all of the 3 affordability benchmarks, 1 of the sustainability benchmarks and 1 of the 2 predictability benchmarks.

Council has not met the essential services benchmark mainly because of the delays in completing the rural water projects and changes to the \$1.6m Westport water tunnel piping project.

Council did not meet the balance budget benchmark due to lower than expected income in the regulatory area, as well as budgeted subsidies that were not received for some of the water projects.

Council has not met the operations control benchmark. Actual cash flow from operations did not equal or exceed the actual cash flow due to lower income than anticipated from the Regulatory activity.

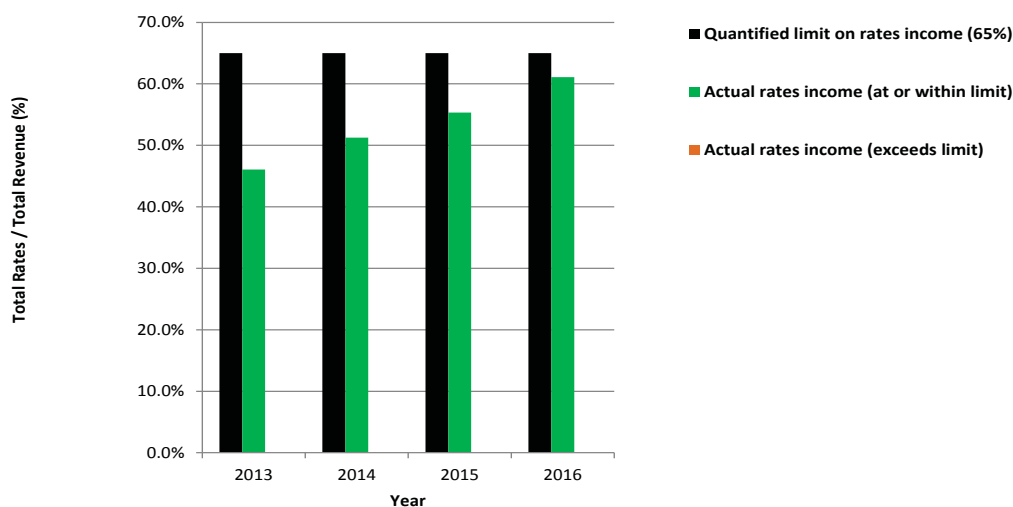
### Rates increases affordability benchmark



Council has indicated that rates limits are what had been forecast in the Long Term Plan.

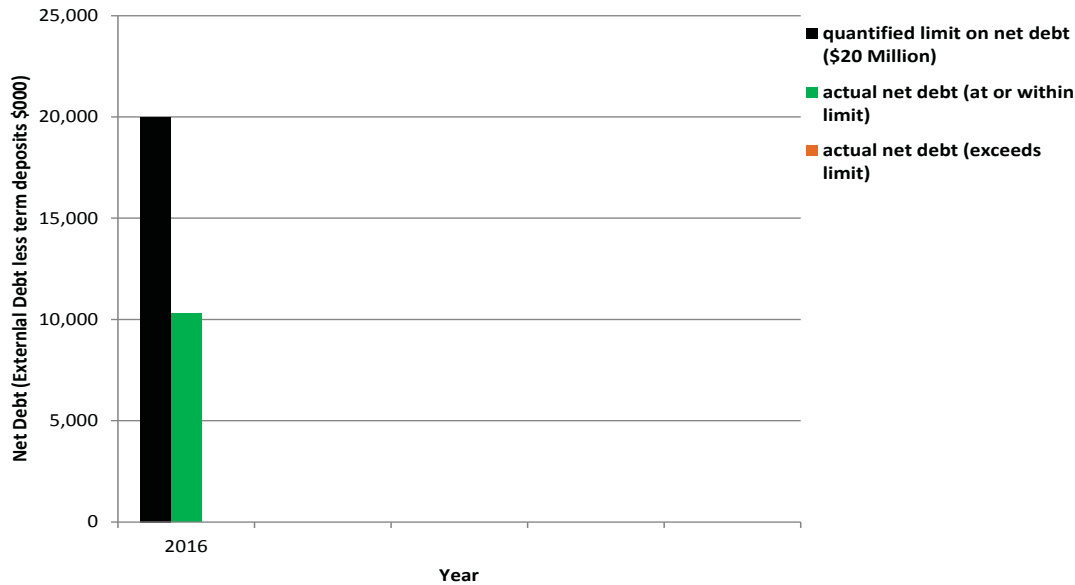
Year	Main drivers why benchmark not met
2013/2014	■ Delay in the commencement of the contracted waste management approach resulted in additional costs which were unbudgeted.
2014/2015	■ The Long Term Plan had predicted a decline. Slower economic activity resulted in a reduction in planning income (\$399,000). A change in the way Council funds Solid Waste increased General Rates (\$313,000). Assistance for the Rates Overhaul project increased General Rates.

### Rates income affordability benchmark



Council has agreed that rates income would not exceed 65% of total revenue.

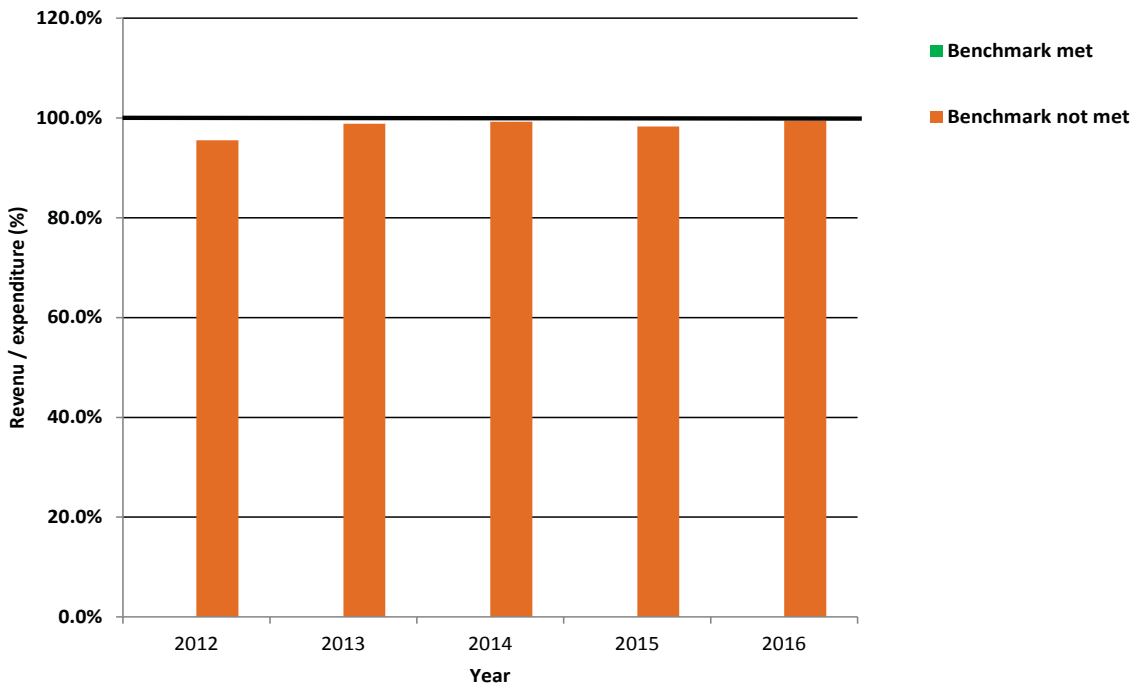
## Debt affordability benchmark



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

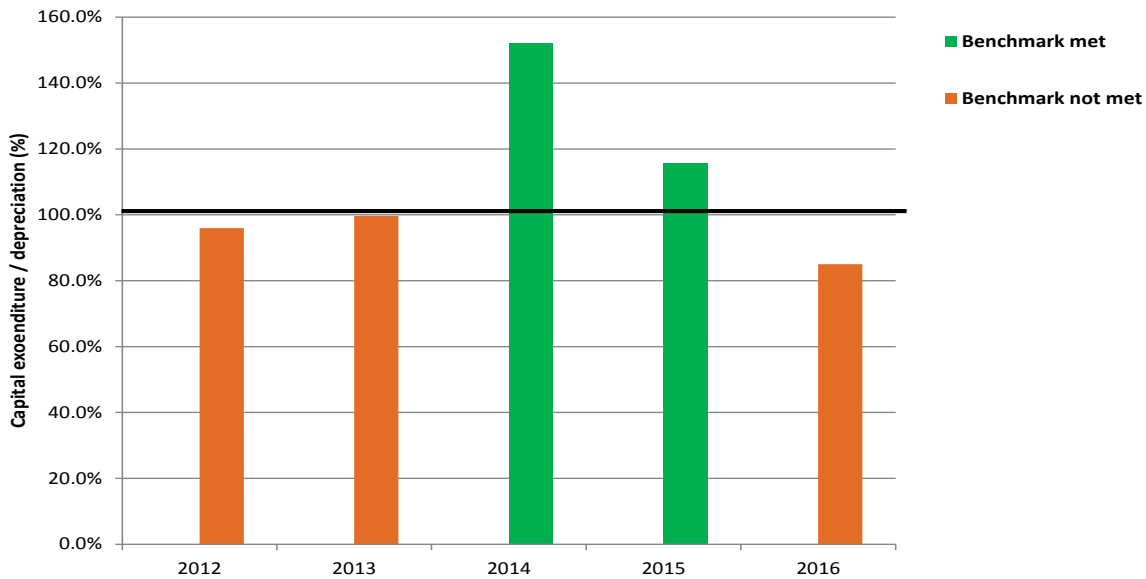
A new measure of debt affordability was adopted in the 2015-2025 Long Term Plan which measures net debt (external debt less term deposits) against a net debt ceiling of \$20 million.

## Balanced budget benchmark



Year	Main Driver why benchmark not met
2011/2012	<ul style="list-style-type: none"> <li>One-off events, such as the impairment of Council's shareholding in Buller Recreation, 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>Granting of the fitout and associated costs to the Coaltown Trust. There was a great deal of uncertainty regarding the funding of the project when the budget was approved.</li> <li>Legal and staff costs associated with high profile mining consents. Council had made a conscious decision to not budget for legal costs.</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. And lower income from fees and charges due to an economic slowdown were the main contributors to not meeting the benchmark.</li> </ul>
2014/2015	<ul style="list-style-type: none"> <li>This is attributable to the infrastructure and investment property asset disposals and the loss on the interest rate swaps.</li> </ul>
2015/2016	<ul style="list-style-type: none"> <li>This is principally because of the effect of lower than expected income.</li> </ul>

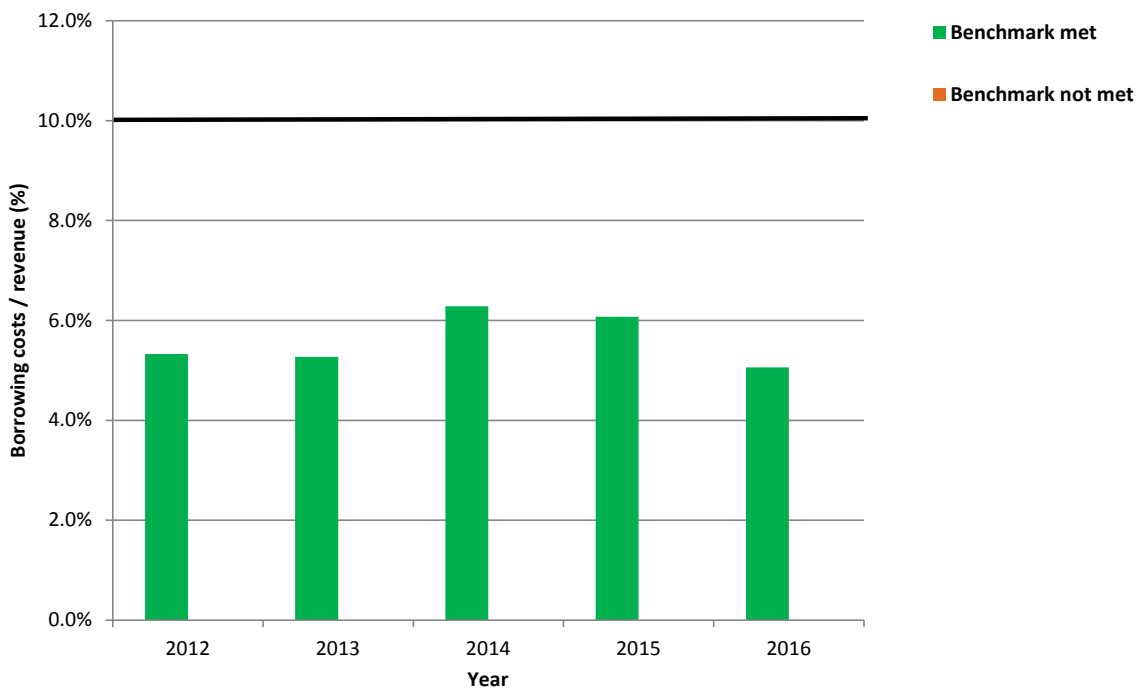
## Essential services benchmark



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

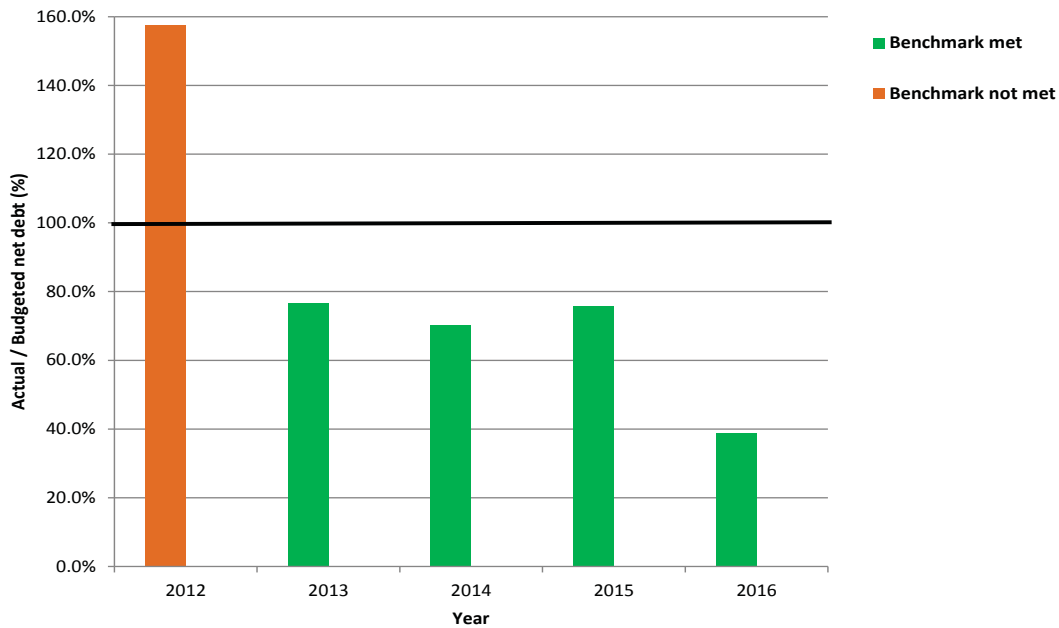
Year	Main drivers why benchmark not met
2011/2012	■ Minor variations in renewals programme compared to depreciation.
2012/2013	■ This difference was marginal (\$13,000) and is not considered material.
2015/2016	■ The difference is attributable to the water projects which have not been completed as planned in 2015/2016.

## Debt servicing benchmark



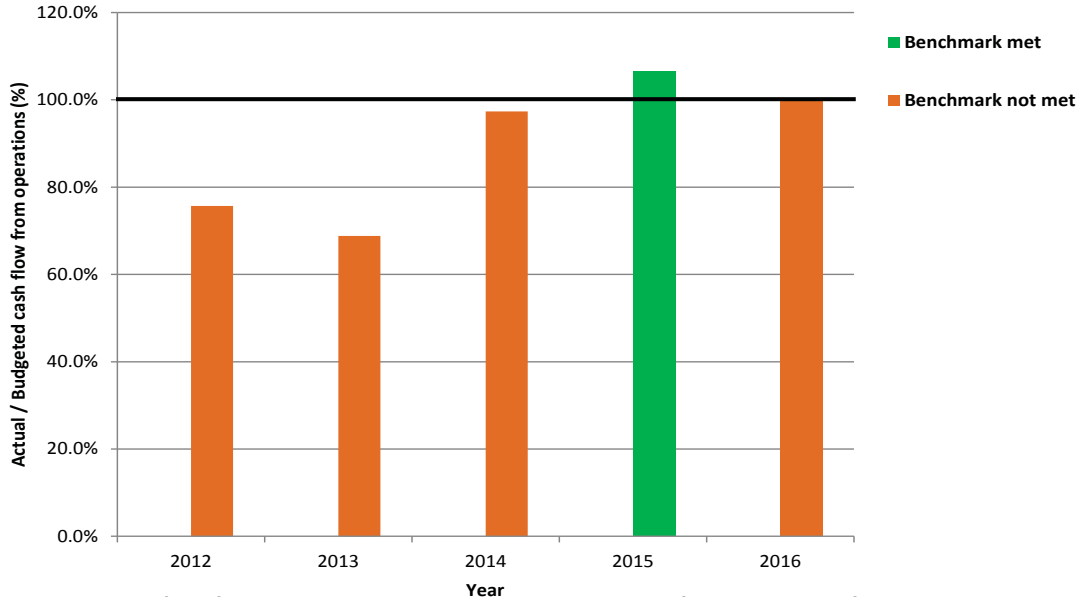
Council has continued to operate well within the low growth Council benchmark of 10%.

## Debt control benchmark



Year	Main Driver why benchmark not met
2011/2012	■ The actual net debt was not met due to investment values for the Holding Company in the 2019-2019 Long Term Plan not being met.

## Operations control benchmark



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

Year	Main Driver why benchmark not met
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.</li> <li>■ A higher volume of repairs in Reefton, Westport and Waimangaroa water supplies.</li> <li>■ Higher operational costs for Buller Recreation Ltd, relating to legal and power costs.</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, combined with lower income from fees and charged caused by an economic downturn.</li> </ul>
2015/2016	<ul style="list-style-type: none"> <li>■ Due to lower income from Regulatory activity than budgeted.</li> </ul>

# Council's Activities



The following pages set out in detail the Activity Plans for each of Council's activities, which have been grouped as follows:

- Council Activities:**
- 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

## Activities in this group include:

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



A view of Westport from onboard a Sounds Air flight.



## Why are Council involved in these activities?

*Council undertakes these activities to contribute to provide 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.
- **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 is undertaken safely and responsibly and any harm caused by excessive or inappropriate consumption minimised.
- **Civil Defence Emergency Management** ensures that the statutory requirements and the object of the Civil Defence Emergency Management Act 2002 are being met, in that we are prepared to provide planning, response and recovery in the event of an emergency;
- The **Emergency Regional Manager** position has created a working plan to enhance professional development for all emergency management personnel through training, exercises and workshops. It also strengthens the coordination and cooperation amongst all relevant sectors in planning for responding to an emergency.
- 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.

Band Rotunda  
Victoria Square, Westport

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

This activity supports the following community outcomes:

Community Outcomes	How the Council Contributes
Well-Being	<ul style="list-style-type: none"> <li>■ Provide essential services to residents and businesses to support a healthy environment.</li> <li>■ Provide and develop safe public places.</li> <li>■ Emergency management is a key function in ensuring that injury to people is minimised in the event of natural disasters.</li> <li>■ The safety of people and their property is the paramount concern of emergency management plans and processes.</li> </ul>
Learning	<ul style="list-style-type: none"> <li>■ Make information easily available about Council, its functions and services.</li> <li>■ Recognise and support education excellence and opportunity in the district.</li> </ul>
Who we are	<ul style="list-style-type: none"> <li>■ Provide opportunities for the community to work in partnership with Council.</li> </ul>
Sustainable Environment	<ul style="list-style-type: none"> <li>■ Develop policies and implement practices that enhance our environmental sustainability and natural diversity.</li> </ul>

### Statement of Service Performance

#### Alcohol Licensing

■ Council accepts and processes new and renewal licence and certificate applications. A report is then provided to the District Licensing Committee who determines the applications. Any applications for which objections have been received, and all temporary authority applications, must be determined by the full committee. All other unopposed applications may be determined by the Chairperson.

#### Local Alcohol Policy

■ At its meeting on 30 June 2015, Council formed a working group consisting of two Councillors, the Manager Community and Environment, Team Leader Planning and Policy and representatives of the police, licensing inspectors, medical officer of health and the hospital industry who were asked to make a recommendation to Council on whether to proceed with the current Draft Local Alcohol Policy or to withdraw and start again.

#### District Plan Review

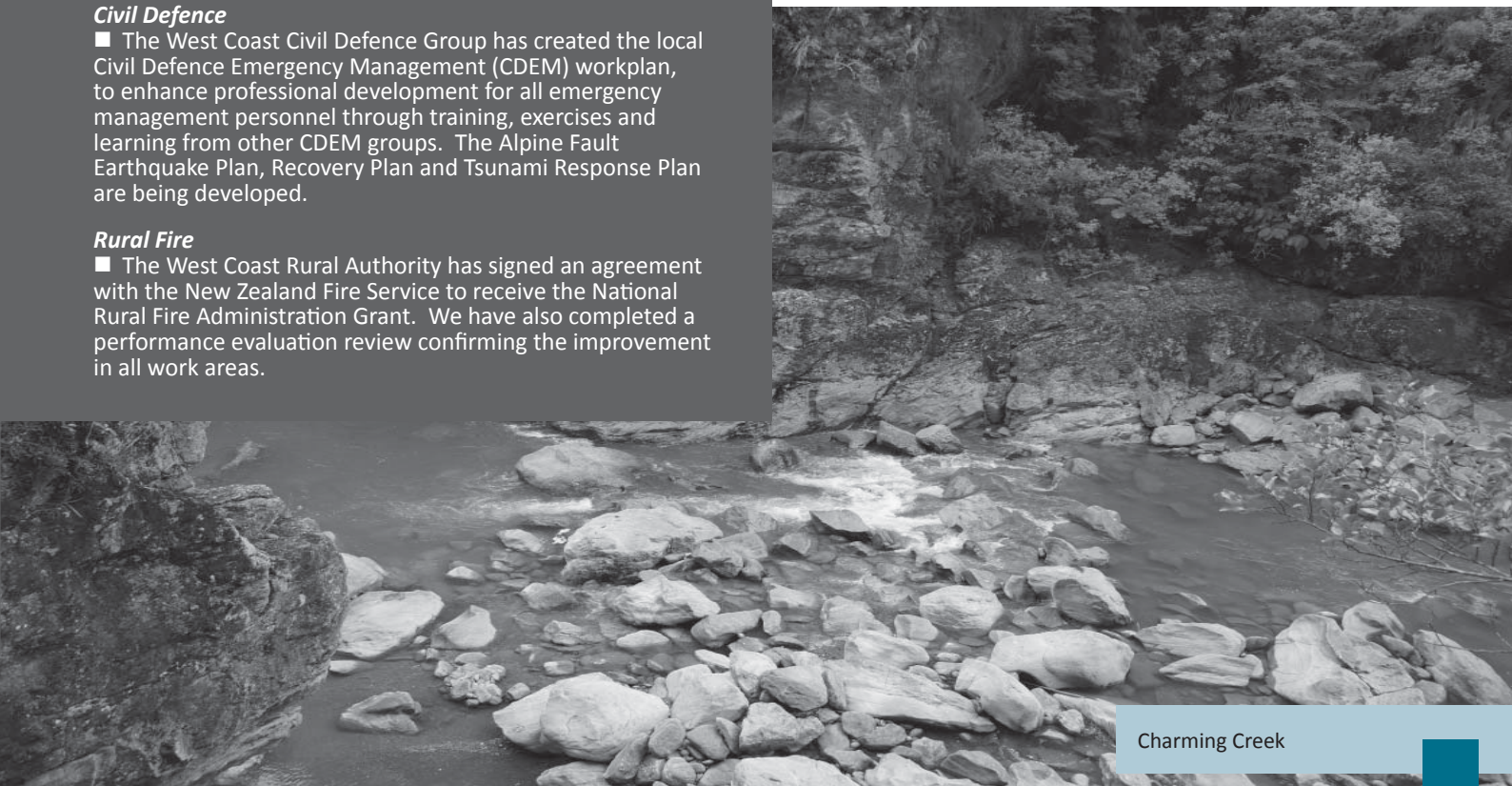
■ Council held a number of workshops over the 2014/2015 financial year to progress the review of the Buller District Plan, focusing on Parts 1-4 of the Plan. The proposed changes arising from this review were publicly notified in early 2016 and progress continues.

#### Civil Defence

■ The West Coast Civil Defence Group has created the local Civil Defence Emergency Management (CDEM) workplan, to enhance professional development for all emergency management personnel through training, exercises and learning from other CDEM groups. The Alpine Fault Earthquake Plan, Recovery Plan and Tsunami Response Plan are being developed.

#### Rural Fire

■ The West Coast Rural Authority has signed an agreement with the New Zealand Fire Service to receive the National Rural Fire Administration Grant. We have also completed a performance evaluation review confirming the improvement in all work areas.



Charming Creek

## Key Performance Indicators

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.	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 biennial IANZ Audits.	2015/2016: The next audit is due in December 2017 (2014/2015: IANZ audit was carried out during December 2015 with no corrective actions identified and accreditation as a Building Consent Authority has been continued for a further two years).	●
<b>Resource Management</b>				
To maintain quality of life through ensuring compliance with regulations.	Process non-notified resource consents within statutory timeframes.	Target 100%.	2015/2016: 100% achieved within statutory timeframes (2014/2015: 100%).	●
<b>Environmental Health</b>				
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%.	2015/2016: 100%, 104 premises inspected (2014/2015: 100%, 124 premises). No significant findings. These premises met the standards set by the Food Hygiene Regulations 1974.	●
<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).	2015/2016: Granity, Karamea, Westport and Reefton teams, consisting of 100 volunteers, are in training and undergoing a restructure of their groups (2014/2015: 100 volunteers).	●



Derby Street Playground  
Westport

### Significant Variance Explanations in comparison to the Long Term Plan (LTP)

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

- An economic slowdown in the district over the last year has had an effect on income from this area. This has principally affected Planning income (\$118,000) and Building income (\$120,000).

#### Payments to staff and suppliers:

- There have been savings in a wide range of costs in this area of expenses, including salaries and other variable expenses mainly due to less activity in the Planning and Building areas from the economic slowdown in the district over the last year.

#### Internal charges and overheads applied:

- The variance in this area is due to less expenditure than budgeted in some of the Support activities that allocate overheads to other departments. Consequently there has been a decrease in the actual overheads allocated to the Regulatory activity over the period.

#### Development and financial contributions:

- Economic slowdown in the district which has affected the level financial contributions from resource consents.

### Significant Capital Expenditure

- There was a purchase of a vehicle for General Inspection (\$34,000) which was not in the LTP budget. The lease on the current vehicle was nearing expiry and it was financially advantageous for Council to purchase rather than lease a replacement.

- A civil defence generator (\$12,000) was also purchased during the period which was capital expenditure carried over from 2014/2015.



<b>Funding Impact Statement</b>		Budget LTP 2014/2015 \$000	Budget LTP 2015/2016 \$000	Actual 2015/2016 \$000
<b>Sources of Operating Funding</b>				
General rates, uniform annual general charge, rates penalties		650	980	980
Targeted rates		0	0	0
Subsidies and grants for operating purposes		0	0	0
Fees and charges		0	0	0
Internal charges and overheads recovered		16	0	8
Interest and dividends from investments		0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts		1,671	1,040	782
<b>TOTAL Operating Funding</b>	<b>A</b>	<b>2,337</b>	<b>2,020</b>	<b>1,772</b>
<b>Applications of Operating Funding</b>				
Payments to staff and suppliers		1,692	1,407	1,189
Finance costs		14	14	14
Internal charges and overheads applied		587	558	513
Other operating funding applications		13	13	12
<b>TOTAL applications of Operating Funding</b>	<b>B</b>	<b>2,306</b>	<b>1,992</b>	<b>1,728</b>
<b>SURPLUS/(Deficit) of Operating Funding</b>	<b>A-B</b>	<b>31</b>	<b>28</b>	<b>44</b>
<b>Sources of Capital Funding</b>				
Subsidies and grants for capital expenditure		0	0	0
Development and financial contributions		0	100	30
Increase/(decrease) in debt		(31)	(45)	(11)
Gross proceeds from sale of assets		0	0	0
Lump sum contributions		0	0	0
Other dedicated capital funding		0	0	0
<b>TOTAL Sources of Capital Funding</b>	<b>C</b>	<b>(31)</b>	<b>55</b>	<b>19</b>
<b>Application of Capital Expenditure</b>				
- to meet additional demand		0	0	0
- to improve the level of service		0	0	0
- to replace existing assets		0	8	52
Increase/ (decrease) in reserves		0	75	11
Increase/ (decrease) in investments		0	0	0
<b>TOTAL Applications of Capital Funding</b>	<b>D</b>	<b>0</b>	<b>83</b>	<b>63</b>
<b>SURPLUS/(Deficit) of Capital Funding</b>	<b>C-D</b>	<b>(31)</b>	<b>(28)</b>	<b>(44)</b>
<b>FUNDING BALANCE</b>	<b>((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>



View of Westport from  
Holcim Silo

# Roading & Urban Development

## What do we do?

- The Roothing 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.

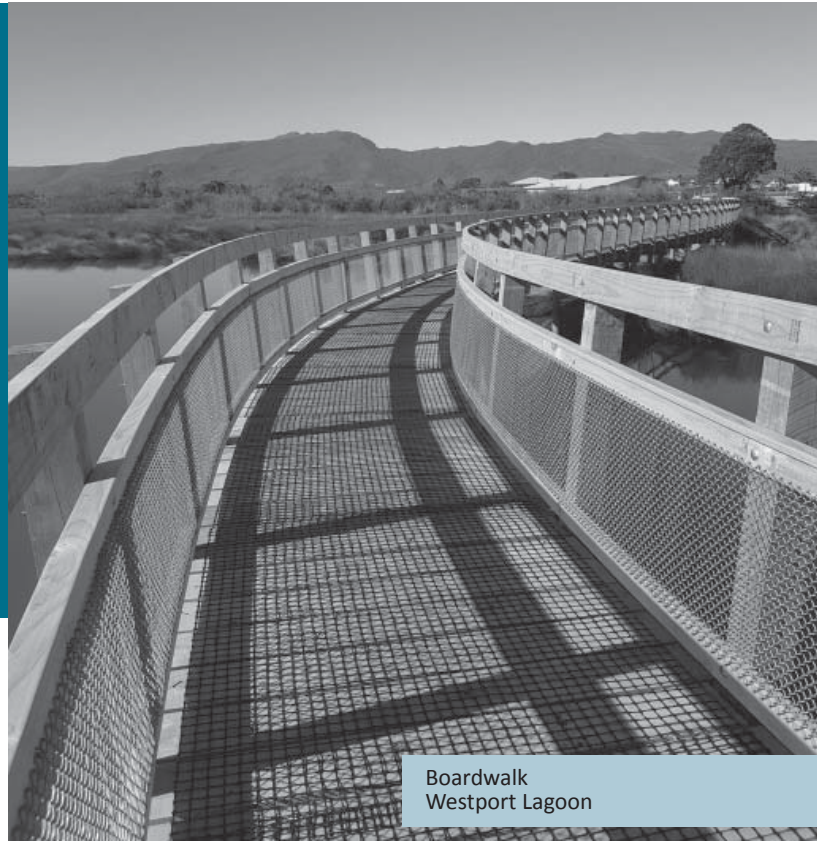
## Why are we involved in this activity?

- The Roothing 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
<b>Sustainable Environment</b>	<ul style="list-style-type: none"> <li>■ By providing a safe roading system.</li> <li>■ By helping reduce energy consumption in our community.</li> </ul>
<b>Prosperity</b>	<ul style="list-style-type: none"> <li>■ By providing everyone an easy access to the roading network by providing links to sustain rural communities.</li> </ul>
<b>Learning</b>	<ul style="list-style-type: none"> <li>■ By providing education programmes.</li> </ul>



Boardwalk  
Westport Lagoon

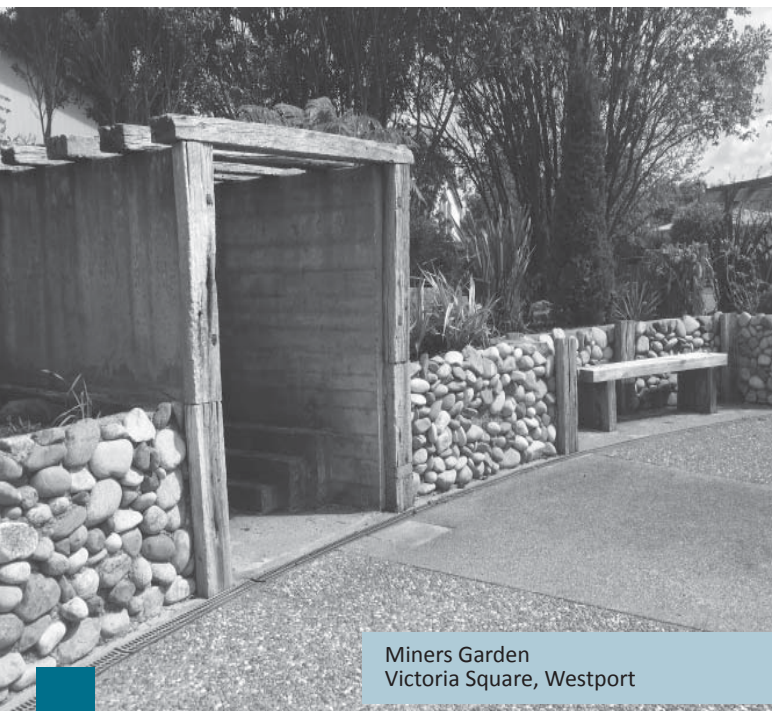
## Statement of Service Performance

### Roothing Funding

- Buller is a large district with numerous settlements and small towns along its coastline and in the hinterland. It is only able to function economically and socially because of a vital local roading network maintained by Council. Just 604km 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.
- The financial assistance rate that has been determined by the New Zealand Transport Agency is 61% for the 2015/2016 year, and this rate will increase by 1% each year thereafter until it reaches 63%. The Special Purpose Road (SPR) 100% Assistance Rate is guaranteed for the 2015/2016, 2016/2017 and 2017/2018 years only.
- Council has undertaken a classification of all the roads in the network in accordance with the guidelines developed by the New Zealand Transport Agency. The classification of the roading network will lead to levels of service being developed for each road category, this may impact on our customer's expectations.

### Major Projects

- This year remedial upgrades to the Karamea Highway included drainage facilities, pavement rehabilitation and reseals.
- Emergency works were undertaken along the Karamea Highway and Denniston Road to address drainage work and remedial structures, caused by adverse weather.
- Footpaths in Westport, Reefton and Karamea were progressively renewed/resurfaced to provide a safe environment.
- A staged upgrade of Derby Street (a major street in Westport) is taking place over 10 years, in conjunction with the replacement of services, from Salisbury Street to the railway line on Derby Street. This project has progressed so that to date the upgrade has occurred from Salisbury Street to Mill Street.
- Local road improvements were undertaken on Derby Street in Westport and The Strand and Victory Street in Reefton.
- Reseals throughout the district were also undertaken.



Miners Garden  
Victoria Square, Westport

## Customer Level of Service 2015-2025: Linkage with Council Outcomes

**Objective:** To provide and maintain a network of roads for the movement of vehicles, goods and people in a safe and efficient manner throughout the District in accordance with Council and NZTA Standards.

**Roading Contribution to the achievement of the outcomes defined:** Provide a safe, reliable, economic and efficient roading and pedestrian network in harmony with the natural environment and representing best values.

Council Outcome		Key Role of the Roothing Activity	Partial Role of the Roothing Activity	Key Service Criteria
Well-being	<ul style="list-style-type: none"> <li>a vibrant, healthy and safe community with access to quality facilities and services.</li> </ul>	Roothing provides residents access across the district to facilities and services.	Roothing provides opportunities for active transportation.	Are the roads safe?
		Road safety is an integral part of the roading activity.		Are the Footpaths comfortable to walk on?
				Are the roads 'fit for purpose'?
Learning	<ul style="list-style-type: none"> <li>a district that values and supports learning with accessible relevant education and training opportunities.</li> </ul>	Roothing provides access across the district to learning opportunities.		Are the footpaths comfortable to walk on?
Who we are	<ul style="list-style-type: none"> <li>a happening district with a strong community spirit and distinctive lifestyle.</li> </ul>	Roothing connects communities.		Are the roads 'fit for purpose'?
Sustainable Environment	<ul style="list-style-type: none"> <li>the distinctive character of the environment appreciated and retained.</li> </ul>	Roothing provides access for residents and visitors while not adversely affecting the environment	Roothing provides opportunities for active transportation.	Are the footpaths comfortable to walk on?
				Is the environment being harmed?
Prosperity	<ul style="list-style-type: none"> <li>thriving, resilient and innovative economy creating opportunities for growth and employment.</li> </ul>	Roothing supports the economy through the provision of a quality network.		Are the roads safe?
				Are the roads comfortable to drive on?
				Are the footpaths comfortable to walk on?
				Are the roads 'fit for purpose'?



Terramesh being installed at Taffy Town, Karamea Bluff

## Key Performance Indicators

What we did	What we measured	Target	Actual	Achieved
Provide a safe roading network.	Mandatory Performance Measure one: the reduction from the previous calendar year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.	No change or a reduction.	2015/2016: Fatal accidents were recorded as 2 fatalities (2014/2015: 3).	●
	The percentage of customer service requests relating to roads and footpaths to which the territorial authority responds within 15 days.	≥75%	2015/2016: 89% (2014/2015: new measure)	●
Provide a comfortable road network.	Mandatory Performance Measure two: condition of the sealed road network. The average quality of ride on a sealed local road network, measured by smooth travel exposure.	≥ 93% Smooth travel experience (10 year average).	2015/2016: Current smooth travel exposure is 96%, NAASRA roughness was 87 (2014/2015: NAASRA roughness 86%. NAASRA Roughness Count was previous measure).	●
	Mandatory Performance Measure three: maintenance of a sealed local road network. The percentage of the sealed local road network that is resurfaced.	≥ 5.8% (10 year average)	2015/2016: 5.56% (2014/2015: 5.93%)	●
Provide usable footpaths.	Mandatory Performance Measure four: condition of footpaths within the local road network.	≥ 75%	2015/2016: 77% of the footpath is ranked as grade 1&2 (satisfactory) by MWH (2014/2015: 72%).	●
	The percentage of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority's relevant document (such as its Annual Plan, Activity Management Plan, Asset Management Plan, Annual Works Programme or Long Term Plan).	≥ 95%	2015/2016: 97% of the footpath is ranked as grades 1-3 (satisfactory or deficient) by MWH (2014/2015: 97%).	●
Provide roads with the minimum environmental impact.	Monitoring records and West Coast Regional Council correspondence to ensure compliance with Resource Consent conditions.	No prosecutions – 100% compliance.	2015/2016: No prosecutions - 100% compliance (2014/2015: no prosecutions - 100% compliance).	●

### Significant Variance Explanations in comparison to the Long Term Plan (LTP)

#### Payments to staff and suppliers

■ \$257,000 of internal costs were incorrectly classified as payments to staff and suppliers in the 2015/25 LTP budget. The correct variance of \$208,000 was due to less events during the year, including flooding, that would require maintenance that was planned for in the budgets.

#### Internal charges and overheads applied

■ \$257,000 of internal costs were incorrectly classified as payments to staff and suppliers in the 2015/25 LTP. The true variance of \$39,000 is due to savings in real overheads allocated to the Roding activity mainly because of cost savings in the activities that allocate the overheads.

### Significant Capital Expenditure

#### Subsidies and grants for capital expenditure

■ Capital subsidies are less because less subsidised projects were completed than budgeted.

#### Increase/(decrease) in debt

■ A loan to fund bridge construction of \$110,000 was not drawn down at balance date.

#### To improve the level of service

■ There was less work performed on minor safety road improvements than budgeted due to resources utilised in other areas.

#### To replace existing assets

■ The variance is mainly due to emergency works on a slip on the Karamea bluff that is still in progress.

<b>Funding Impact Statement</b>		Budget LTP 2014/2015 \$000	Budget LTP 2015/2016 \$000	Actual 2015/2016 \$000
<b>Sources of Operating Funding</b>				
General rates, uniform annual general charge, rates penalties		2,347	2,274	2,274
Targeted rates		0	0	0
Subsidies and grants for operating purposes		1,673	2,009	2,003
Fees and charges		0	0	0
Internal charges and overheads recovered		0	0	0
Interest and dividends from investments		0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts		190	175	133
<b>TOTAL Operating Funding</b>	<b>A</b>	<b>4,210</b>	<b>4,458</b>	<b>4,410</b>
<b>Applications of Operating Funding</b>				
Payments to staff and suppliers		2,743	3,212	2,747
Finance costs		14	0	0
Internal charges and overheads applied		652	681	899
Other operating funding applications		0	0	0
<b>TOTAL applications of Operating Funding</b>	<b>B</b>	<b>3,409</b>	<b>3,893</b>	<b>3,646</b>
<b>SURPLUS/(Deficit) of Operating Funding</b>	<b>A-B</b>	<b>801</b>	<b>565</b>	<b>764</b>
<b>Sources of Capital Funding</b>				
Subsidies and grants for capital expenditure		1,236	1,333	1,235
Development and financial contributions		0	0	0
Increase/(decrease) in debt		(6)	110	0
Gross proceeds from sale of assets		0	0	0
Lump sum contributions		0	0	0
Other dedicated capital funding		0	0	0
<b>TOTAL Sources of Capital Funding</b>	<b>C</b>	<b>1,230</b>	<b>1,443</b>	<b>1,235</b>
<b>Application of Capital Expenditure</b>				
- to meet additional demand		0	0	0
- to improve the level of service		165	291	192
- to replace existing assets		1,866	1,717	1,793
Increase/ (decrease) in reserves		0	0	14
Increase/ (decrease) in investments		0	0	0
<b>TOTAL Applications of Capital Funding</b>	<b>D</b>	<b>2,031</b>	<b>2,008</b>	<b>1,999</b>
<b>SURPLUS/(Deficit) of Capital Funding</b>	<b>C-D</b>	<b>(801)</b>	<b>(565)</b>	<b>(764)</b>
<b>FUNDING BALANCE</b>	<b>((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Core Asset Disclosure</b>	Closing Book Value \$000	2016 Assets Constructed \$000	2016 Assets Vested \$000	Replacement Cost \$000
Roads and Footpaths	195,385	1,949	0	273,712
<b>TOTAL</b>	<b>195,385</b>	<b>1,949</b>	<b>0</b>	<b>273,712</b>

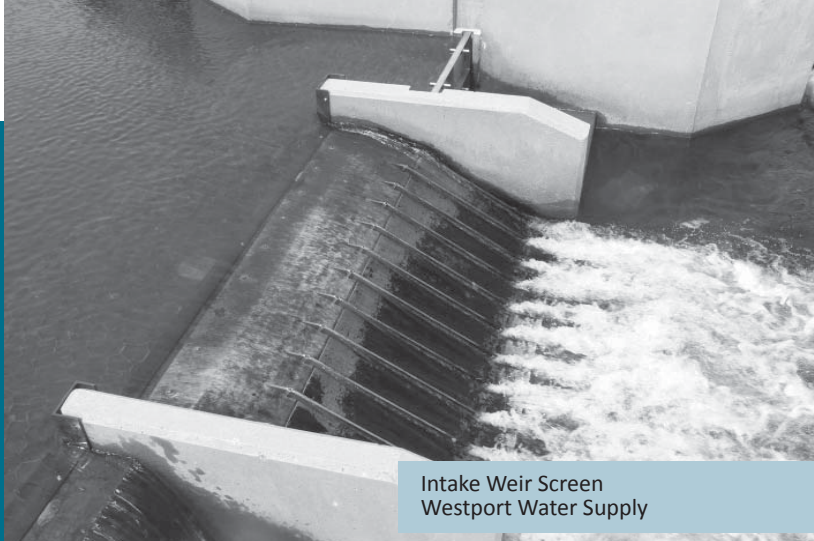
# Water Supplies

## 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.



Intake Weir Screen  
Westport Water Supply



Epic  
Westport

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

*This activity supports the following community outcomes:*

Community Outcomes	How the Council Contributes
Well-being	<ul style="list-style-type: none"> <li>■ Provision of a reticulated water supply to support a healthy community.</li> <li>■ Provision of water for sanitary services.</li> <li>■ By maintaining sufficient water for firefighting purposes.</li> </ul>
Environment	<ul style="list-style-type: none"> <li>■ By conserving water and encouraging others to do the same.</li> </ul>
Learning	<ul style="list-style-type: none"> <li>■ By providing water conservation education.</li> </ul>
Prosperity	<ul style="list-style-type: none"> <li>■ By meeting commercial water needs and meeting community needs at affordable costs and equal access to water.</li> </ul>

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 affected communities.

## Levels of Service

The overall corporate goals and legislative requirements have been translated into a number of more specific target performance standards. These are summarised below:

- To ensure that all supplies have sufficient water at the source, and within the system, to meet the reasonable needs of the consumers.
- To ensure that connections are provided with adequate water pressure under normal use.
- To ensure that fire hydrants provide an adequate fire fighting supply.
- To ensure the quality of the water supplies shall meet the expectations of each community and all legal requirements.
- To maintain the service to the consumer with a minimum of disruption and inconvenience to the public.
- To minimise the quantity of unaccounted for water.
- To ensure that supplies are managed in a cost-effective manner.
- To ensure that supplies are managed in an environmentally sensitive manner.
- The corresponding levels of service that have been established as a means of achieving the performance standards, as set out above.

## Statement of Service Performance

### Westport Water Supply

- Council has resolved to defer the immediate replacement of the trunk main until the performance of the main deteriorates to the extent that the optimal time to replace the main is obtained.
- The refurbishment of the collapsed portion of the tunnels was investigated and deferred to 2016/17 so that a cost effective solution could be explored.

### Waimangaroa Rural Drinking Water Upgrades

- The design of the Waimangaroa water supply upgrade has been undertaken in consultation with the community. The new design is for a bore supply and funding for the previously approved upgrade of the Conns Creek supply has been carried forward with the approval of the Ministry of Health. Construction of the bore and treatment facilities will occur in 2016/17.

### Ngakawau-Hector

- The Ngakawau-Hector drinking water supply upgrade has been deferred until 2016/17 due to lack of community support and issues around scheme design and ownership. The Council has initiated a legal review of the ownership of the supply and the outcome of that review will determine the future direction of the water treatment.

### Inangahua Junction

- The design of the treatment plant was completed and tenders called for the treatment of the water supply. Construction will be in 2016/17.

## Key Performance Indicators

What we did	What we measured	Target	Actual	Achieved
Provide an adequate quality of water.	E Coli detected within the water supply. <b>Target:</b> No E Coli confirmed by second sample.	No potential for illness due to unwholesome water.	2015/2016: No illnesses due to unwholesome water (2014/2015: target met).	●
	Compliance with Drinking Water Standards. <b>Target:</b> All water supplies with community agreement for treatment by 2015.		2015/2016: No additional water supplies have been treated. Some new schemes have not been completed. Council has continued to consult the communities and Community Public Health on options.	●
Provide an adequate quantity of water.	Flow and pressure readings, taken at dwellings. <b>Target:</b> Residual pressure >200kps at the dwelling while flow testing.	To be able to fill a ten litre bucket three times within one minute from mains >100mm diameter.	2015/2016: No requests from residents for flow and pressure readings (2014/2015: target met).	●
	Flow taken at fire hydrants. <b>Target:</b> All existing fire hydrants to remain operative.  All new subdivisions within Westport and Reefton to be designed to comply with hydrant requirements SNZ PAS 4509:2008 (New Zealand Standard).	All fire hydrants to be operational.	2015/2016: All fire hydrants were operational and met the NZ Standard (2014/2015: target met).	●
Provide a reliable supply of quality water.	Proportion of time that water is supplied into the reticulation. <b>Target:</b> Water supplied 99% of the time.	Provide water into the system virtually all of the time.	2015/2016: Water was supplied 99.9% of the time (2014/2015: 99.8% target met).	●
	Records of the number, nature and duration of all unplanned shutdowns. <b>Target:</b> No more than 3 shutdowns per km.  At least 90% compliance with response times stated in service requests.	To minimise disruption caused by unplanned shutdowns.	2015/2016: Unplanned shutdowns caused minimal disruption 118 Service Requests issued with 76.8% complying with response times (2014/2015: target met).	●
	Number of days that water restrictions are in place. <b>Target:</b> No more than 5 days per year.	To permit gardens to be maintained in a healthy state all year.	2015/2016: No restrictions imposed (2014/2015: targets met).	●
Provide water with the minimum environmental impact.	Monitoring as specified in the individual consents. <b>Target:</b> 100% compliance.	To comply with Resource Consent conditions.	2015/2016: All Resource Consent conditions met (2014/2015: targets met).	●



Below Intake Weir  
Westport Water Supply

## Mandatory Performance Indicators

Water Services	Key Service Criteria	Target Level of Service	Measurement	Current Performance	Performance Target	Achieved											
Provide an adequate quality of water.	Is the water safe to drink?	Performance Measure 1 (safety of drinking water):	<b>Mandatory Performance Measure 1: (see table 1 below)</b>				●										
			<p>The extent to which Council's water supply complies with:</p> <p>a) Part 4 of the Drinking Water Standards (bacteria compliance criteria)</p> <p>b) Part 5 of the Drinking Water Standards (protozoa compliance criteria)</p>	<table border="1"> <thead> <tr> <th></th> <th>Bacteria Compliance</th> <th>Protozoa Compliance</th> </tr> </thead> <tbody> <tr> <td>Westport</td> <td>Yes</td> <td>No</td> </tr> <tr> <td>Carters Beach</td> <td>Yes</td> <td>No</td> </tr> <tr> <td>Reefton</td> <td>Yes</td> <td>No</td> </tr> <tr> <td>Punakaiki</td> <td>No</td> <td>No</td> </tr> </tbody> </table>		Bacteria Compliance		Protozoa Compliance	Westport	Yes	No	Carters Beach	Yes	No	Reefton	Yes	No
	Bacteria Compliance	Protozoa Compliance															
Westport	Yes	No															
Carters Beach	Yes	No															
Reefton	Yes	No															
Punakaiki	No	No															
Provide a reliable supply of water.	Maintenance of reticulation network.	Performance Measure 2 (maintenance of reticulation network):	<b>Mandatory Performance Measure 2: (see table 2 below)</b>				●										
			The percentage of real water loss from Council's networked reticulation system (including a description of the methodology used to calculate this)	58%	30%												
Provide water with the minimum environmental impact.	Customer satisfaction.	Performance Measure 4 (customer satisfaction):	<b>Mandatory Performance Measure 3:</b>				●										
			Where Council attends to a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured:														
			a) Attendance for urgent call outs: from the time that Council receives notification to the time that service personnel reach the site; and	Recording system amended in June 2016.	2 hours	●											
			b) Resolution of urgent call outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption.	Recording system amended in June 2016.	5 hours	●											
			c) Attendance for non-urgent call outs: from the time that Council receives notification to the time that service personnel reach the site; and	Recording system amended in June 2016.	1 working day	●											
			d) Resolution of non-urgent call outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption.	Recording system amended in June 2016.	5 working days	●											
Provide water with the minimum environmental impact.	Customer satisfaction.	Performance Measure 4 (customer satisfaction):	<b>Mandatory Performance Measure 4:</b>				●										
			The total number of complaints received by Council about any of the following:														
			a) Drinking water clarity	Nil	10 per 1,000 connections.	●											
			b) Drinking water taste	Nil		●											
			c) Drinking water odour	Nil		●											
			d) Drinking water pressure	Several from Punakaiki October/November 2015		●											
	e) Continuity of supply	Nil	●														
f) Council's response to any of these issues.	Resolved issue at Punakaiki with pipe issue along the State Highway.	●															
Demand management.	Performance Measure 5 (demand management):	<b>Mandatory Performance Measure 5:</b>				●											
The average consumption of drinking water per day per resident within the Buller district.	1,081 - Westport water supply 1,273 - Reefton water supply	1,000 litres															



**Table 1: Drinking Water Standard NZ Compliance**

Water Supply	Population (WINZ)	Bacterial Compliance			Protozoal Compliance (%)		
		Current Performance	Target		Current Performance	Target	
			2015-2017	2018-2025		2015-2017	2018-2025
South Granity	40	No	Part	Yes	No	Part	Yes
Hector/ Ngakawau	435	No	Part	Yes	No	Part	Yes
Inangahua Junction	32	No	Part	Yes	No	Part	Yes
Little Wanganui	120	No	Part	Yes	No	Part	Yes
Mokihinui	50	No	No	No	No	Part	Yes
Punakaiki	125	No	Yes	Yes	No	Yes	Yes
Reefton	1044	No	Yes	Yes	No	Yes	Yes
Waimangaroa	200	No	Part	Yes	No	Part	Yes
Westport	4974	No	Yes	Yes	No	Yes	Yes

**Table 2: Water Leakage**

Water Supply	Connections	Current Performance	Target		Method
			2015-17	2018-25	
			South Granity	23	
Hector/ Ngakawau	176	New Measure	30%	20%	MNF
Inangahua Junction	33	New Measure	30%	20%	MNF
Little Wanganui	78	New Measure	30%	20%	MNF
Mokihinui	50	New Measure	30%	20%	MNF
Punakaiki	93	New Measure	30%	20%	MNF
Reefton	663	New Measure	30%	20%	MNF
Waimangaroa	137	New Measure	30%	20%	MNF
Westport	2,694	New Measure	30%	20%	MNF

MNF = Minimum Night Flow



Playground  
Carters Beach

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

### Fees and charges

■ Metered water usage was more than anticipated, perhaps due to dryer than expected weather patterns over the last year.

### Payments to staff and suppliers

■ The variance was mainly caused by repairs and maintenance which was \$80,000 over budget. The main contributors were Westport water (\$43,000) which included repairs at Keoghans Ford. Punakaiki (\$35,000) which was an ongoing low water pressure issue that was difficult to resolve. This was offset by some small savings in other expenses including insurance (\$11,000).

### Finance costs

■ Interest costs were lower than budgeted for debt related to Westport Water due to lower market interest rates than budgeted in conjunction with a lower cost of finance because of Council moving to a new lower cost debt facility with LGFA in November 2015.

### Internal charges and overheads applied

■ The cost of In-house Professional Service job allocations were \$77,000 higher than budgeted due to additional design work carried out at Westport, Reefton, Ngakawau-Hector, Waimangaroa and Inangahua water schemes. This was offset by small savings in overhead allocations from Corporate Services and to a lesser extent Asset Management from cost savings made in these departments.

## Significant Capital Expenditure

### Subsidies and grants for capital expenditure

■ Subsidies for Ngakawau-Hector (\$470,000), Waimangaroa (\$403,000), Inangahua (\$190,000), and South Granity Tank water supplies(\$255,000) were not received during the year as the capital projects they related to were not completed.

### Increase/(decrease) in debt

■ Debt drawdowns for Westport (\$1.6m) and Waimangaroa water supplies (\$60,000) were not required during the year as the capital projects they related to were not completed.

### To improve the level of service

■ A number of projects were not completed for various reasons; Westport water tunnel piping (\$1.65m) did not proceed. Other more cost effective alternatives are being pursued after professional advice was sought. Ngakawau-Hector (\$553,000) did not proceed due to design and ownership issues and a low level of community buy in to the project. Inangahua Junction (\$223,000) and Waimangaroa (\$473,000) water schemes have commenced but were work in progress at balance date.

■ The Waimangaroa budget was incorrectly categorised as replacement of an existing asset instead of improving the level of service in the 2015/2025 LTP. South Granity Tank water upgrade did not proceed due to the government subsidy not being approved which made the scheme unaffordable for the residents.

### To replace existing assets

■ The Waimangaroa water budget of \$502,000 was incorrectly categorised as replacement of an existing asset instead of improving the level of service in the LTP. After taking this into account the true variance of \$94,000 can be mainly attributed to unbudgeted expenditure required at Punakaiki \$23,000 and a generator and shed at the Westport plant \$25,000 which was a carryover from 2014/2015 the remainder is spread over a number of capital items.

<b>Funding Impact Statement</b>		Budget LTP 2014/2015 \$000	Budget LTP 2015/2016 \$000	Actual 2015/2016 \$000
<b>Sources of Operating Funding</b>				
General rates, uniform annual general charge, rates penalties		0	0	0
Targeted rates		2,194	2,259	2,256
Subsidies and grants for operating purposes		0	0	0
Fees and charges		307	181	225
Internal charges and overheads recovered		0	0	0
Interest and dividends from investments		0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts		0	0	1
<b>TOTAL Operating Funding</b>	<b>A</b>	<b>2,501</b>	<b>2,440</b>	<b>2,482</b>
<b>Applications of Operating Funding</b>				
Payments to staff and suppliers		1,146	905	961
Finance costs		232	338	250
Internal charges and overheads applied		255	331	370
Other operating funding applications		0	0	0
<b>TOTAL applications of Operating Funding</b>	<b>B</b>	<b>1,633</b>	<b>1,574</b>	<b>1,581</b>
<b>SURPLUS/(Deficit) of Operating Funding</b>	<b>A-B</b>	<b>868</b>	<b>866</b>	<b>901</b>
<b>Sources of Capital Funding</b>				
Subsidies and grants for capital expenditure		327	1,317	0
Development and financial contributions		0	0	0
Increase/(decrease) in debt		1,016	1,573	(87)
Gross proceeds from sale of assets		0	0	0
Lump sum contributions		0	0	0
Other dedicated capital funding		0	0	0
<b>TOTAL Sources of Capital Funding</b>	<b>C</b>	<b>1,343</b>	<b>2,890</b>	<b>(87)</b>
<b>Application of Capital Expenditure</b>				
- to meet additional demand		0	0	0
- to improve the level of service		1,502	3,005	215
- to replace existing assets		469	791	383
Increase/ (decrease) in reserves		240	(40)	216
Increase/ (decrease) in investments		0	0	0
<b>TOTAL Applications of Capital Funding</b>	<b>D</b>	<b>2,211</b>	<b>3,756</b>	<b>814</b>
<b>SURPLUS/(Deficit) of Capital Funding</b>	<b>C-D</b>	<b>(868)</b>	<b>(806)</b>	<b>(901)</b>
<b>FUNDING BALANCE</b>	<b>((A-B)+(C-D))</b>	<b>0</b>	<b>(0)</b>	<b>0</b>

<b>Core Asset Disclosure</b>	Closing Book Value \$000	2016 Assets Constructed \$000	2016 Assets Vested \$000	Replacement Cost \$000
<b>Water Supply:</b>				
Treatment Plants and Facilities	7,116	61	0	9,627
Other Assets	18,417	460	0	43,528
<b>TOTAL</b>	<b>25,533</b>	<b>520</b>	<b>0</b>	<b>53,155</b>

# 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.
- The modelling of the combined sewer and stormwater system is continuing.
- The ongoing upgrade of Derby Street has continued with the block between Rintoul Street and Mill Street being completed.

## Levels of Service









The overall corporate goals and legislative requirements have been translated into a number of more specific target performance standards:

- To maintain the systems so that there are no significant blockages.
- To maintain the service to the consumer with a minimum of disruption and inconvenience to the public.
- To ensure that services are managed in a cost effective manner.
- To ensure that supplies are managed in an environmentally sensitive manner.



Buller River from the Holcim Silo

## Key Performance Indicators

What we did	What we measured	Target	Actual	Achieved
Provide safe facilities for both the community and the operators.	Evidence of public intrusion into pump station or treatment facilities. <i>Target:</i> No intrusions.	No accidents, injuries or public contact with sewage.	2015/2016: No accidents or injuries occurred (2014/2015: Target met).	
	Operator injury. <i>Target:</i> No workplace injuries.		2015/2016: No reported workplace injuries (2014/2015: Target met).	
	Public exposure to sewage. <i>Target:</i> All overflows within private property cleaned and disinfected. All polluted waterways to be signposted.		2015/2016: No reported illnesses attributed to contact with sewage (2014/2015: Target met).	
Provide adequate capacity.	Recorded system overflows. <i>Target:</i> No more than 10 overflows.	Maintain capacity of existing combined systems.	2015/2016: 12 overflows occurred as a result of blocked property pipes (laterals) (2014/2015: 9 overflows).	
	Review new designs. <i>Target:</i> All new sewers to be designed to cope with a one-in-10-year-event.	Design all new systems to New Zealand Standard 4404:2010.	2015/2016: All new sewers were designed to standard (2014/2015: Target met).	
Provide a reliable sewer system.	Record of blockages. <i>Target:</i> No more than 1 blockage per km of pipe. No more than 40 lateral blockages.	To accept sewage from properties virtually all of the time.	2015/2016: Sewage was accepted from properties virtually all of the time (2014/2015: Target met).	
	Records of the response to reported blockages. <i>Target:</i> At least 90% compliance with response times state in service request.		2015/2016: Response times met target (2014/2015: Target met).	
Provide sewer collection and disposal with the minimum environmental impact.	Monitoring as specified in the individual consents. <i>Target:</i> 100% compliance. 100% compliance with the reporting requirements of the Resource Consents	To comply with resource consent conditions	<p>2015/2016: All resource consent conditions met (2014/2015: Target met).</p> <p><b>Reefton Waste Water Treatment Plant (WWTP) 9 times p.a. testing:</b></p> <ul style="list-style-type: none"> <li>Analytes that were in breach of the consent conditions on 6 occasions were: Arsenic(1), Lead(1), Mercury(1) were detected in Cemetery Creek. - The same analytes were tested for at the ponds discharge point and were well below their respective thresholds, supporting the theory that the metals detected in Cemetery Creek may originate from upstream of the WWTP and are not present as a result of the wastewater treatment plant.</li> <li>Ecoli(1), FC(1), and pH(1) were non compliant at downstream sites in the Inangahua river. Results for the same variables that were tested at the same time at the point the effluent leaves the treatment plant were very low, as they were on the other 8 occasions that testing was done during the year (2014/2015: 11 breaches).</li> </ul> <p><b>Conveyance Pump Stations (Wpt WWTP):</b></p> <ul style="list-style-type: none"> <li>2015/2016: There were 17 non compliances on the overflow monitoring for Ecoli, FC and Enterrococci, where rain associated overflows are permitted, but these still have to be tested and reported.</li> </ul> <p><b>Westport Waste Water Treatment Plant (WWTP):</b></p> <ul style="list-style-type: none"> <li>Leaving the treatment plant there was one non compliance for pH.</li> </ul>	

## Mandatory Performance Indicators

Sewer Services	Key Service Criteria	Target Level of Service	Measurement	Current Performance	Performance Target	Achieved
Provide adequate capacity.	How often does the sewer overflow?	Performance measure one (system and adequacy):	<b>Mandatory Performance Measure 1:</b>			●
			The number of dry weather sewage overflows from Council's sewerage system expressed per 1,000 sewerage connections to Council's system.	0	<5	
Provide sewer collection and disposal with minimal environmental impact.	Is the environment being harmed?	Performance measure two (discharge compliance):	<b>Mandatory Performance Measure 2:</b>			●
			Compliance with Council's resource consents for discharge from its sewerage system measured by the number of:			
			a) Abatement notices;	0	<5	
			b) Infringement notices;	0	0	
	c) Enforcement orders; and	0	0			
d) Convictions received by Council in relation to those resource consents	0	0				
Fault Response Times	Performance Measure 3 (fault response times):	<b>Mandatory Performance Measure 3:</b>			●	
		Where Council attends to sewage overflows resulting from a blockage or other fault in Council's sewerage system, the following median response times are measured:				
		a) Attendance time: from the time that Council receives notification to the time that service personnel reach the site; and	3 overflows attended within timeframe.	2 hours		
Customer satisfaction	Performance measure four (customer satisfaction):	<b>Mandatory Performance Measure 4:</b>			●	
		The total number of complaints received by Council about any of the following:				
			a) Sewerage odour;	0	10	●
			b) Sewerage system faults;	7		
			c) Sewerage system blockages, and	3		
			d) Council's response to issues with its sewerage system (expressed per 1,000 properties connected to Council's sewerage system.) (3,148)	2.2		

### Significant Variance Explanations in comparison to the Long Term Plan (LTP)

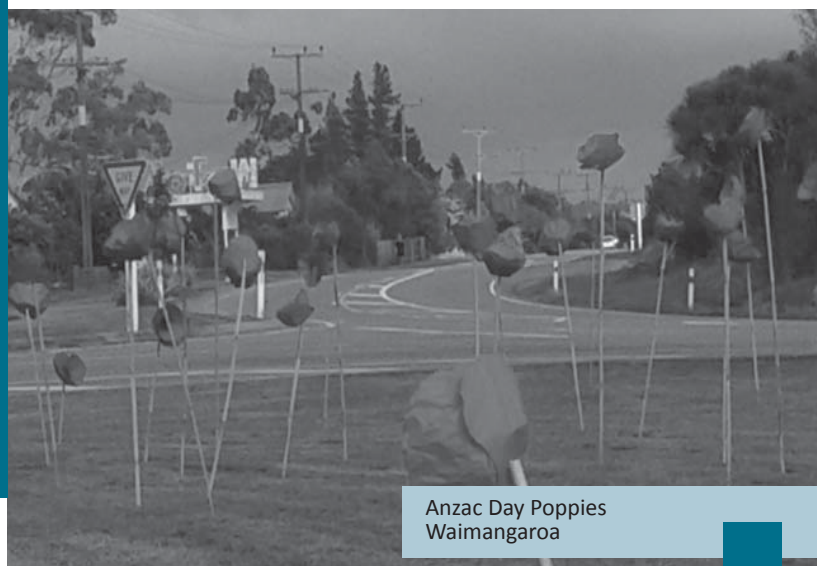
#### Payments to staff and suppliers

■ The main driver of the positive variance was savings in repairs and maintenance of \$39,000 due to less system breakages than anticipated and market driven savings in insurance premiums of \$19,000.

### Significant Capital Expenditure

#### To replace existing assets

■ A budget variance of \$57,000 is mainly the planned upgrade for Gladstone Street (\$38,000) which did not proceed as the replacement was not required. Funds are planned to be carried over to another upgrade required in Bright Street.



Anzac Day Poppies  
Waimangaroa

<b>Funding Impact Statement</b>		Budget LTP 2014/2015 \$000	Budget LTP 2015/2016 \$000	Actual 2015/2016 \$000
<b>Sources of Operating Funding</b>				
General rates, uniform annual general charge, rates penalties		0	0	0
Targeted rates		2,305	2,397	2,376
Subsidies and grants for operating purposes		0	0	0
Fees and charges		0	0	0
Internal charges and overheads recovered		0	0	0
Interest and dividends from investments		0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts		88	5	28
<b>TOTAL Operating Funding</b>	<b>A</b>	<b>2,393</b>	<b>2,402</b>	<b>2,404</b>
<b>Applications of Operating Funding</b>				
Payments to staff and suppliers		1,054	895	845
Finance costs		292	278	278
Internal charges and overheads applied		238	321	305
Other operating funding applications		0	0	0
<b>TOTAL applications of Operating Funding</b>	<b>B</b>	<b>1,584</b>	<b>1,494</b>	<b>1,428</b>
<b>SURPLUS/(Deficit) of Operating Funding</b>	<b>A-B</b>	<b>809</b>	<b>908</b>	<b>976</b>
<b>Sources of Capital Funding</b>				
Subsidies and grants for capital expenditure		0	0	0
Development and financial contributions		0	0	0
Increase/(decrease) in debt		(242)	(256)	(256)
Gross proceeds from sale of assets		0	0	0
Lump sum contributions		0	0	0
Other dedicated capital funding		0	0	0
<b>TOTAL Sources of Capital Funding</b>	<b>C</b>	<b>(242)</b>	<b>(256)</b>	<b>(256)</b>
<b>Application of Capital Expenditure</b>				
- to meet additional demand		0	0	0
- to improve the level of service		118	165	128
- to replace existing assets		193	463	415
Increase/ (decrease) in reserves		256	24	177
Increase/ (decrease) in investments		0	0	0
<b>TOTAL Applications of Capital Funding</b>	<b>D</b>	<b>567</b>	<b>652</b>	<b>720</b>
<b>SURPLUS/(Deficit) of Capital Funding</b>	<b>C-D</b>	<b>(809)</b>	<b>(908)</b>	<b>(976)</b>
<b>FUNDING BALANCE</b>	<b>((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Core Asset Disclosure</b>	Closing Book Value \$000	2016 Assets Constructed \$000	2016 Assets Vested \$000	Replacement Cost \$000
<b>Sewerage Schemes</b>				
Treatment Plants and Facilities	10,904	98	0	14,252
Other Assets	14,132	455	0	26,000
<b>TOTAL</b>	<b>25,036</b>	<b>543</b>	<b>0</b>	<b>40,252</b>

## 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.



Miners Garden  
Victoria Square, Westport

## 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. No residential houses were inundated.
- 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.
- During the year Derby Street between Rintoul and Mill Streets were upgraded as planned. In addition there were a couple of unplanned replacements required in Bentham and Adderley Streets to address blockage or flooding issues.
- Stormwater maintenance was also required on open drains in Reefton and Granity to also address flooding problems. The unplanned work had minimal impact on existing budgets.

## Levels of Service

The overall corporate goals and legislative requirements have been translated into a number of more specific target performance standards:

- To ensure that all stormwater systems have sufficient capacity to meet the reasonable needs of the consumers.
- To ensure that stormwater within urbanised areas does not contribute to cross boundary flooding for events up to 10% AEP\* (1 in 10 year event).
- To ensure that stormwater within urbanised areas does not enter dwellings for events up to 2% AEP\* (1 in 50 year event).
- To ensure that secondary flow paths are identified for events exceeding the capacity of the primary systems.
- To ensure that stormwater systems are maintained at or beyond the minimum capacity required.
- To ensure that stormwater systems are managed in a cost-effective manner.
- To ensure that stormwater discharges are managed in an environmentally sensitive manner.

It can be costly to undertake the necessary investigations to quantify what the capacity of an existing system actually is, and there can be significant costs associated with upgrading that capacity. Therefore, while it is appropriate to apply these performance standards to all new stormwater systems, a more pragmatic approach is taken towards the management of existing stormwater systems.

Specifically, all existing stormwater systems are simply maintained to their original design capacity. Additionally, when all of the following conditions exist, the actual capacity of existing stormwater systems need not be calculated:

- The system has operated for over 30 years without significant flooding.
- The system has operated for over 30 years without significant damage.
- The system has operated for over 30 years to the satisfaction of the community.

Site specific investigations are undertaken when the existing capacity is not considered acceptable to the individual community. Any upgrade options are considered based on risk and benefit/cost considerations.

## Key Performance Indicators

What we did	What we measured	Target	Actual	Achieved
Provide adequate stormwater capacity.	<b>Mandatory Performance Measure 1:</b> a) The number of flooding events that occur in Council's systems.	No target.	2015/2016: Stormwater ponding within roadways is a regular occurrence because they are the secondary flow paths (2014/2015: new target, not measured).	●
	b) For each flooding event, the number of habitable floors affected (expressed per 1,000 properties connected to Council's stormwater systems.	No more than five houses inundated by stormwater flooding per event.	2015/2016: No houses inundated (2014/2015: Nil).	●
Dispose of stormwater with the minimal environmental impact.	<b>Mandatory Performance Measure 2:</b> Compliance with Council's resource consents for discharge from its stormwater system measured by the number of:			
	a) Abatement notices;	Nil	2015/2016: Nil (2014/2015: Nil).	●
	b) Infringement notices;	Nil	2015/2016: Nil (2014/2015: Nil).	
	c) Enforcement orders; and	Nil	2015/2016: Nil (2014/2015: Nil).	
d) Convictions received by Council in relation to those resource consents.	Nil	2015/2016: Nil (2014/2015: Nil).		
	<b>Mandatory Performance Measure 3:</b> The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site.	1 hour	2015/2016: No service requests to attend flooding events (2014/2015: new target, not measured).	●
	<b>Mandatory Performance Measure 4:</b> The total number of complaints received by Council about the performance of the stormwater system, expressed per 1,000 properties connected to Council's stormwater system.	5 complaints	2015/2016: 4 complaints received, all regarding surface flooding (2014/2015: new target, not measured).	●

### Significant Variance Explanations in comparison to the Long Term Plan (LTP)

■ There were no significant operating variances to the Long Term Plan.

### Significant Capital Expenditure

#### To replace existing assets

■ Unbudgeted asset replacements in Bentham and Adderley Streets did not impact significantly on capital budgets.

#### To improve the level of service

■ The phased upgrade of Derby Street continued with the section between Rintoul Street and Mill Street completed during the year at total cost of \$118,000.





<b>Funding Impact Statement</b>		Budget LTP 2014/2015 \$000	Budget LTP 2015/2016 \$000	Actual 2015/2016 \$000
<b>Sources of Operating Funding</b>				
General rates, uniform annual general charge, rates penalties		397	453	453
Targeted rates		0	0	0
Subsidies and grants for operating purposes		0	0	0
Fees and charges		0	0	0
Internal charges and overheads recovered		0	0	0
Interest and dividends from investments		0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts		8	5	9
<b>TOTAL Operating Funding</b>	<b>A</b>	<b>405</b>	<b>458</b>	<b>462</b>
<b>Applications of Operating Funding</b>				
Payments to staff and suppliers		144	125	169
Finance costs		39	28	27
Internal charges and overheads applied		56	89	89
Other operating funding applications		0	0	0
<b>TOTAL applications of Operating Funding</b>	<b>B</b>	<b>239</b>	<b>242</b>	<b>285</b>
<b>SURPLUS/(Deficit) of Operating Funding</b>	<b>A-B</b>	<b>166</b>	<b>216</b>	<b>177</b>
<b>Sources of Capital Funding</b>				
Subsidies and grants for capital expenditure		0	0	0
Development and financial contributions		0	0	0
Increase/(decrease) in debt		(25)	(21)	(21)
Gross proceeds from sale of assets		0	0	0
Lump sum contributions		0	0	0
Other dedicated capital funding		0	0	0
<b>TOTAL Sources of Capital Funding</b>	<b>C</b>	<b>(25)</b>	<b>(21)</b>	<b>(21)</b>
<b>Application of Capital Expenditure</b>				
- to meet additional demand		0	0	0
- to improve the level of service		0	92	118
- to replace existing assets		141	103	70
Increase/ (decrease) in reserves		0	0	(32)
Increase/ (decrease) in investments		0	0	0
<b>TOTAL Applications of Capital Funding</b>	<b>D</b>	<b>141</b>	<b>195</b>	<b>156</b>
<b>SURPLUS/(Deficit) of Capital Funding</b>	<b>C-D</b>	<b>(166)</b>	<b>(216)</b>	<b>(177)</b>
<b>FUNDING BALANCE</b>	<b>((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Core Asset Disclosure</b>	Closing Book Value \$000	2016 Assets Constructed \$000	2016 Assets Vested \$000	Replacement Cost \$000
Stormwater Drainage	9,639	202	0	18,426
<b>TOTAL</b>	<b>9,639</b>	<b>202</b>	<b>0</b>	<b>18,426</b>

# 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 entered into a 10 year contract with Smart Environmental Ltd (SEL) 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 provides for 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.
- Council also contracted out the operation of the transfer stations and recovery parks in Westport and Reefton to 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 Maruia.
- 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.



Buller Gorge Marathon

## Statement of Service Performance

### Reefton Landfill Remediation

- Minor landfill capping maintenance has been completed. The landfill rock wall is monitored monthly.

### Contracted Approach to Solid Waste

- The contracted approach to Solid Waste has reduced the amount of refuse being transported to Nelson by 34%.
- Council has continued its education around recycling regularly reminding residents as to what can be recycled via the bin and glass crate.

### Karamea and Maruia

- Karamea and Maruia continue to operate within budgets.
- There is a very effective solid waste community group formed at Karamea who work in conjunction with Council staff to optimise the use of the landfill and recycling opportunities.

## Significant Variance Explanations in comparison to the Long Term Plan (LTP)

### Finance costs

- Finance costs are affected by discounting interest which is calculated from movements in the landfill provision and is represented as a finance cost. A cost of \$27,000 was budgeted for in the LTP but the actual charge was a \$138,000 credit. This has resulted, after taking into account other items in this category, a positive variance.

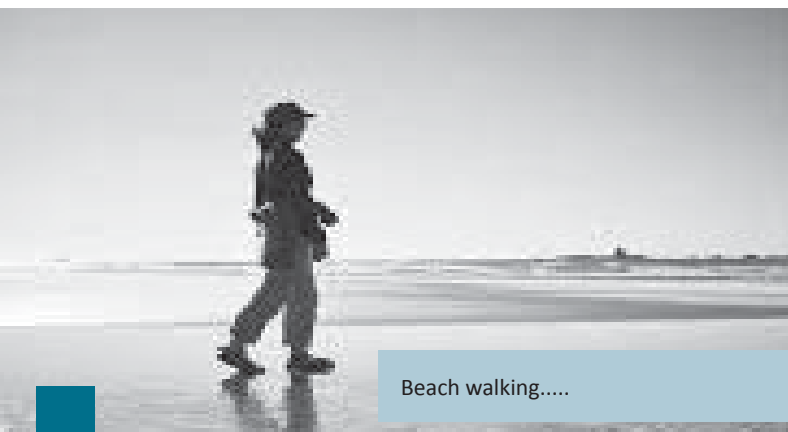
### Significant Capital Expenditure

- A \$32,000 hardstand area was required to be constructed at the Westport Transfer Station this was not budgeted for in 2015/2016.
- During the year Council trialled self-compacting E-cube litter bins. No litter bins were purchased during the year while the trial was carried out (\$8,000 provided in budget for 2015/2016). A combination of E Cube and wheelie bin type litter bins are planned for purchase moving forward.

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

This activity supports the following 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.



Beach walking.....

## Funding Impact Statement

	Budget LTP 2014/2015 \$000	Budget LTP 2015/2016 \$000	Actual 2015/2016 \$000
<b>Sources of Operating Funding</b>			
General rates, uniform annual general charge, rates penalties	112	340	340
Targeted rates	1,307	676	677
Subsidies and grants for operating purposes	35	35	40
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	8	86	86
<b>TOTAL Operating Funding</b>	<b>A</b>	<b>1,462</b>	<b>1,137</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	830	774	784
Finance costs	126	101	(68)
Internal charges and overheads applied	178	150	114
Other operating funding applications	0	0	0
<b>TOTAL applications of Operating Funding</b>	<b>B</b>	<b>1,134</b>	<b>1,025</b>
<b>SURPLUS/(Deficit) of Operating Funding</b>	<b>A-B</b>	<b>328</b>	<b>112</b>
<b>Sources of Capital Funding</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	(79)	(57)	(56)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>TOTAL Sources of Capital Funding</b>	<b>C</b>	<b>(79)</b>	<b>(56)</b>
<b>Application of Capital Expenditure</b>			
- to meet additional demand	0	0	0
- to improve the level of service	0	0	0
- to replace existing assets	6	8	22
Increase/ (decrease) in reserves	243	47	235
Increase/ (decrease) in investments	0	0	0
<b>TOTAL Applications of Capital Funding</b>	<b>D</b>	<b>249</b>	<b>55</b>
<b>SURPLUS/(Deficit) of Capital Funding</b>	<b>C-D</b>	<b>(328)</b>	<b>(112)</b>
<b>FUNDING BALANCE</b>	<b>((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>



# 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.



Westport Lagoon

## How do 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	2015/2016: Monthly reports were presented to the Manager Operations on Work Programme progress (2014/2015: no change).	●

## Significant Variance Explanations in comparison to the Long Term Plan (LTP)

### Internal charges and overheads recovered

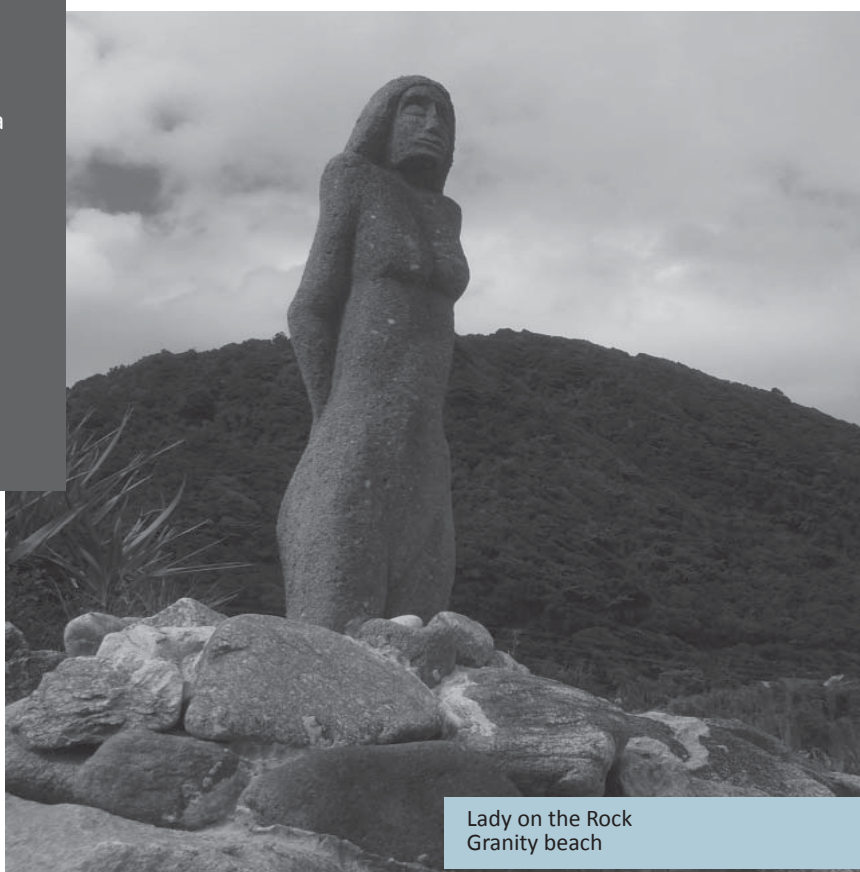
- Recoverable charges were lower than budgeted due to a number of staff absences during the year.

### Payments to staff and suppliers

- Salary costs were higher than budgeted due to recruitment of staff during the year this was offset by savings in other expenses.

## Significant Capital Expenditure

- No significant capital expenditure.



Lady on the Rock  
Granity beach

<b>Funding Impact Statement</b>		Budget LTP 2014/2015 \$000	Budget LTP 2015/2016 \$000	Actual 2015/2016 \$000
<b>Sources of Operating Funding</b>				
General rates, uniform annual general charge, rates penalties		0	0	0
Targeted rates		0	0	0
Subsidies and grants for operating purposes		0	0	0
Fees and charges		0	0	0
Internal charges and overheads recovered		751	795	717
Interest and dividends from investments		0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts		0	0	1
<b>TOTAL Operating Funding</b>	<b>A</b>	<b>751</b>	<b>795</b>	<b>718</b>
<b>Applications of Operating Funding</b>				
Payments to staff and suppliers		540	575	614
Finance costs		1	1	1
Internal charges and overheads applied		140	140	117
Other operating funding applications		0	0	0
<b>TOTAL applications of Operating Funding</b>	<b>B</b>	<b>681</b>	<b>716</b>	<b>732</b>
<b>SURPLUS/(Deficit) of Operating Funding</b>	<b>A-B</b>	<b>70</b>	<b>79</b>	<b>(14)</b>
<b>Sources of Capital Funding</b>				
Subsidies and grants for capital expenditure		0	0	0
Development and financial contributions		0	0	0
Increase/(decrease) in debt		(6)	(10)	(10)
Gross proceeds from sale of assets		0	0	0
Lump sum contributions		0	0	0
Other dedicated capital funding		0	0	0
<b>TOTAL Sources of Capital Funding</b>	<b>C</b>	<b>(6)</b>	<b>(10)</b>	<b>(10)</b>
<b>Application of Capital Expenditure</b>				
- to meet additional demand		0	0	0
- to improve the level of service		0	0	0
- to replace existing assets		0	5	7
Increase/ (decrease) in reserves		64	64	(31)
Increase/ (decrease) in investments		0	0	0
<b>TOTAL Applications of Capital Funding</b>	<b>D</b>	<b>64</b>	<b>69</b>	<b>(24)</b>
<b>SURPLUS/(Deficit) of Capital Funding</b>	<b>C-D</b>	<b>(70)</b>	<b>(79)</b>	<b>14</b>
<b>FUNDING BALANCE</b>	<b>((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>



Co-starters (first course)  
Epic, Westport

# Community Services

## 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 seat auditorium and double cinema community facility (main cinema 55 seats, and the screen room provides seating for 22). 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

■ The Reefton Cinema screens a minimum of 4 days per week, increasing screenings during the school holidays as the need arises.

■ A significant upgrade to the Reefton Community Centre is currently being carried out. This will enhance the Reefton Cinema for viewers.

### 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

■ All four West Coast Councils have approved a West Coast Economic Development Strategy. This strategy is expected to be a spring-board for economic development. It is intended that DWC will provide a basic resource in the form of one fulltime resource, jointly funded by the West Coast Regional Council and DWC.

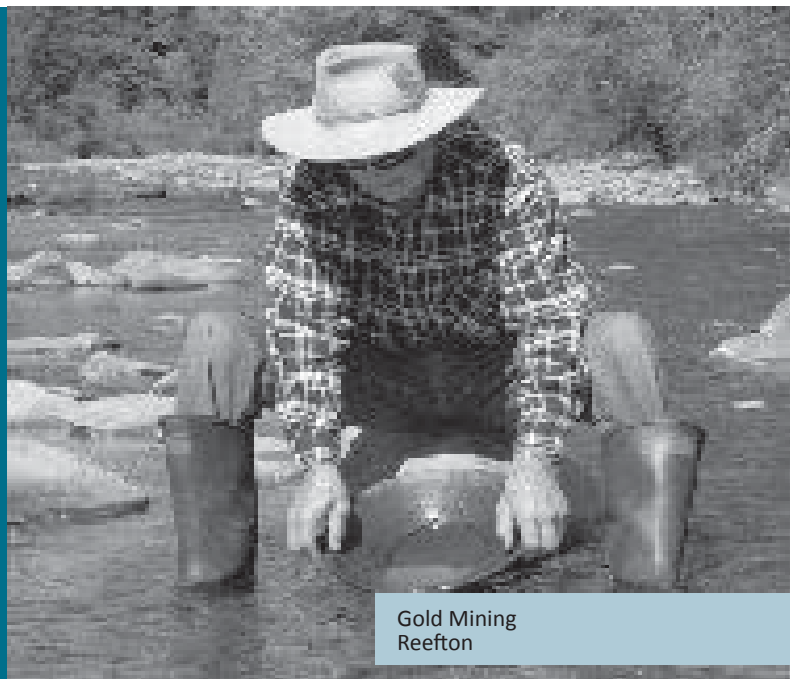
■ In September 2015 Buller District Council employed a part time Business Facilitator to support Economic Development within the Buller region.

## 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.

### ■ Community Services



Gold Mining  
Reefton

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

This activity supports the following community outcomes:

Community Outcomes	How the Council Contributes
Well-being	<ul style="list-style-type: none"> <li>Facilities allow people to play sport and achieve their fitness and recreational goals.</li> <li>Developing the community cohesion which supports mental and social well being.</li> </ul>
Learnings	<ul style="list-style-type: none"> <li>Libraries assist with the development of lifelong learning and literacy.</li> <li>By providing performance space for use in artistic and cultural performance.</li> <li>By working with educational institutions on collaborative projects.</li> </ul>
Prosperity	<ul style="list-style-type: none"> <li>By providing high quality community facilities to attract people to live and work in the Buller.</li> <li>By providing opportunities and funding that assist with tourism development and district promotion.</li> </ul>
Who we are	<ul style="list-style-type: none"> <li>By the provision of community grants to support community organisations.</li> </ul>
Sustainable Environment	<ul style="list-style-type: none"> <li>By providing an environment that reflects the lifestyle that is expected by residents, visitors and Central Government.</li> </ul>



Coast Road

## Statement of Service Performance

### Grants

■ In 2015/2016 Council distributed more than \$100,000 in base, contestable, national representation and minor grants through the Buller District. A further \$39,000 of Central Government funding was distributed in the district by the Buller District Council.

### NBS Theatre

■ The NBS Theatre held numerous live shows throughout 2015/2016. The venue continues to support and be supported by local groups and schools, with all local schools having used the venue, either for shows or award ceremonies.

■ Some of the highlights for 2015/2016 were local dance group, Beryl Collins School of Dance's Christmas concert, which continues in popularity. The annual Buller Country Music 'Best of the West' awards weekend was once again a success, with people from all around the South Island competing.

■ A New Zealand based company, Operatunity, are performing some of their Daytime Concert Series at the NBS Theatre on a quarterly basis, sharing it's touring season between Westport and Greymouth, and are set to continue this into the 2016/2017 season. Previously Buller residents travelled to Greymouth for these concerts which see top class singers performing themed concerts.

■ A local children's theatre group has been formed and is providing weekly acting and theatre lessons at the venue, which ensures that the young people of the district have an opportunity to experience the theatre etiquette and opportunities that a theatre can offer.

■ The NBS Theatre is the venue of choice for a local church group which meets every week, and 3 health professionals hire the venue on a weekly basis.

■ The bi-annual 'Earthworks of Creation' wearable arts show, which is a fundraiser for the local Homebuilders organisation, was once again a fantastic event, with an almost full house.

■ The NBS Theatre has become a member of EVANZ (Event Venues Association of New Zealand), which provides more visibility for the venue. From this, an Australian Music promoter has chosen to bring an act through to Buller on it's 9 date tour of New Zealand, performing in September 2016. Another two shows have recently been re-booked for 2017.

■ The NBS Theatre fulfills an important role in helping to facilitate fundraising for local community groups and schools. This, in turn, assists with advertising movies in the community.

■ The NBS Theatre is versatile in that all three areas (Auditorium, Bill Moffitt Cinema and the Fred Gregory Screen Room) can all be used simultaneously. The cinema is open seven days a week with new release films being screened in Westport as soon as they are available to the rest of New Zealand.

■ The NBS Theatre is a Ticket Direct venue, and all live performances are sold through this system. By partnering with Ticket Direct, the NBS Theatre is able to sell tickets for all genres and shows throughout New Zealand. This provides an additional income stream through a commission received on each ticket sold.

■ The Theatre fulfills an important role in the community with local groups and businesses looking to the Theatre for meeting space, and the many other options that the venue can offer.

### Libraries and Aotearoa Peoples Network

■ The library continues to provide access to information and recreational material in both hard copy and electronic format. The Kotui catalogue interface allows users to access the physical and electronic collections within the library or from anywhere with an internet connection. Borrowers are able to reserve and renew titles as well as search for them and this includes the eBook and eAudio book collections. They are also able to access up to date authoritative information from within the EPIC suite of databases. The APNK public computers were upgraded to Windows 7/Office 2010 early in the year and continue to be popular although as people acquire their own devices, they make more use of the wifi and less use of the PCs.

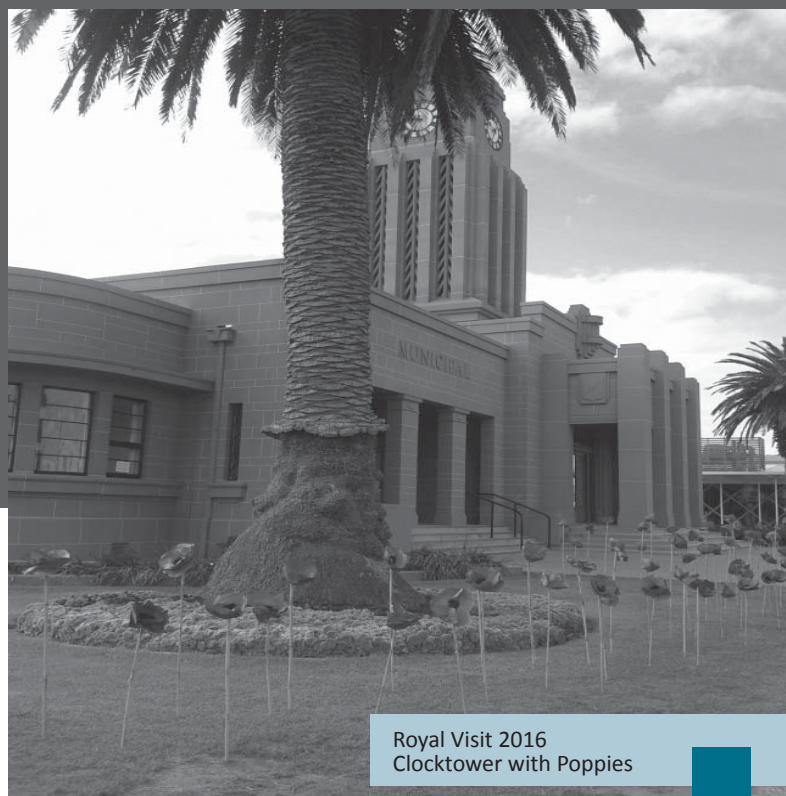
■ Community engagement is an important focus of the library and to this end the facility and programmes endeavour to be community facing. Adult Learning has become a focus with monthly presentations running in collaboration with the West Coast Adult Learning Service. The library meeting room is now available for after hours use as well as business hours use and the booking numbers have steadily increased. This provides an additional income stream for the library as well as providing a well-priced facility for community and business groups to use.

■ Literacy programmes have continued to run with a very popular book group for children – Buller Book Buddies – attracting 12-16 children per weekly session. Similarly, two adult book groups are run monthly at the library. A late night has been instituted in response to borrower survey requests with the Westport library open until 7pm on Thursday evenings in the summertime and 6pm during the winter.

■ Library staff have been trained by Work and Income in the use of RealMe and My Account and are able to assist community members with their access. Computer classes for adults are available thanks to collaboration with the 2020 Trust. These are scheduled and also run on an ad hoc basis.

■ Outreach to children has continued with the provision of an Art and Craft day during each holiday break and the establishment of a Lego club.

■ The use of social media, in the form of Facebook and the electronic library newsletter, has increased in frequency with an increase in both Facebook followers and people receiving the newsletter.



Royal Visit 2016  
Clocktower with Poppies

## Key Performance Indicators

What we did	What we measured	Target	Actual	Achieved
<b>Community Services and Facilities</b>				
<b>To provide services and facilities that meet information, learning, recreational and cultural needs.</b>	<b>Solid Energy Centre:</b>			●
	Provision of sport and recreation via the Solid Energy Centre and Reefton swimming pool.	Statements of Intent are submitted annually and approved by Council.	2015/2016: Statements of Intent were submitted and approved by Council (2014/2015: no change).	
	<b>Library:</b>			●
	Number of active members of libraries	Maintain or increase (0-4%)	2014/2015: 2,781 active members (2014/2015: no statistics were provided due to system inaccuracies).	
	<b>NBS Theatre:</b>			●
Number of performing arts events, exhibitions and shows per year	Number of cinema screenings per week - 26 on average.	2015/2016: 28 on average per week (2014/2015: 26 per week).		
	Number of performances/shows in auditorium – 30 days per year.	2015/2016: 33 days (2014/2015: 35 days).	●	
<b>Communications</b>				
<b>To keep the community informed.</b>	Community engagement - provision of information to community	Distribution of communications as required	2015/2016: Fortnightly distribution of electronic newsletter to subscribed users. Printed newsletter distributed to every household in Buller every two months and media releases as required (2014/2015: no change).	●

## Significant Variance Explanations in comparison to the Long Term Plan (LTP)

### Finance costs

■ Interest costs lower than budgeted for debt related to Solid Energy Centre due to lower interest rates than budgeted for the period and lower cost of finance due to new debt facility being commenced with LGFA in November 2015.

## Significant Capital Expenditure

### Increase/(decrease) in debt

■ Loans relating to the Reefton Community Centre upgrade (\$130,000), Urban Streetscape (\$325,000) and V2010 projects (\$437,000) which have not yet been drawn down as the projects were not fully completed at year end.

### To improve the level of service

■ The variance is made up of Streetscape (\$325,000), Inangahua V2010 Reefton Powerhouse project (\$197,000) and Seddon V2010 Karamea Projects (\$240,000) which will be completed in the 2016/2017 year.

### To replace existing assets

■ Mainly Reefton Community Centre upgrade which was work in progress at balance date. Economic Development signage is the only other significant variance.



Royal Visit 2016



<b>Funding Impact Statement</b>		Budget LTP 2014/2015 \$000	Budget LTP 2015/2016 \$000	Actual 2015/2016 \$000
<b>Sources of Operating Funding</b>				
General rates, uniform annual general charge, rates penalties		3,884	3,769	3,769
Targeted rates		308	0	0
Subsidies and grants for operating purposes		25	21	38
Fees and charges		0	0	0
Internal charges and overheads recovered		0	0	0
Interest and dividends from investments		0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts		836	526	529
<b>TOTAL Operating Funding</b>	<b>A</b>	<b>5,053</b>	<b>4,316</b>	<b>4,336</b>
<b>Applications of Operating Funding</b>				
Payments to staff and suppliers		2,360	1,875	1,870
Finance costs		1,296	1,114	993
Internal charges and overheads applied		623	518	480
Other operating funding applications		389	467	533
<b>TOTAL applications of Operating Funding</b>	<b>B</b>	<b>4,668</b>	<b>3,974</b>	<b>3,876</b>
<b>SURPLUS/(Deficit) of Operating Funding</b>	<b>A-B</b>	<b>385</b>	<b>342</b>	<b>460</b>
<b>Sources of Capital Funding</b>				
Subsidies and grants for capital expenditure		0	0	0
Development and financial contributions		0	0	0
Increase/(decrease) in debt		(324)	828	(44)
Gross proceeds from sale of assets		0	0	0
Lump sum contributions		400	535	535
Other dedicated capital funding		0	0	0
<b>TOTAL Sources of Capital Funding</b>	<b>C</b>	<b>76</b>	<b>1,363</b>	<b>490</b>
<b>Application of Capital Expenditure</b>				
- to meet additional demand		0	0	0
- to improve the level of service		240	762	0
- to replace existing assets		73	277	326
Increase/ (decrease) in reserves		148	666	625
Increase/ (decrease) in investments		0	0	0
<b>TOTAL Applications of Capital Funding</b>	<b>D</b>	<b>461</b>	<b>1,705</b>	<b>951</b>
<b>SURPLUS/(Deficit) of Capital Funding</b>	<b>C-D</b>	<b>(385)</b>	<b>(342)</b>	<b>(460)</b>
<b>FUNDING BALANCE</b>	<b>((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Governance

## 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

### *Advocating for the District*

■ Council identified the importance of advocating for the district and its residents based on the premise that the 'squeaky wheel gets the oil'. Rather than accepting proposed initiatives from central government, Council proactively worked to get the best result for the district during the year. Participation in the police review for proposed police service, provided to the district was a clear example of the success of this strategy. In addition Council also worked on behalf of its constituents to advocate for greenfield initiatives that promoted the district and its people.

■ Fast broadband is seen as an enabler for the district. In conjunction with the other West Coast Councils, Buller District Council is currently working with MBIE and Crown Fibre Holding towards a suitable solution.

■ Council was also involved in advocacy for the Tapawera/Wangapeka Road, the Integrated Family Health Centre, the future of the Westport Port, protection of properties exposed to sea erosion with the Regional Council, and actively pursued shared services opportunities with the other West Coast Councils.

### *Inangahua Community Board & Youth Council*

- Helen Bollinger resigned from the Community Board in May 2016 and Simon Burke was appointed to fill the vacancy.
- A Youth Council has been formed. Monthly meetings are held at Buller High School.

## Key Performance Indicators

What we did	What we measured	Target	Actual	Achieved
<b>Co-ordination of annual budgeting and financial planning processes and preparation of Long Term Plan and Annual Plan.</b>	Meet required statutory deadlines for adoption of required reports.	100%	2015/2016: Council met required statutory deadlines for adoption of required reports (2014/2015: no change).	
<b>Customer satisfaction.</b>	% of residents are satisfied with the information they receive from Council.	85%	2015/2016: no customer satisfaction measures carried out (2014/2015: new measure).	
<b>Transparency, accountability and accessibility to the public.</b>	Full opportunity for public participation in Council meetings through availability of speaking rights and public forum.	Provide opportunities for public forum at each Council meeting.	2015/2016: achieved (2014/2015: achieved).	
	Minimum % of Council business conducted in open forum.	90%	2015/2016: 87% (2014/2015: 90%).	
	% of residents are satisfied that Council consults with them on important issues.	90%	2015/2016: no measure carried out (2014/2015: 90%).	
<b>Co-operation with other agencies.</b>	Full participation in the West Coast Mayors/Chairs and CEO meetings.	100%	2015/2016: 100% (2014/2015: new measure).	

### Payments to staff and suppliers

■ There was an incorrect classification in the LTP budget of \$95,000 of internal rent to Payments to staff and suppliers instead of to Internal charges and overheads applied. The correct variance analysis of \$45,000 should take account of this error. This variance is mainly unbudgeted salary expenses for a new position in this area and also legal and sundry expenses associated with CEO retirement and replacement.

### Internal charges and overheads applied

■ An incorrect LTP budget classification of \$95,000 in internal costs that was highlighted above, impacts on the variance analysis of expenses in this area. The true variance of \$104,000 is mainly Governance share of the increase in allocation of a share of CEO retirement expenses allocated through overheads.

## Significant Capital Expenditure

■ There was no capital expenditure during the year.

<b>Funding Impact Statement</b>	<b>Budget LTP 2014/2015 \$000</b>	<b>Budget LTP 2015/2016 \$000</b>	<b>Actual 2015/2016 \$000</b>
<b>Sources of Operating Funding</b>			
General rates, uniform annual general charge, rates penalties	1,017	1,131	1,131
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	0	0	1
<b>TOTAL Operating Funding</b>	<b>A 1,017</b>	<b>1,131</b>	<b>1,132</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	243	495	445
Finance costs	0	0	0
Internal charges and overheads applied	504	636	835
Other operating funding applications	270	0	0
<b>TOTAL applications of Operating Funding</b>	<b>B 1,017</b>	<b>1,131</b>	<b>1,280</b>
<b>SURPLUS/(Deficit) of Operating Funding</b>	<b>A-B 0</b>	<b>0</b>	<b>(148)</b>
<b>Sources of Capital Funding</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
<b>TOTAL Sources of Capital Funding</b>	<b>C 0</b>	<b>0</b>	<b>0</b>
<b>Application of Capital Expenditure</b>			
- to meet additional demand	0	0	0
- to improve the level of service	0	0	0
- to replace existing assets	0	0	0
Increase/ (decrease) in reserves	0	0	(148)
Increase/ (decrease) in investments	0	0	0
<b>TOTAL Applications of Capital Funding</b>	<b>D 0</b>	<b>0</b>	<b>(148)</b>
<b>SURPLUS/(Deficit) of Capital Funding</b>	<b>C-D 0</b>	<b>0</b>	<b>148</b>
<b>FUNDING BALANCE</b>	<b>((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>

# Support Services

## 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.

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

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

## Statement of Service Performance

### *Rates Overhaul*

■ The present rates overhaul has been a long process. Back as far as 2012 the 2012-2022 Long Term Plan identified that a Rating Review was overdue. The existing system had evolved into a complex structure with multiple categories of ratepayers which gave rise to questions about equity and fairness.

■ Council commenced the review in early 2014 and a draft rating policy and methodology was adopted by Council meeting in October 2014, and minor amendments were adopted at a special Council meeting in November 2014. The draft proposal was put before the community for consultation in December 2014 and January 2015.

■ The outcome of community consultation process identified a number of areas which Councillors revisited in subsequent rates workshops. As a result Council resolved to continue work on the Rates Overhaul Project during 2016.

### *Rating impact on the closure of Holcim*

■ The closure of Holcim in June 2016 will affect the local economy moving forward. Although the closure had no impact on the distribution of rates in the 2015/2016 year or in the 2016/2017 year, the potential reclassification of both Holcim's Cape Foulwind site and the port in Westport will mean the loss of rating income from these properties and redistribution of the shortfall across other rating sectors in the district.

### *Health and Safety*

■ During the course of the 2015/2016 year the Health & Safety Committee reviewed and sought feedback on three key areas of policy and procedure – these were;

- Review of hazard management policy and registers
- Review of Emergency Management policy
- Review of Incident Management policy and processes

■ The major change on the Health and Safety landscape that occurred within the last year was the introduction of the Health and Safety at Work Act on April 4th 2016. In order to prepare staff for the impact the new legislation would have, senior management and the Health and Safety Officer attended training on the new legislation.

### *Development West Coast funding*

■ In 2015/2016 there were a number of initiatives from Development West Coast (DWC) that flowed through Support Services. Funds were received and distributed to the Mokihinui-Lyell Backcountry Trust for the Old Ghost Road and for the Reefton Powerhouse projects from The DWC Extraordinary Fund.

■ In March 2016 Council received funds from sale of the Efanjay building from Coaltown Trust. Council initially underwrote a portion of the cost of the Cultural Hub which houses Coaltown museum from the DWC Extraordinary Fund. With return of the underwritten funds there will be an amount of approximately \$130,000 available for redistribution.

■ In 2016 DWC approved \$1m for distribution to the Buller District Council via an Economic Stimulus Fund. The fund was intended to boost economic activity and employment by assisting existing businesses and start-ups with a capital injection. The Economic Development Committee made recommendations to the full Council on how the fund should be distributed.

■ At balance date funds had been allocated to the O'Conor Home for an expansion project that would increase employment in the district.

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

### Internal charges and overheads recovered

■ Lower operational costs in Support Services mainly in Corporate Services and Information Technology departments have resulted in lower overheads required to be recovered.

### Subsidies and grants for operating purposes

■ Development West Coast grants totalling \$544,000 were received on behalf by Council to redistribute. These funds were not budgeted for in the LTP. The grants related to the Extraordinary Fund and Economic Stimulus Fund.

### Payments to staff and suppliers

■ Variance explanations should take into account that \$120,000 of budgeted finance facility MOCL fees, were not included in the Finance Costs budget in the 2015-2025 Long Term Plan (LTP) but incorrectly included in Payments to staff and suppliers budget. Therefore the correct budget variance of \$100,000 (not \$20,000 as shown in the Funding Impact Statement) was mainly made up of \$140,000 in extra expenses to account for the CEO retirement, which was offset by savings in the Manager Corporate Services salary of approximately \$46,000 due to the recruitment of this position occurring after balance date.

### Finance Costs

■ As explained in the previous section variance explanations should take into account that \$120,000, including budgeted finance facility MOCL fees, were not included in the Finance Costs budget in the LTP but incorrectly included in Payments to staff and suppliers budget. Therefore savings of \$98,000 we made in finance costs (not \$22,000 as shown in the Funding Impact Statement) which resulted from lower interest rates and Council changing to a debt facility provided by Local Government Funding Agency which was more cost effective for Council.

### Internal charges and overheads applied

■ Savings in overheads allocated including the IT Department and Corporate Services which was due to less expenditure in than budgeted in those activities.

### Other operating funding applications

■ Development West Coast grants totalling \$342,000 were distributed by Council on behalf of DWC but were not budgeted for in the LTP. The grants related to the Extraordinary Fund and Economic Stimulus Fund.

## Capital Expenditure

### Increase/(decrease) in debt

■ Loan for a vehicle purchase in 2014/2015 for Asset Management (\$31,000) was not drawn down until 2015/2016.

### To replace existing assets

■ The variance was made up of a number of projects that were not required (NCS software \$60,000), were work in progress at balance date (Information management project \$75,000, Aerial Photography project \$36,000). Or that were budgeted in IT but relate to property assets (\$31,000 generator for Brougham House), or were spread around the relevant areas that use the assets (Radio repeater units \$63,000).

## Key Performance Indicators

What we did	What we measured	Target	Actual	Achieved
Prioritise and manage operating expenditure and capital expenditure	Provision of timely and accurate information to the Finance and Audit Committee on all key financial operations for further action.	Monthly reports to the Finance and Audit Committee to monitor and proactively address variances.	Reports provided in a timely and accurate manner.	●
To reduce the incidence of work related accidents and to ensure that Council complied with Healthy and Safety legislation.	Compliance with Health and Safety policies and legislation: Health and Safety and Employment Relations Act 2000.	Setup systems, procedures and policies to comply with legislation.	2015/2016: In-house training on new H&S Legislation provided for Staff and Councillors (2014/2015: Review of policies and procedures, incident logging and hazard identification.)	●
			Staff working toward an ACC Accreditation Audit of the Workplace Safety Management Practices (WSMP) Programme.	●

<b>Funding Impact Statement</b>		Budget LTP 2014/2015 \$000	Budget LTP 2015/2016 \$000	Actual 2015/2016 \$000
<b>Sources of Operating Funding</b>				
General rates, uniform annual general charge, rates penalties		0	213	213
Targeted rates		0	0	0
Subsidies and grants for operating purposes		0	0	544
Fees and charges		0	0	0
Internal charges and overheads recovered		4,388	4,198	4,012
Interest and dividends from investments		0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts		0	74	69
<b>TOTAL Operating Funding</b>	<b>A</b>	<b>4,388</b>	<b>4,485</b>	<b>4,838</b>
<b>Applications of Operating Funding</b>				
Payments to staff and suppliers		3,152	3,138	3,118
Finance costs		145	152	174
Internal charges and overheads applied		778	942	855
Other operating funding applications		0	0	342
<b>TOTAL applications of Operating Funding</b>	<b>B</b>	<b>4,075</b>	<b>4,232</b>	<b>4,489</b>
<b>SURPLUS/(Deficit) of Operating Funding</b>	<b>A-B</b>	<b>313</b>	<b>253</b>	<b>349</b>
<b>Sources of Capital Funding</b>				
Subsidies and grants for capital expenditure		0	0	0
Development and financial contributions		0	0	0
Increase/(decrease) in debt		600	(40)	(7)
Gross proceeds from sale of assets		0	0	0
Lump sum contributions		0	0	0
Other dedicated capital funding		0	0	0
<b>TOTAL Sources of Capital Funding</b>	<b>C</b>	<b>600</b>	<b>(40)</b>	<b>(7)</b>
<b>Application of Capital Expenditure</b>				
- to meet additional demand		0	0	0
- to improve the level of service		699	0	0
- to replace existing assets		0	319	70
Increase/ (decrease) in reserves		214	(106)	272
Increase/ (decrease) in investments		0	0	0
<b>TOTAL Applications of Capital Funding</b>	<b>D</b>	<b>913</b>	<b>213</b>	<b>342</b>
<b>SURPLUS/(Deficit) of Capital Funding</b>	<b>C-D</b>	<b>(313)</b>	<b>(253)</b>	<b>(349)</b>
<b>FUNDING BALANCE</b>	<b>((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>(0)</b>

# 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

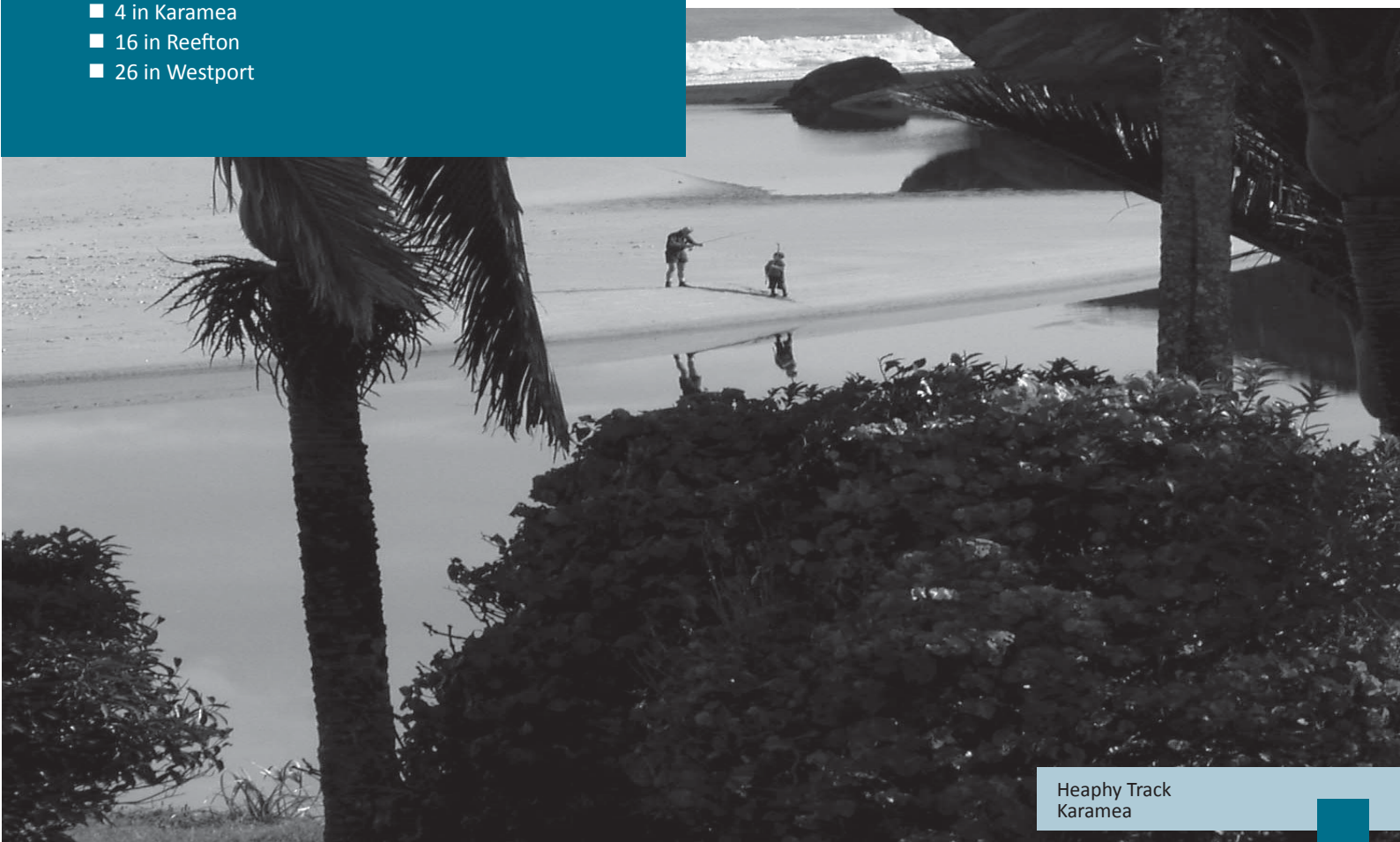
## Why are we involved in these activities?

- 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 do we contribute to Strategic Goals & Community Outcomes?

This activity supports the following community outcomes:

Community Outcomes	How the Council Contributes
Well-being	<ul style="list-style-type: none"> <li>■ By ensuring our parks and reserves are healthy and safe.</li> <li>■ By providing areas for people to engage in healthy activities.</li> </ul>
Environment	<ul style="list-style-type: none"> <li>■ By offering opportunities for people to contribute to projects that improve our district's environment.</li> </ul>
Learning	<ul style="list-style-type: none"> <li>■ By providing the opportunity to learn through social interaction and recreation.</li> </ul>
Prosperity	<ul style="list-style-type: none"> <li>■ By contributing to the district's image and attracting businesses, skills and tourism.</li> </ul>
Who are we	<ul style="list-style-type: none"> <li>■ By organising community events and providing people with opportunity to interact with different communities and by creating a unique image of the district.</li> </ul>



Heaphy Track  
Karamea

## Key Performance Indicators

What we did	What we measured	Target	Actual	Achieved
<b>Parks and Reserves</b>				
<b>To provide parks and reserves that meets community and environmental needs.</b>	% checks on contractors standard of maintenance on active recreation area.	95%	2015/2016: 100%, checks were undertaken on the maintenance contractor. Any defects were notified to the contractor who then remediated (2014/2015: 100%).	●
	Weekly safety and maintenance inspections of playground equipment.	100%	2015/2016: 100%, the contractor completed weekly safety checks on all playground equipment (2014/2015: 100%).	●
<b>Housing for the Elderly</b>				
<b>Provide affordable, well maintained elderly housing.</b>	% of occupancy of elderly persons housing.	90%	2015/2016: 99% (2014/2015: 96%).	●
	% customer satisfaction on provision of elderly housing.	80%	2015/2016: 33 questionnaires were returned with a satisfaction rate of 82.5% (2014/2015: 42 questionnaires, 82.4%).	●
<b>Cemeteries</b>				
<b>Provide and manage cemeteries that meet community needs.</b>	Providing and managing cemeteries to provide for community health.	Maintain cemetery facilities to the appropriate national standard with public records available on request.	2015/2016: Maintained cemetery facilities to the appropriate national standard with public records available on request (2014/2015: 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.	2015/2016: No extensions required in other cemeteries. (2014/2015: extension of the Mokihinui cemetery was completed to cater for 100 additional plots. No immediate extensions required in other areas).	●
<b>Public Toilets</b>				
<b>Provision of public toilets has health and economic benefits supporting local communities, businesses and visitor destinations.</b>	Provide sufficient toilet facilities to meet the districts' needs.	Facilities are cleaned, inspected and maintained to serviceable standard.	2015/2016: 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 (2014/2015: no change).	●
<b>Council Properties</b>				
<b>Managing Council property to enable service delivery and safety for its users.</b>	Maintain and administer Council properties for its users.	100% of service requests responded to in 10 working days.	2015/2016: 100% (2014/2015: 100%).	●

### Significant Variance Explanations in comparison to the Long Term Plan (LTP)

#### Payments to staff and suppliers

■ There were savings in expenses of \$201,000 in this area including insurance savings of \$44,000 and savings in budgeted repairs and maintenance, notably \$29,000 for cyclical maintenance work on Clocktower Chambers which was not carried out until after balance date.

#### Increase/(decrease) in debt

■ A debt funded purchase of a building asset included in the LTP (\$180,000) was not carried out until after balance date.

### Significant Capital Expenditure

#### To improve the level of service

■ The LTP budget (\$130,000) comprised of \$50,000 for a new community facility at Punakaiki which was re-budgeted to 2016/2017, \$20,000 was for a planned cemetery land at Karamea which was not purchased during the period. The remaining budgeted amount of \$60,000 was capital expenditure for Reserves which was incorrectly categorised as improving level of service instead of replacing existing assets.

#### To replace existing assets

■ After taking account of the \$60,000 error in asset classification in the LTP budget replacement of existing assets was \$201,000 under budget. Purchase of a building asset that was budgeted at \$180,000 in the LTP was secured for \$105,000 and the Peel Street yard project budgeted at \$80,000 which will not proceed accounts for the main variances in this area.



<b>Funding Impact Statement</b>		Budget LTP 2014/2015 \$000	Budget LTP 2015/2016 \$000	Actual 2015/2016 \$000
<b>Sources of Operating Funding</b>				
General rates, uniform annual general charge, rates penalties		1,319	1,275	1,275
Targeted rates		0	0	0
Subsidies and grants for operating purposes		0	0	0
Fees and charges		0	0	0
Internal charges and overheads recovered		379	384	383
Interest and dividends from investments		0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts		1,391	1,089	1,122
<b>TOTAL Operating Funding</b>	<b>A</b>	<b>3,089</b>	<b>2,748</b>	<b>2,780</b>
<b>Applications of Operating Funding</b>				
Payments to staff and suppliers		2,046	1,859	1,802
Finance costs		71	74	67
Internal charges and overheads applied		237	351	336
Other operating funding applications		0	0	0
<b>TOTAL applications of Operating Funding</b>	<b>B</b>	<b>2,354</b>	<b>2,284</b>	<b>2,205</b>
<b>SURPLUS/(Deficit) of Operating Funding</b>	<b>A-B</b>	<b>735</b>	<b>464</b>	<b>575</b>
<b>Sources of Capital Funding</b>				
Subsidies and grants for capital expenditure		0	0	0
Development and financial contributions		0	0	0
Increase/(decrease) in debt		53	114	(68)
Gross proceeds from sale of assets		0	0	0
Lump sum contributions		0	0	0
Other dedicated capital funding		0	0	0
<b>TOTAL Sources of Capital Funding</b>	<b>C</b>	<b>53</b>	<b>114</b>	<b>(68)</b>
<b>Application of Capital Expenditure</b>				
- to meet additional demand		0	0	0
- to improve the level of service		77	130	0
- to replace existing assets		213	470	343
Increase/ (decrease) in reserves		498	(22)	164
Increase/ (decrease) in investments		0	0	0
<b>TOTAL Applications of Capital Funding</b>	<b>D</b>	<b>788</b>	<b>578</b>	<b>507</b>
<b>SURPLUS/(Deficit) of Capital Funding</b>	<b>C-D</b>	<b>(735)</b>	<b>(464)</b>	<b>(575)</b>
<b>FUNDING BALANCE</b>	<b>((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Council Controlled Organisations



The following pages set out in detail each of Council's Controlled Organisations:

**Council Controlled Organisations are:**

- Westport Airport
- Buller Holdings Limited
- WestReef Services Limited
- Buller Recreation Limited
- Westport Harbour Limited
- Tourism West Coast (Associate)

# Westport Airport

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.

The commentary below is a summary of the Westport Airport Authority's 2015/2016 audited financial statements:

## Performance Commentary:

- Operating Revenue for the Westport Airport Authority was \$43,630 higher than budgeted, predominately due to extra income generated from the New Zealand Defence Force exercise held in Westport in November 2015. In addition more flights occurred than were budgeted under the new service provider Sounds Air which also contributed to the result.
- Operating Expenditure was \$68,570 more than budgeted. This was primarily attributed to one off costs of repairs to the sea wall of \$63,645. Other costs involved removal and replacement of fencing in the area of the seawall and for the removal of trees which amounted to \$2,980. Flooding from a burst pipe in the terminal and a number of other unbudgeted repairs accounted for the remainder.
- There were a number of variances in other areas of expenditure. A greater number of flights have meant that administration costs, principally wages, are higher than budgeted to enable these flights to be serviced. In addition extra costs were incurred due to the turnover in flight servicing staff. Appointment of a new insurer resulted in savings in budgeted insurance costs. Power costs were higher than anticipated due to heating having to be provided in the terminal over the winter months to cater for the early flights. Interest costs were incurred (\$10,149) but not budgeted due to the overdrawn current account.
- There were several items of unbudgeted capital expenditure. A section of new sea erosion protection wall was required to be built to protect one end of the existing wall (\$7,862). In addition the previous Uninterrupted Power System (UPS) was destroyed by lightning resulting in a loss on write-off of \$4,447. A new UPS was required to be purchased to protect the electronics at the airport at a cost of \$1,790. Additional flights and patronage required the purchase of additional unbudgeted seating at a cost of \$522.

## Key Performance Targets

Target	Actual	Achieved
To improve financial performance and to operate in a cost effective manner. Financial performance will be judged against projected income and expenditure.	2015/2016: The operating loss was higher than budgeted mainly due to repairs to the Airport seawall (2014/2015: The operating loss was higher than budget due to one-off sourcing costs associated with sourcing a new service provider.)	
To systematically improve the quality and cost effectiveness of services provided to its customers.	2015/2016: The partnership with Sounds Air is contracted for a total of 6 years. Improvements to the schedule have been made to meet customer requirements (2014/2015: Partnership with Sounds Air agreed, for a term of 6 years.)	
To operate the airport with due regard to sound cultural and environmental issues arising from the community.	2015/2016: Target met. Protection of the airport from sea erosion is ongoing (2014/2015: Target met.)	
To comply with the Resource Management Act and undertake its activities in an environmentally sound manner having regard to the interest of the community.	2015/2016: All activities comply with the Resource Management Act (2014/2015: Compliance met.)	

<b>Funding Impact Statement</b>		Budget LTP 2014/2015 \$000	Budget LTP 2015/2016 \$000	Actual 2015/2016 \$000
<b>Sources of Operating Funding</b>				
General rates, uniform annual general charge, rates penalties		68	67	61
Targeted rates		0	0	0
Subsidies and grants for operating purposes		0	0	0
Fees and charges		0	0	0
Internal charges and overheads recovered		0	0	0
Interest and dividends from investments		0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts		61	95	117
<b>TOTAL Operating Funding</b>	<b>A</b>	<b>129</b>	<b>162</b>	<b>178</b>
<b>Applications of Operating Funding</b>				
Payments to staff and suppliers		55	92	127
Finance costs		10	0	5
Internal charges and overheads applied		10	15	13
Other operating funding applications		0	0	0
<b>TOTAL applications of Operating Funding</b>	<b>B</b>	<b>75</b>	<b>107</b>	<b>145</b>
<b>SURPLUS/(Deficit) of Operating Funding</b>	<b>A-B</b>	<b>54</b>	<b>55</b>	<b>33</b>
<b>Sources of Capital Funding</b>				
Subsidies and grants for capital expenditure		0	0	0
Development and financial contributions		0	0	0
Increase/(decrease) in debt		(10)	0	0
Gross proceeds from sale of assets		0	0	0
Lump sum contributions		0	0	0
Other dedicated capital funding		0	0	0
<b>TOTAL Sources of Capital Funding</b>	<b>C</b>	<b>(10)</b>	<b>0</b>	<b>0</b>
<b>Application of Capital Expenditure</b>				
- to meet additional demand		0	0	0
- to improve the level of service		0	0	0
- to replace existing assets		0	0	5
Increase/ (decrease) in reserves		44	55	28
Increase/ (decrease) in investments		0	0	0
<b>TOTAL Applications of Capital Funding</b>	<b>D</b>	<b>44</b>	<b>55</b>	<b>33</b>
<b>SURPLUS/(Deficit) of Capital Funding</b>	<b>C-D</b>	<b>(54)</b>	<b>(55)</b>	<b>(33)</b>
<b>FUNDING BALANCE</b>	<b>((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

# 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 2015/2016 \$000	Actual 2015/2016 \$000
Group revenue	14,856	15,493
Group expenditure	13,950	14,178
EBITDA	1,981	2,529
Provision for capex	836	1,621
Return on revenue	4.3%	6.6%
Distribution	875	400

## Financial Results

### Group:

■ In the 2015/2016 year the group generated a EBITDA (Earnings before Interest, Taxation, Dividends and Amortisation) of \$2.529m (2014/2015: \$2.661m). This is a very encouraging result given the current economic climate.

■ A subvention payment of \$400,000 was payable on 30 June 2016.

### Subsidiary Companies:

■ WestReef Services Ltd has had another strong year generating revenue of \$10.914m compared to \$10.793m, for the 2014/2015 financial year. 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 performed better than budgeted for the year, generating a loss before taxation of \$675,000, compared to a loss of \$602,000 for the 2014/2015 year. Average membership numbers are less than previous year, but the year ended with a gain in total members. After accounting for depreciation and other non-cash items, the company again generated a small cash deficit.

■ Westport Harbour Ltd ended the year with a pre-tax profit of \$128,000, compared to a profit of \$332,000 in 2014/2015.



# BULLER Holdings Ltd

## Performance Targets and Results

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.	2015/2016: The group generated a profit before taxation of \$1.015m (2014/2015: Before taxation profit of \$1.144m).	●
	To actively pursue additional revenue streams resulting in the increased profitability of BHL so as to increase the dividend payable to Council.	2015/2016: WestReef Services Ltd has had another strong year generating revenue of \$10.9m (2014/2015: \$10.7m). Revenue grew by 57% (2014/2015: 59%) from competitively procured work (target 35%). Continuous revenue from major outside contracts, including Network Outcomes Contract, various Department of Conservation contracts and successful in tendering for new contracts, including, but not limited to, the upgrade of Derby Street.	●
		2015/2016: Westport Harbour Ltd ended the year with a pre-tax profit of \$128,000 (2014/2015: \$332,000).	●
		2015/2016: Buller Recreation Ltd has performed better than budgeted generating a loss before taxation of \$675,000 (2014/2015: loss of \$602,000).	●
		2015/2016: During the year a total of \$400,000 in subvention payments were paid to Council (2014/2015: \$1.306m).	●
Service	3 meetings per year between Council and BHL Board	2015/2016: Council's CCTO Committee met 6 times during the year (2014/2015: 4).	●
	CEO's meet 6 times per year	2015/2016: CEO's have met 5 times during the period (2014/2015: 5 times).	●
	Formal monthly reporting to Council	2015/2016: Quarterly reports were provided as requested (2014/2015: achieved).	●
	Compliance with charter and protocols	2015/2016: All charter and protocol requirements adhered to (2014/2015: achieved).	●



# WestReef Services Limited

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 2015/2016 financial year has been a year of achievement and resilience for WestReef Services. This year WestReef celebrated their 21st anniversary as a company, providing service to the Buller District.
- WestReef Services won a tender for the Transit NZ Network Outcomes Contract (NOC) for the West Coast, as a subcontractor to Fulton Hogan in the prior year. This has resulted in positive impacts both in terms of revenue and wider development of the company and its staff this year.
- Total revenue for the period was \$10.9m and is slightly above budget.
- Key project achievements for the year have included being involved in the completion of the Old Ghost Road Cycleway, twelve months completion of the West Coast NOC road maintenance contract and the sixth consecutive year of road reconstruction and service upgrade of Derby Street.
- WestReef Services has successfully tendered for upgrade works for the Department of Conservation at the Heaphy Track, and has achieved tertiary ACC accreditation.
- For the fourth consecutive year, WestReef Services entered the West Coast Leading Light Business awards. WestReef was awarded the Workplace Safety large Business Award and were a finalist in the Large Enterprise Award.



## Performance Targets and Results

Performance Measure	Target	Achievement	Achieved
Profitability	10% of gross revenue before subvention payment	2015/2016: 14% achieved (2014/2015: 14%).	●
	Grow revenue from competitively tendered work - target 35% of gross revenue.	2015/2016: 57% continuous revenue from major outside contracts including Network Outcomes Contract, various Department of Conservation contracts and successful in tendering new contracts including but not limited to Derby Street upgrade etc. (2014/2015: 59%).	●
Quality	Renewal of TQA1 certification	2015/2016: Achieved April 2016 (2014/2015: April 2015).	●
Client satisfaction	Meet monthly with major client, BDC engineers, to obtain feedback on specific contract performance	2015/2016: 11 BDC contract meetings were held, pre contract reviews for contracts over \$50,000 took place, as well as NOC Contract Meetings were held. (2014/2015: 12 BDC contract meetings were held, and post contract reviews for contracts over \$50,000 took place).	●
Community support	Support at least 6 community activities	2015/2016: 44 community activities were supported (2014/2015: 36).	●
Employee satisfaction	Undertake a staff satisfaction survey to provide feedback on staff engagement, and a benchmark for future years	2015/2016: Staff engagement surveys are to be completed bi-annually (2014/2015: Staff engagement survey was completed).	●
	Weekly staff meetings with minutes kept	2015/2016: Weekly staff meetings were held, H&S committee meeting held, Weekly (2014/2015: Achieved).	●
	Ensure succession plans are put in place for all senior management positions	2015/2016: Succession plans remain current and in place (2014/2015: Succession plans in place).	●
Safety	Lost time injuries <5% of total hours	2015/2016: 0.1% for the year (2014/2015: 0.3%).	●

# Westport Harbour Limited

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

From 1 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?

■ 2016 was a very testing and trying year for Westport Harbour Limited (WHL). The Holcim departure at the end of the 2016 financial year has resulted in revenue from the company's main customer ceasing. This, of course, causes major concern and there are ongoing efforts to attract new customers to the port and seek alternatives to generate revenue for the company.

■ The profit for the year was considerably less than the previous year, but was however a solid result for the company given the circumstances of the past year and uncertainty that all staff have had to deal with.

■ Efforts to produce further business opportunities were pursued during the year but to date nothing has eventuated. This will continue to be a focus of the Board and Senior Management.

■ Confirmation of a three year maintenance dredging contract at Port Nelson has been achieved.





## Performance Targets and Results

Performance Measure	Target	Achievement	Achieved
<b>Profitability:</b>	9% of gross revenue (pretax).	2015/2016: Pre-tax operating profit is 7.6% before dredge slipping costs (2014/2015: 16.2%).	●
<b>Growth:</b>	Pursue all opportunities for practical growth.	2015/2016: Discussions with interested parties continued during the period (2014/2015: achieved).	●
<b>Service performance:</b>	Maintain by dredging: A bar depth of >2.8m at chart datum.	2015/2016: Not achieved – average bar depth 2.6m, 32 recorded depths less than 2.8m (2014/2015: Average bar depth of 3.2m).	●
	An average river depth in the main channel of 3.8m at chart datum.	2015/2016: Achieved – regular dredging at the spit and regular soundings indicated minimum depths of 3.8m.	●
	Sufficient depths for vessel requirements at wharves & jetties with the Harbour.	2015/2016: Achieved – regular dredging at the silo/coal berths/floating basin and regular sounding to support vessel requirements.	●
	To consistently deliver services to customers in accordance with contracts.	2015/2016: No complaints were received (2014/2015: No complaints were received, and two compliments were received from our major customer).	●
<b>Personnel:</b>	Maintain competency levels required for all employees to deliver high quality performance in their duties.	2015/2016: Achieved - all seafarer medicals and certifications are current (2014/2015: Achieved).	●
	Undertake a staff satisfaction survey.	2015/2016: Employment engagement survey was completed during July 2015. (2014/2015: achieved)	●
<b>Safety:</b>	Promote a safety first/zero harm culture.	2015/2016: 11 monthly meetings were held to identify and address any hazards or safety concerns (2014/2015: 10 monthly meetings were held).	●
	Nil lost time incidents.	2015/2016: Nil lost time incidents occurred (2014/2015: Nil).	●
<b>Environment:</b>	Avoid harm to environment as consequence of port operations.	2015/2016: Nil environmental incidents during the year (2014/2015: Nil).	●
	Maintain oil spill response capability.	2015/2016: Maritime NZ Tier 1 oil spill contingency & response plans reviewed. (2014/2015: Maritime NZ oil spill response training was held on 18 May 2015. Tier 1 oil spill plan reviewed).	●



# Buller Recreation Limited

**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 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.

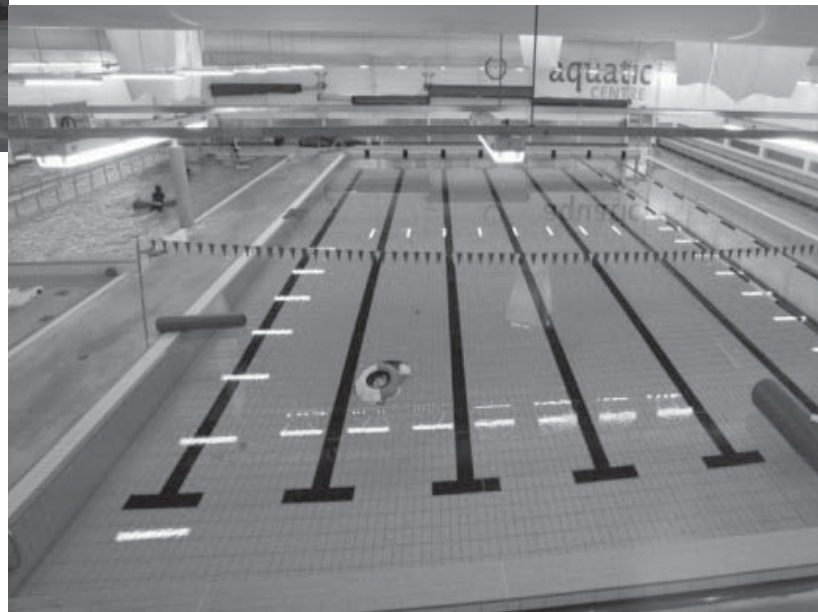
Its activities will include provision of services for:

- 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?

- Membership numbers declined throughout most of the year due to the economic climate of our district, but a membership drive during May brought the numbers to in excess of 500 by the end of the financial year which was a very pleasing result.
- The swim school staff have performed very well and the number of private lesson has grown considerably. The pool useage was down overall however.
- TRIBE (team fitness training programme) has continued to be very successful, and the introduction of yoga has developed a strong following.
- The facility has hosted big events over the last 12 months, including the Ulysses Club AGM, the annual mid-winter ball weddings and sports tournaments.
- The energy conservation project is complete. Significant cost savings have been achieved and the additional of metering across the facility has proven very effective at locating power saving options. This project continues with future enhancements to come.



## Performance Targets and Results

Performance Measure	Target	Achievement	Achieved
<b>Profitability:</b>	Revenue and expenditure in line with budget.	2015/2016: Revenue is on budget (2014/2015: Revenue exceeded budget by 2%).	●
		2015/2016: Expenditure is on budget (2014/2015: expenditure was less than budget by 3%).	●
<b>Fitness membership:</b>	450 members.	2015/2016: Average membership was 428 with a total of 504 members at June 2016. A membership drive during May 2016 increased members (2014/2015: Average 469 with 472 members at June 2015. Membership was static throughout the year).	●
	Retention rate >75%.	2015/2016: Achieved retention rate of 95% across the financial year (2014/2015: 93.9% achieved).	●
<b>Aquatic centre usage:</b>	4,000 visits per month.	2015/2016: Achieved. Average 4159. Above target but less than last year due to financial climate in Westport (2014/2015: Average 4,185).	●
	Achieve 150 swimming students (averaged over twelve months).	2015/2016: Average of 175 (2014/2015: Average of 173).	●
<b>Safety:</b>	Nil serious harm incidents.	2015/2016: Achieved (2014/2015: Achieved).	●
	100% compliance with Health and Safety procedures.	2015/2016: Achieved, safety audits undertaken (2014/2015: Achieved).	●
<b>Work Environment:</b>	Hold quarterly meetings with all staff.	2015/2016: Achieved (2014/2015: Achieved).	●
	Review the succession plan for key positions and identify training needs and actions for the 12 months.	2015/2016: Achieved, developed at management meetings (2014/2015: Achieved).	●
	Complete annual review process with all staff to ensure staff are working to their full potential	2015/2016: Achieved (2014/2015: Achieved).	●
	Undertake staff satisfaction survey or 360 survey of management to provide feedback on staff engagement and a benchmark for future years.	2015/2016: Achieved, a 360 degree feedback survey was carried out for all managers in July 2015 (2014/2015: Achieved).	●
<b>Asset Management Plan (AMP):</b>	Maintain a comprehensive AMP.	2015/2016: Asset Management Plan was reviewed and updated during September 2015 (2014/2015: Achieved).	●
	Complete maintenance and replacement in accordance with AMP (monitor monthly).	2015/2016: Achieved. Assets replaced during the year included a fall prevention system on exterior roof, upgrade to the pool surrounds and replacement of gym equipment. (2014/2015: Achieved).	●

# 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 one each from the Westland District and Grey District Council's. The Council also provides annual funding to Tourism West Coast.

The other two members are appointed by Development West Coast 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.
- 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	Achievement	Achieved
The Chairperson of the Board and Chief Executive of Tourism West Coast will address Council on an annual basis.	2015/2016: Presentation completed to Council during Annual Plan process (2014/2015: presentation given).	●
The Annual Report is to be presented to Council within two months of adoption.	2015/2016 Council had not received the Annual Report within two months of adoption (2014/2015: not achieved).	●



# Financial Statements



- 
- Contains:**
- Statement of Comprehensive Revenue and Expense
  - Statement of Changes in Equity
  - Statement of Financial Position
  - Statement of Cashflows
  - Council's Funding Impact Statement
-

# Statement of Comprehensive Revenue & Expense for the year ended 30 June 2016

	Note	Parent			Group	
		2015/2016 Actual \$000	2015/2016 Budget LTP \$000	2014/2015 Actual \$000	2015/2016 Actual \$000	2014/2015 Actual \$000
<b>OPERATING REVENUE</b>						
General Rates	1	7,911	7,982	7,872	7,750	7,786
Targeted Rates (excluding Metered Water)	1	5,309	5,332	5,438	5,303	5,381
Metered Water Charges		225	170	211	225	211
Rate Penalties	1	149	181	142	149	142
Subsidies and Grants		4,395	5,249	5,304	4,395	5,304
Investment Revenue	2	1,074	1,620	1,976	615	602
Other Revenue	2	15	0	20	0	0
Development and Financial Contributions		30	100	221	30	221
Fees & Charges		2,881	3,093	3,252	10,879	8,941
Gain on Disposal of Investment Property		18	0	0	18	0
Vested Assets		0	100	2	0	2
Profit on Sale of Assets		0	0	4	67	55
Gain on Revaluations of Investment Land	12	0	214	0	0	0
Share in Profit (Loss) of Associate		0	0	0	(27)	(3)
<b>TOTAL Operating Revenue</b>	<b>3</b>	<b>22,007</b>	<b>24,041</b>	<b>24,442</b>	<b>29,404</b>	<b>28,642</b>
<b>OPERATING EXPENDITURE</b>						
Employment Costs		4,597	4,445	4,315	10,802	9,698
Depreciation & Amortisation		5,165	5,532	5,400	6,607	6,845
Finance Costs		1,112	1,438	1,471	1,111	1,472
Other Expenses		10,767	10,742	11,630	10,052	9,680
Loss on Sale of Assets		49	0	0	49	0
Assets Written Off		403	350	1,138	403	1,138
Loss on Derivative Contracts	16	425	0	681	425	681
Loss on Revaluations of Investment Land	12	579	0	854	543	854
Loss on Sale of Investment Property		3	0	0	3	0
<b>TOTAL Operating Expenditure</b>	<b>4</b>	<b>23,100</b>	<b>22,507</b>	<b>25,489</b>	<b>29,995</b>	<b>30,368</b>
<b>NET Surplus (Deficit) Before Taxation</b>	<b>5</b>	<b>(1,093)</b>	<b>1,534</b>	<b>(1,047)</b>	<b>(591)</b>	<b>(1,726)</b>
Income Tax Expense	6	0	0	0	(157)	125
<b>NET Surplus (Deficit) After Taxation</b>		<b>(1,093)</b>	<b>1,534</b>	<b>(1,047)</b>	<b>(434)</b>	<b>(1,851)</b>
<b>OTHER COMPREHENSIVE REVENUE &amp; EXPENSE</b>						
Increase/(decrease) in Infrastructure Revaluation Reserves		0	7,141	0	0	0
Gain/(Loss) on Investment Recognised in Asset Revaluation Reserve		0	0	3	0	3
<b>TOTAL Comprehensive Revenue &amp; Expense</b>		<b>(1,093)</b>	<b>8,675</b>	<b>(1,044)</b>	<b>(434)</b>	<b>(1,848)</b>

## Statement of Changes in Equity for the year ended 30 June 2016

	Parent			Group	
	2015/2016 Actual \$000	2015/2016 Budget LTP \$000	2014/2015 Actual \$000	2015/2016 Actual \$000	2014/2015 Actual \$000
<b>EQUITY as at 1 July</b>	<b>318,097</b>	<b>319,483</b>	<b>319,141</b>	<b>315,434</b>	<b>317,282</b>
Total Comprehensive Income	(1,093)	8,675	(1,044)	(434)	(1,848)
Transactions with Owners recorded directly in Equity	0	0	0	0	0
<b>TOTAL EQUITY at End of Year</b>	<b>\$317,004</b>	<b>\$328,158</b>	<b>\$318,097</b>	<b>\$315,000</b>	<b>\$315,434</b>
<b>COMPONENTS OF EQUITY</b>					
Accumulated Funds	167,962	172,801	169,498	164,914	165,791
Reserves	4,854	4,031	4,411	4,854	4,411
Asset Revaluation Reserve	144,188	151,326	144,188	145,232	145,232
<b>TOTAL EQUITY at End of Year</b>	<b>\$317,004</b>	<b>\$328,158</b>	<b>\$318,097</b>	<b>\$315,000</b>	<b>\$315,434</b>

# Statement of Financial Position as at 30 June 2016

	Note	Parent			Group	
		2015/2016 Actual \$000	2015/2016 Budget LTP \$000	2014/2015 Actual \$000	2015/2016 Actual \$000	2014/2015 Actual \$000
<b>CURRENT ASSETS</b>						
Cash and Cash Equivalents	8	3,308	820	3,025	5,663	5,748
Trade and Other Receivables	9	3,263	4,976	4,260	3,661	3,970
Inventories		18	14	16	357	276
Other Current Assets	10	35	21	117	41	45
Short Term Investments		13,284	10,972	11,284	13,720	11,684
Assets Held for Sale	11	204	0	36	204	36
<b>TOTAL Current Assets</b>		<b>\$20,112</b>	<b>\$16,803</b>	<b>\$18,738</b>	<b>\$23,646</b>	<b>21,759</b>
<b>NON CURRENT ASSETS</b>						
Investment in Council Controlled Organisations	12	19,614	19,890	20,090	40	40
Other Investments	12	386	0	66	423	130
Investment Property	12	7,976	10,361	8,503	7,416	8,503
Infrastructural Assets	13	277,773	293,764	278,852	276,653	278,027
Other Non Current Assets	13	20,734	20,260	21,377	38,385	38,250
Intangible Assets	14	41	265	53	740	758
<b>TOTAL Non Current Assets</b>		<b>\$326,524</b>	<b>\$344,540</b>	<b>\$328,941</b>	<b>\$323,657</b>	<b>\$325,708</b>
<b>TOTAL Assets</b>		<b>\$346,636</b>	<b>\$361,343</b>	<b>\$347,679</b>	<b>\$347,303</b>	<b>\$347,467</b>
<b>CURRENT LIABILITIES</b>						
Trade and Other Payables	15	2,444	3,882	2,628	3,161	3,033
Derivative Financial Instruments	16	0	54	13	0	13
Employee Benefits	17	600	440	550	1,255	1,140
Provisions	19	35	0	35	172	35
Current Portion of Term Debt	18	80	56	80	80	80
<b>TOTAL Current Liabilities</b>		<b>\$3,159</b>	<b>\$4,432</b>	<b>\$3,306</b>	<b>\$4,668</b>	<b>\$4,301</b>
<b>NON-CURRENT LIABILITIES</b>						
Derivative Financial Instruments	16	1,169	250	731	1,169	731
Provisions	19	1,475	1,410	1,614	1,338	1,614
Bond Deposits		83	82	81	84	80
Employee Entitlements	17	246	280	285	274	315
Deferred Tax	6	0	0	0	1,270	1,427
Term Debt	18	23,500	26,731	23,565	23,500	23,565
<b>TOTAL Non-Current Liabilities</b>		<b>\$26,473</b>	<b>\$28,753</b>	<b>\$26,276</b>	<b>\$27,635</b>	<b>\$27,732</b>
<b>EQUITY</b>						
Accumulated Funds	20	167,962	172,801	169,498	164,914	165,791
Reserves	21	4,854	4,031	4,411	4,854	4,411
Asset Revaluation Reserve	22	144,188	151,326	144,188	145,232	145,232
<b>TOTAL Equity</b>		<b>\$317,004</b>	<b>\$328,158</b>	<b>\$318,097</b>	<b>\$315,000</b>	<b>\$315,434</b>
<b>TOTAL Liabilities and Equity</b>		<b>\$346,636</b>	<b>\$361,343</b>	<b>\$347,679</b>	<b>\$347,303</b>	<b>\$347,467</b>



# Statement of Cashflows for the year ended 30 June 2016

	Parent			Group	
Note	2015/2016 Actual \$000	2015/2016 Budget LTP \$000	2014/2015 Actual \$000	2015/2016 Actual \$000	2014/2015 Actual \$000
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>					
<i>Cash was provided from:</i>					
Rates	13,405	13,485	13,543	13,238	13,400
Other Income	8,255	8,342	9,675	16,279	16,551
Interest Received	703	745	636	643	569
Tax Received	0	0	0	0	0
Dividends & Subvention Payments Received	578	1,156	912	0	0
	<b>\$22,941</b>	<b>\$23,728</b>	<b>\$24,766</b>	<b>30,160</b>	<b>30,520</b>
<i>Cash was applied to:</i>					
Payments to Suppliers and Employers	15,370	15,906	16,171	21,046	19,933
Interest Paid	1,251	1,438	1,397	1,250	1,405
Income Tax Paid	0	0	0	0	0
Net GST Movement	(37)	0	34	(36)	82
	<b>\$16,584</b>	<b>\$17,344</b>	<b>\$17,602</b>	<b>22,260</b>	<b>21,420</b>
<b>NET CASH from Operating Activities</b>	<b>7</b>	<b>\$6,357</b>	<b>\$6,384</b>	<b>7,900</b>	<b>9,100</b>
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>					
<i>Cash was provided from:</i>					
Disposal of Fixed Assets	84	160	14	154	193
Investment Realised	11,764	0	10,639	11,219	10,359
	<b>\$11,848</b>	<b>\$160</b>	<b>\$10,653</b>	<b>11,373</b>	<b>10,552</b>
<i>Cash was applied to:</i>					
Purchase of Fixed Assets	4,253	8,605	6,185	5,878	7,128
Purchase of Investments	13,912	55	11,047	13,723	11,407
Purchase of Intangibles	12	0	9	12	9
	<b>\$18,177</b>	<b>\$8,660</b>	<b>\$17,241</b>	<b>19,613</b>	<b>18,544</b>
<b>NET CASH from Investing Activities</b>	<b>\$(6,329)</b>	<b>\$(8,500)</b>	<b>\$(6,588)</b>	<b>(8,240)</b>	<b>(7,992)</b>
<b>CASHFLOWS FROM FINANCING ACTIVITIES</b>					
<i>Cash was provided from:</i>					
Loans Raised	23,754	2,947	49	23,754	49
<i>Cash was applied to:</i>					
Repayment of loans	23,499	56	99	23,499	98
<b>NET CASH from Financing Activities</b>	<b>\$255</b>	<b>\$2,891</b>	<b>\$(50)</b>	<b>255</b>	<b>(49)</b>
<b>NET INCREASE(DECREASE) IN CASH</b>	<b>\$283</b>	<b>\$775</b>	<b>\$526</b>	<b>(85)</b>	<b>1,059</b>
<b>OPENING CASH AS AT 1 JULY</b>	<b>3,025</b>	<b>45</b>	<b>2,499</b>	<b>5,748</b>	<b>4,689</b>
<b>CLOSING CASH AS AT 30 JUNE</b>	<b>\$3,308</b>	<b>\$820</b>	<b>\$3,025</b>	<b>5,663</b>	<b>5,748</b>

# Funding Impact Statement - Council

		2014/2015 Budget AP \$000	2014/2015 Actual \$000	2015/2016 Budget LTP \$000	2015/2016 Actual \$000
<b>SOURCES OF OPERATING FUNDING</b>					
General rates, uniform annual general charge, rates penalties		7,942	7,872	7,982	7,911
Targeted rates		5,407	5,438	5,332	5,309
Subsidies and grants for operating purposes		2,761	3,106	2,066	2,625
Fees and charges		227	211	181	225
Interest and dividends from investments		1,435	1,976	1,620	1,074
Local authorities fuel tax, fines, infringements fees and other receipts		3,655	3,393	3,263	3,030
<b>TOTAL Operating Funding</b>	<b>A</b>	<b>21,427</b>	<b>21,996</b>	<b>20,444</b>	<b>20,174</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
Payments to staff and suppliers		15,244	14,962	14,707	14,476
Finance costs		1,337	1,471	1,438	1,112
Other operating funding applications		892	984	480	887
<b>TOTAL Operating Funding</b>	<b>A</b>	<b>17,473</b>	<b>17,417</b>	<b>16,625</b>	<b>16,476</b>
<b>NET CASH from Operating Activities</b>	<b>A-B</b>	<b>3,954</b>	<b>4,579</b>	<b>3,819</b>	<b>3,699</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
Subsidies and grants for capital expenditure		3,211	1,648	2,650	1,235
Development and financial contributions		100	221	100	30
Increase/(decrease) in debt		(2,387)	(50)	2,890	(65)
Gross proceeds from sale of assets		494	10	160	212
Lump sum contributions		0	550	535	535
Other dedicated capital funding		0	0	0	0
<b>TOTAL Operating Funding</b>	<b>C</b>	<b>1,418</b>	<b>2,379</b>	<b>6,335</b>	<b>1,947</b>
<b>APPLICATION OF CAPITAL EXPENDITURE</b>					
Application of Capital expenditure					
- to meet additional demand		0	0	0	0
- to improve the level of service		5,158	1,864	4,445	653
- to replace existing assets		4,028	3,574	4,160	3,486
Increase/ (decrease) in reserves		192	876	1,334	(494)
Increase/ (decrease) in investments		(4,006)	644	215	2,000
<b>TOTAL Applications of Capital Funding</b>	<b>D</b>	<b>5,372</b>	<b>6,958</b>	<b>10,154</b>	<b>5,645</b>
<b>SURPLUS/ (DEFICIT) of Capital Funding</b>	<b>C-D</b>	<b>(3,954)</b>	<b>(4,579)</b>	<b>(3,819)</b>	<b>(3,699)</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

## Contains:

- Note 1** ■ Rates Revenue
- Note 2** ■ Investment Revenue
- Note 3** ■ Operating Revenue
- Note 4** ■ Operating Expenditure
- Note 5** ■ Operating Surplus
- Note 6** ■ Income Tax
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## Note 1 ~ Rates Revenue

Rates Revenue	Parent	
	2015/2016 Actual \$000	2014/2015 Actual \$000
General Rates	7,911	7,872
<b>Targeted Rates attributable to Activities:</b>		
Water	2,256	2,173
Refuse and Sanitation	3,053	3,018
Roading	0	0
Economic Development	0	247
Penalties	149	142
<b>TOTAL Revenue from Rates</b>	<b>13,369</b>	<b>13,452</b>

### Rates Remissions

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

	Parent	
	2015/2016 Actual \$000	2014/2015 Actual \$000
<b>TOTAL Revenue from Rates</b>	<b>13,437</b>	<b>13,531</b>
<b>Rates Remissions</b>		
Land used for sport	37	35
Land protected for historical or cultural purposes	31	44
<b>TOTAL Rates Remissions</b>	<b>68</b>	<b>79</b>
<b>Rates Revenue Net of Remissions</b>	<b>13,369</b>	<b>13,452</b>

### Rating Base Information

The rating base used to set the rates for 2015/16 was 7,533 rating units within the Buller District as at 30 June 2015. The total capital value of these rating units as at 30 June 2015 was \$2,510,136,700, of which \$1,324,210,800 consisted of land value.

(2014/2015: 7,520 rating units, capital value of \$2,486,933,900 which includes a land value of \$1,320,047,250).

## Note 2 ~ Investment Revenue

Investment Revenue	Parent		Group	
	2015/2016 Actual \$000	2014/2015 Actual \$000	2015/2016 Actual \$000	2014/2015 Actual \$000
Interest	1,303	1,331	1,244	1,263
Dividend & Subvention Income	400	1,306	0	0
	<b>1,703</b>	<b>2,637</b>	<b>1,244</b>	<b>1,263</b>
Less: Internal Interest	629	661	629	661
<b>TOTAL Investment Revenue</b>	<b>1,074</b>	<b>1,976</b>	<b>615</b>	<b>602</b>

Other Revenue	Parent		Group	
	2015/2016 Actual \$000	2014/2015 Actual \$000	2015/2016 Actual \$000	2014/2015 Actual \$000
Investment Loan Discount Amortisation Revenue	15	20	0	0
Donations	0	0	0	0
Sundry Income	0	0	0	0
<b>TOTAL Other Income</b>	<b>15</b>	<b>20</b>	<b>0</b>	<b>0</b>

## Note 3 ~ Operating Revenue

Operating Revenue	Parent			Group	
	2015/2016 Actual \$000	2015/2016 Budget LTP \$000	2014/2015 Actual \$000	2015/2016 Actual \$000	2014/2015 Actual \$000
Democracy	1	0	1	1	1
Community Services	1,102	1,081	1,799	1,102	1,799
Regulatory Services	822	1,140	1,071	822	1,071
Amenities & Reserves	1,505	1,473	1,445	1,505	1,445
Roading & Urban Development	3,371	3,516	3,986	3,371	3,986
Solid Waste	803	797	838	803	838
Water Supplies	2,482	3,757	2,796	2,482	2,796
Wastewater	2,405	2,402	2,341	2,405	2,341
Stormwater	9	5	13	9	13
Airport	117	95	69	117	69
In House Professional Services	719	785	683	719	683
Support Services	4,625	4,272	4,370	4,625	4,370
	<b>17,961</b>	<b>19,323</b>	<b>19,412</b>	<b>17,961</b>	<b>19,412</b>
<b>Plus:</b>					
General Rates	7,911	7,982	7,872	7,750	7,786
Rates Penalties	149	181	142	149	142
Investment Income	1,074	1,620	1,976	614	602
Profit on Sale of Assets	0	0	4	67	55
Gain on Sale of Investment Property	18	0	0	18	0
Vested Assets	0	100	2	0	2
Sundry Income	15	0	20	0	0
Gain on Revaluation of Investment Land	0	214	0	0	0
Group Income	0	0	0	7,993	5,631
Share in Profit/(Loss) of Associate	0	0	0	(27)	(3)
	<b>27,128</b>	<b>29,420</b>	<b>29,428</b>	<b>34,525</b>	<b>33,627</b>
<b>Less: Internal Recoveries</b>	<b>(5,121)</b>	<b>(5,379)</b>	<b>(4,986)</b>	<b>(5,121)</b>	<b>(4,986)</b>
<b>TOTAL Operating Revenue</b>	<b>22,007</b>	<b>24,041</b>	<b>24,442</b>	<b>29,404</b>	<b>28,642</b>

## Note 4 ~ Operating Expenditure

Expenditure by Activity	Parent			Group	
	2015/2016 Actual \$000	2015/2016 Budget LTP \$000	2014/2015 Actual \$000	2015/2016 Actual \$000	2014/2015 Actual \$000
Democracy	1,280	1,131	1,164	1,280	1,164
Community Services	3,876	3,975	4,338	3,876	4,338
Regulatory Services	1,728	1,992	1,772	1,728	1,772
Amenities & Reserves	2,204	2,284	2,292	2,204	2,292
Roading & Urban Development	3,646	3,894	4,311	3,646	4,311
Solid Waste	830	1,025	1,029	830	1,029
Water Supplies	1,581	1,574	1,613	1,581	1,613
Wastewater	1,428	1,494	1,392	1,428	1,392
Stormwater	285	242	240	285	240
Airport	145	108	86	145	86
In House Professional Services	733	716	676	733	676
Support Services	4,489	4,232	4,149	4,489	4,149
	<b>22,225</b>	<b>22,667</b>	<b>23,062</b>	<b>22,225</b>	<b>23,062</b>
<b>Plus:</b>					
Depreciation & Amortisation					
- Democracy	0	0	0	0	0
- Community Services	359	336	488	359	488
- Regulatory	101	87	87	101	87
- Amenities & Reserves	550	579	456	550	456
- Roothing & Urban Development	2,362	2,553	2,552	2,362	2,552
- Solid Waste	85	98	84	85	84
- Water Supplies	649	705	617	649	617
- Wastewater	688	660	691	688	691
- Stormwater	202	204	201	202	201
- Airport	56	55	55	56	55
- In House Professional Services	13	12	14	13	14
- Support Services	101	244	156	101	156
- Group Depreciation	0	0	0	1,442	1,445
Other Group Expenses	0	0	0	5,488	3,434
Assets Written Off	403	350	1,138	403	1,138
Loss on Sale of Assets	49	0	0	49	0
Loss on Derivative Contracts	425	0	681	425	681
Loss on Revaluations of Investment Land	579	0	854	543	854
Loss on Sale of Investment Property	3	0	0	3	0
<b>Less:</b>					
Internal Recoveries	(5,121)	(5,379)	(4,986)	(5,121)	(4,986)
<b>Internal Interest</b>	<b>(629)</b>	<b>(664)</b>	<b>(661)</b>	<b>(629)</b>	<b>(661)</b>
<b>TOTAL Expenditure</b>	<b>23,100</b>	<b>22,507</b>	<b>25,489</b>	<b>29,995</b>	<b>30,368</b>

## Note 5 ~ Operating Surplus

Operating Surplus was determined after Accounting for:	Parent		Group	
	2015/2016 Actual \$000	2014/2015 Actual \$000	2015/2016 Actual \$000	2014/2015 Actual \$000
<b>Fees to Principal Auditor:</b>				
Audit fees for financial statement audit	109	107	202	209
Audit fees for long term plan audit	0	75	0	75
Audit fees (1/2 share WAA)	5	5	5	5
Grants and Donations Expense	773	1,026	773	1,026
Lease Income	670	657	398	383
Lease Expense	50	64	81	90
Donated Assets	0	6	0	6
<b>Movement in provision doubtful debts:</b>				
Accounts Receivable	38	38	38	38

### (j) Remuneration

During the year to 30 June 2016, 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:

	2015/2016 Actual \$000	2014/2015 Actual \$000
<b>Chief Executive:</b>		
Paul Wylie (resigned 21 January 2016)	400,114	251,948
Craig Scanlon (Acting CEO from 22 January 2016)	76,626	0
<b>Mayor:</b>		
Garry Howard	68,970	70,341
<b>Councillors:</b>		
Andrew Basher	21,106	21,539
Lynn Brooks	21,106	19,739
Gregory Hart	17,837	16,679
Dave Hawes	21,106	19,739
Graham Howard	17,837	16,679
Robyn Nahr	17,837	16,679
Graeme Neylon	30,989	26,361
Sheryl Rhind	17,837	16,417
Sharon Roche	21,106	20,637
Philip Rutherford	22,910	21,451
<b>Total Mayor &amp; Councillors</b>	<b>278,641</b>	<b>266,262</b>

Councillors were paid per the determination but vary due to timing of pay periods.

### (ii) Severance Payments

During the year to 30 June 2016 one severance payment totalling \$221,680 was made to the former CEO (2014/2015: no severance payments made).



### (iii) Employee Staffing Levels and Remuneration

During the year to 30 June 2016, 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:

	2015/2016	2014/2015
<b>Number of Employees:</b>		
Fulltime	40.0	40.0
Fulltime Equivalent of other employees	11.2	12.8

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 2015/2016 there were 3 employees (2014/2015: 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 2015/2016 was 65 (2014/2015: 70)

### Remuneration Levels

2015/2016					
	less than \$60,000	\$60,000 to \$79,999	\$80,000 to \$99,999	\$100,000 to \$179,999	\$240,000 to \$259,999
<b>Number of Employees</b>	39	9	10	7	0

2014/2015					
	less than \$60,000	\$60,000 to \$79,999	\$80,000 to \$99,999	\$100,000 to \$179,999	\$240,000 to \$259,999
<b>Number of Employees</b>	41	12	10	6	1

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 2015/2016 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 \$179,999 remuneration band.

(2014/2015: 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. Therefore those employees were included in a \$100,000 to \$179,999 remuneration band.)

## Note 6 ~ Income Tax

<b>Components of Tax Expense</b>	<b>Parent</b>		<b>Group</b>	
	<b>2015/2016 Actual \$000</b>	<b>2014/2015 Actual \$000</b>	<b>2015/2016 Actual \$000</b>	<b>2014/2015 Actual \$000</b>
Current Tax Expenses	0	0	0	0
Adjustments to Current Tax in Prior Year	0	0	0	0
Deferred Tax Expenses	0	0	(157)	125
<b>Income Tax Expense</b>	<b>0</b>	<b>0</b>	<b>(157)</b>	<b>125</b>

<b>Relationship between Tax and Accounting Profit</b>	<b>Parent</b>		<b>Group</b>	
	<b>2015/2016 Actual \$000</b>	<b>2014/2015 Actual \$000</b>	<b>2015/2016 Actual \$000</b>	<b>2014/2015 Actual \$000</b>
Surplus/(Deficit) Before Tax	(1,093)	(1,047)	(591)	(1,726)
Tax @ 28%	(306)	(293)	(165)	(483)
Non-Deductible Expenditure	0	(57)	0	(40)
Non-Taxable Revenue	74	133	4	644
Change in Building Depreciation	0	0	3	3
Prior Year Adjustment	0	0	1	0
Group Loss Offset	112	366	0	0
Temporary Differences Not Recognised	(26)	1	0	0
Tax Losses Not Recognised	146	(150)	0	0
Deferred Tax Adjustments	0	0	0	1
<b>Tax Expense</b>	<b>(0)</b>	<b>0</b>	<b>(157)</b>	<b>125</b>

## Deferred Tax Assets/(Liabilities)

Parent	Property, Plant and Equipment	Financial Instruments	Employee Entitlements	Other Provisions	Tax Losses	Total
Balance at 1 July 2014	0	0	0	0	0	0
Credited to Profit & Loss	0	0	0	0	0	0
<b>Balance at 1 July 2015</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Credited to Profit & Loss	0	0	0	0	0	0
Charged to Equity	0	0	0	0	0	0
<b>Balance at 1 July 2016</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Group	Property, Plant and Equipment	Financial Instruments	Employee Entitlements	Other Provisions	Tax Losses	Total
Balance at 1 July 2014	(2,146)	0	177	5	662	(1,302)
Charged to Profit & Loss	40	0	(22)	6	(149)	(125)
<b>Balance at 1 July 2015</b>	<b>(2,106)</b>	<b>0</b>	<b>155</b>	<b>11</b>	<b>513</b>	<b>(1,427)</b>
Credited to Profit & Loss	23	0	(20)	10	144	157
Charged to Equity	0	0	0	0	0	0
<b>Balance at 1 July 2016</b>	<b>(2,083)</b>	<b>0</b>	<b>135</b>	<b>21</b>	<b>657</b>	<b>(1,270)</b>

## Additional disclosures

2015/2016: Council has an unrecognised deferred tax asset in relation to temporary timing differences of \$6,107 (2014/2015: \$98,864) and tax losses of \$2,348,110 (2014/2015: \$1,830,974). 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	
	2015/2016 Actual \$000	2014/2015 Actual \$000	2015/2016 Actual \$000	2014/2015 Actual \$000
<b>Surplus/(Deficit) after Tax</b>	<b>(1,093)</b>	<b>(1,047)</b>	<b>(434)</b>	<b>(1,851)</b>
<b>Add/(Less) Non-cash Items:</b>				
Depreciation & Amortisation Expense	5,165	5,400	6,607	6,845
Impairment	0	0	0	0
Movement in Provisions	(139)	75	(139)	75
Movement in Deferred Taxation	0	0	(156)	125
Donated Assets	0	(6)	0	(26)
Other Non Cash Items	0	0	0	0
Vested Assets	0	(2)	0	(2)
Loan Amortisation	(15)	(20)	0	0
(Gains)/Losses in Fair Value of Investment Property	579	854	544	854
(Gains)/Losses on Derivative Financial Instruments	425	681	425	681
	<b>6,015</b>	<b>6,982</b>	<b>7,281</b>	<b>8,552</b>
<b>Add/(Less) Items as Investing Activities:</b>				
(Gains)/Losses on Disposal of Investment Property and PPE	34	(4)	(64)	(55)
Assets Written Off	403	1,138	403	1,138
Movement in Fixed Asset Accounts Payable	93	952	279	1,380
	<b>530</b>	<b>2,086</b>	<b>618</b>	<b>2,463</b>
<b>Add/(Less) Movements in Working Capital Items:</b>				
Trade and Other Receivables	997	459	310	1,140
Inventories	(2)	1	(81)	85
Other Current Assets	82	(23)	4	(20)
Trade and Other Payables	(183)	(1,215)	128	(1,089)
Employee Benefits	11	(79)	74	(180)
	<b>905</b>	<b>(857)</b>	<b>435</b>	<b>(64)</b>
<b>Net cash inflow/(outflow) from operating activities</b>	<b>6,357</b>	<b>7,164</b>	<b>7,900</b>	<b>9,100</b>

## Note 8 ~ Cash and Cash Equivalents

	Parent		Group	
	2015/2016 Actual \$000	2014/2015 Actual \$000	2015/2016 Actual \$000	2014/2015 Actual \$000
Cash at bank and in hand	3,308	3,025	5,227	5,348
Short term deposits maturing three months or less from the date of acquisition	0	0	436	400
<b>Total cash and cash equivalents</b>	<b>3,308</b>	<b>3,025</b>	<b>5,663</b>	<b>5,748</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 purpose of the Cashflow Statement:	Parent		Group	
	2015/2016 Actual \$000	2014/2015 Actual \$000	2015/2016 Actual \$000	2014/2015 Actual \$000
Cash at bank and in hand	3,308	3,025	5,227	5,348
Short term bank deposits maturing within three months	0	0	436	400
Bank overdrafts	0	0	0	0
	<b>3,308</b>	<b>3,025</b>	<b>5,663</b>	<b>5,748</b>

## Note 9 ~ Trade and Other Receivables

	Parent		Group	
	2015/2016 Actual \$000	2014/2015 Actual \$000	2015/2016 Actual \$000	2014/2015 Actual \$000
<b>Trade Receivables</b>	<b>1,311</b>	<b>1,441</b>	<b>2,208</b>	<b>1,888</b>
<b>Amounts Due from Controlled Entities (excluding GST)</b>				
WestReef Ltd	7	6	0	0
Buller Holdings Ltd	82	104	0	0
Buller Recreation Ltd	0	0	0	0
Buller Arts and Recreation Trust	0	0	0	0
Buller Health Trust	0	0	0	0
Westport Harbour Ltd	11	49	0	0
Interest Receivable	89	118	89	118
Dividend / Subvention Receivable	400	578	0	0
<b>Other Receivables:</b>				
Rates Receivable	1,137	1,104	1,137	1,104
NZTA Rooding Subsidies	408	998	408	998
	<b>3,445</b>	<b>4,398</b>	<b>3,843</b>	<b>4,108</b>
<b>Less:</b>				
Provisions for doubtful debts	(182)	(138)	(182)	(138)
	<b>3,263</b>	<b>4,260</b>	<b>3,661</b>	<b>3,970</b>
<b>Represented by:</b>				
Current Portion	3,263	4,260	3,661	3,970
Term Portion	0	0	0	0
Buller District Council has classified the following receivables as exchange transactions	987	1,505	1,866	1,952
Buller District Council has classified the following receivables as non exchange transactions	2,276	2,755	1,795	2,018
	<b>3,263</b>	<b>4,260</b>	<b>3,661</b>	<b>3,970</b>

### 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.

	2015/2016			2014/2015		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
<b>Council</b>						
Not past due	2,521	0	2,521	3,091	0	3,091
Past due 1-60 days	50	0	50	487	0	487
Past due 61-120 days	22	0	22	34	0	34
Past due > 120 days	852	182	670	786	138	648
<b>Total</b>	<b>3,445</b>	<b>182</b>	<b>3,263</b>	<b>4,398</b>	<b>138</b>	<b>4,260</b>
<b>Group</b>						
Not past due	2,782	0	2,782	2,738	0	2,738
Past due 1-60 days	105	0	105	502	0	502
Past due 61-120 days	86	0	86	70	0	70
Past due > 120 days	870	182	688	798	138	660
<b>Total</b>	<b>3,843</b>	<b>182</b>	<b>3,661</b>	<b>4,108</b>	<b>138</b>	<b>3,970</b>

	Parent		Group	
	2015/2016 Actual \$000	2014/2015 Actual \$000	2015/2016 Actual \$000	2014/2015 Actual \$000
<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:</b>				
Individual Impairment	182	138	182	138
Collective Impairment	0	0	0	0
<b>Total Provision for Impairment</b>	<b>182</b>	<b>138</b>	<b>182</b>	<b>138</b>

	Parent		Group	
	2015/2016 Actual \$000	2014/2015 Actual \$000	2015/2016 Actual \$000	2014/2015 Actual \$000
<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.</b>				
Past Due 1-60 days	0	0	0	0
Past due 61-120 days	0	0	0	0
Past due > 120 days	182	138	182	138
<b>Total Individual Impairment</b>	<b>182</b>	<b>138</b>	<b>182</b>	<b>138</b>

	Parent		Group	
	2015/2016 Actual \$000	2014/2015 Actual \$000	2015/2016 Actual \$000	2014/2015 Actual \$000
<b>Movement in the provision for impairment of receivables are as follows:</b>				
At 1 July	138	100	138	100
Additional provisions made during the year	44	38	44	38
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>182</b>	<b>138</b>	<b>182</b>	<b>138</b>

Buller District Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired. Except for rates receivables when the Council has legislative powers to recover any outstanding debts.

The carrying value of receivables that would otherwise be past due or impaired whose terms have been renegotiated is Nil (2015: Nil).

## Note 10 ~ Other Current Assets

	Parent		Group	
	2015/2016 Actual \$000	2014/2015 Actual \$000	2015/2016 Actual \$000	2014/2015 Actual \$000
Work In Progress	22	39	28	40
Prepayments	13	78	13	5
	<b>35</b>	<b>117</b>	<b>41</b>	<b>45</b>



## Note 11 ~ Non Current Assets held for Sale

As at 30 June 2016 the assets held for sale, being surplus to requirements are listed below (2015/2016: Council had investment land and an item of plant and equipment for sale).

	Parent		Group	
	2015/2016 Actual \$000	2014/2015 Actual \$000	2015/2016 Actual \$000	2014/2015 Actual \$000
<b>Non-current Assets held for sale are:</b>				
Investment Property	168	0	168	0
Westport Transfer Station Portable Weighbridge	36	36	36	36
<b>Total Assets Held for Sale</b>	<b>204</b>	<b>36</b>	<b>204</b>	<b>36</b>

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

	Parent		Group	
	2015/2016 Actual \$000	2014/2015 Actual \$000	2015/2016 Actual \$000	2014/2015 Actual \$000
Investment in CCO's (Buller Holdings Ltd)	17,052	16,997	0	0
Investment in CCO's (Loans to Subsidiaries)	2,522	3,053	0	0
Investments in other CCO's (NZ Local Government Insurance Corporation Ltd)	40	40	40	40
<b>Total Investment in CCO's</b>	<b>19,614</b>	<b>20,090</b>	<b>40</b>	<b>40</b>
<b>Other Investments:</b>				
Investment in Associate	0	0	37	64
Bond Deposits	66	66	66	66
Borrower Notes LGFA	320	0	320	0
<b>Total Other Investments</b>	<b>386</b>	<b>66</b>	<b>423</b>	<b>130</b>

Council subscribed for 55,000 of additional shares in Buller Holdings Limited in 2015/2016 for \$55,000 in cash payments. The equity was to be used to fund capital expenditure in Buller Recreation Limited (2014/2015: \$43,000 of additional shares acquired by Buller District Council).

The was no impairment of investment in Buller Holdings in 2015/2016 (2014/2015: Buller District Council investment in Buller Holdings Limited was not impaired).

	2015/2016 Actual \$000	2014/2015 Actual \$000
Investments acquired -shares issued by Buller Holdings Limited	55	43
Investments acquired (disposed of) - Advances and Loans	0	0
	<b>55</b>	<b>43</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 (BRL) from Council which was loaned to Council from the Energy Efficiency and Conservation Authority (EECA) at nil interest. the loan was used for energy efficiency initiatives at the Solid Energy Centre.

	2015/2016 Actual \$000	2014/2015 Actual \$000
<b>Movement in the carrying value of the EECA loan to BRL are as follows:</b>		
<b>At 1 July</b>	<b>210</b>	<b>270</b>
Amount of new loans granted during the year	0	0
Fair value adjustment at initial recognition	0	0
Loans repaid during the year (principal and interest)	80	80
Unwind of discount and interest charged	16	20
<b>At 30 June</b>	<b>146</b>	<b>210</b>

The fair value of loans to related parties in 2015/2016 is \$2,523,000 (2014/2015: \$3,053,000). Fair value has been determined using cash flows 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 3.46%. The loan of \$479,000 outstanding to Westport Harbour Ltd was repaid in full on 30 June 2016.

	Parent		Group	
	2015/2016 Actual \$000	2014/2015 Actual \$000	2015/2016 Actual \$000	2014/2015 Actual \$000
<b>Investment Property</b>				
Balance at 1 July	8,503	9,797	8,503	9,797
Transfers to Non Current Assets Held for Sale	(168)	0	(168)	0
Disposals/Adjustments	220	(440)	(375)	(440)
Fair value gains/(losses) on valuation	(579)	(854)	(544)	(854)
<b>Balance 30 June</b>	<b>7,976</b>	<b>8,503</b>	<b>7,416</b>	<b>8,503</b>

	Parent		Group	
	2015/2016 Actual \$000	2014/2015 Actual \$000	2015/2016 Actual \$000	2014/2015 Actual \$000
<b>Investment Property - Revenue and Expenses</b>				
Rental Revenue from Investment Property	119	142	119	142
Direct Expenses of Income Generating Investment Property	29	0	29	0
Direct Expenses of Non-income Generating Investment Property	0	0	0	0

Buller District Council investment properties are valued annually at fair value effective 30 June. All investment properties were valued based on open market evidence as at 30 June 2016. 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 2016 was \$7,976,000 (2014/2015: \$8,503,000).

As at 30 June 2016 there were no leasehold properties lodged at Council's solicitors pending completion of sale, this is disclosed in Note 11. (2014/2015: Nil)

## - Council 2016

# Note 13 ~ Property, Plant and Equipment

Infrastructure Assets	Cost/ Revaluation 01-07-15	Accumulated Depreciation	Carrying Amount 01-07-15	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 30-06-16	Accumulated Depreciation 30-06-16	Carrying Amount 30-06-16
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land under roads	19,402	0	19,402	0	0	0	0	0	0	0	19,402	0	19,402
Sewerage	25,861	(650)	25,211	543	(74)	0	6	(650)	0	0	26,330	(1,294)	25,036
Stormwater	9,872	(199)	9,673	202	(35)	0	1	(202)	0	0	10,039	(400)	9,639
Roads and Bridges	198,530	(2,520)	196,010	1,943	(261)	0	45	(2,358)	6	0	200,218	(4,833)	195,385
Water supplies	26,331	(609)	25,722	520	(76)	0	10	(643)	0	0	26,775	(1,242)	25,533
Airport runway	206	(103)	103	0	0	0	0	(8)	0	0	206	(111)	95
Landfills/Transfer Stns	1,796	(572)	1,224	6	0	0	0	(73)	0	0	1,802	(645)	1,157
Wharves	2,103	(631)	1,472	0	0	0	0	(35)	0	0	2,103	(666)	1,437
Work in Progress	35	0	35	79	(14)	0	0	0	(11)	0	89	0	89
	284,136	(5,284)	278,852	3,293	(460)	0	62	(3,969)	(5)	0	286,964	(9,191)	277,773

Other Fixed Assets	Cost/ Revaluation 01-07-15	Accumulated Depreciation	Carrying Amount 01-07-15	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 30-06-16	Accumulated Depreciation 30-06-16	Carrying Amount 30-06-16
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	4,373	0	4,373	60	0	0	0	0	0	0	4,433	0	4,433
Leasehold Improvements	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings	18,077	(5,145)	12,932	187		0	0	(493)	(201)	0	18,063	(5,638)	12,425
Office Equipment, Furniture & Fittings	1,729	(1,522)	207	35	(6)	0	5	(72)	0	0	1,758	(1,589)	169
Vehicles	994	(514)	480	36	0	0	0	(133)	0	0	1,030	(647)	383
Library Books	816	(635)	181	58	1	0	0	(85)	0	0	875	(720)	155
Plant and Equipment	2,401	(1,720)	681	129	(11)	0	6	(193)	0	0	2,519	(1,907)	612
Other Assets	3,808	(1,480)	2,328	112	(1)	0	0	(182)	(2)	0	3,917	(1,662)	2,255
Vessels	4,385	(4,323)	62	0	0	0	0	(14)	0	0	4,385	(4,337)	48
Work in Progress	133	0	133	227	(54)	0	0	0	(52)	0	254	0	254
	36,716	(15,339)	21,377	844	(71)	0	11	(1,172)	(255)	0	37,234	(16,500)	20,734
TOTAL	320,852	(20,623)	300,229	4,137	(531)	0	73	(5,141)	(260)	0	324,198	(25,691)	298,507

# Note 13 ~ Property, Plant and Equipment

## - Group 2016

Infrastructure Assets	Cost/ Revaluation 01-07-15	Accumulated Depreciation	Carrying Amount 01-07-15	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 30-06-16	Accumulated Depreciation 30-06-16	Carrying Amount 30-06-16
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land under roads	19,402	0	19,402	0	0	0	0	0	0	0	19,402	0	19,402
Sewerage	25,845	(650)	25,195	501	(74)	0	6	(650)	0	0	26,272	(1,294)	24,978
Stormwater	9,847	(201)	9,646	174	(35)	0	1	(202)	0	0	9,986	(402)	9,584
Roads and Bridges	198,360	(2,518)	195,842	1,786	(258)	0	45	(2,360)	6	0	199,894	(4,833)	195,061
Water supplies	25,769	(609)	25,160	454	(76)	0	10	(643)	0	0	26,147	(1,242)	24,905
Airport runway	196	(101)	95	0	0	0	0	(8)	0	0	196	(109)	87
Landfills/Transfer Stations	1,751	(572)	1,179	4	0	0	0	(73)	0	0	1,755	(645)	1,110
Wharves	2,104	(631)	1,473	0	0	0	0	(35)	0	0	2,104	(666)	1,438
Work in Progress	35	0	35	78	(14)	0	0	0	(11)	0	88	0	88
	<b>283,309</b>	<b>(5,282)</b>	<b>278,027</b>	<b>2,997</b>	<b>(457)</b>	<b>0</b>	<b>62</b>	<b>(3,971)</b>	<b>(5)</b>	<b>0</b>	<b>285,844</b>	<b>(9,191)</b>	<b>276,653</b>
Other Fixed Assets	Cost/ Revaluation 01-07-15	Accumulated Depreciation	Carrying Amount 01-07-15	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 30-06-16	Accumulated Depreciation 30-06-16	Carrying Amount 30-06-16
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	5,738	0	5,738	60	0	0	0	0	340	0	6,138	0	6,138
Leasehold Improvements	1,004	(374)	630	100	0	0	0	(155)	0	0	1,104	(529)	575
Buildings	34,064	(8,478)	25,586	248	0	0	0	(1,151)	52	0	34,364	(9,629)	24,735
Office Equipment, Furniture & Fittings	2,366	(2,007)	359	49	(10)	0	9	(109)	0	0	2,405	(2,107)	298
Vehicles	5,036	(3,080)	1,956	1,277	(170)	0	170	(557)	0	0	6,143	(3,467)	2,676
Library Books	816	(635)	181	58	0	0	0	(85)	0	0	874	(720)	154
Plant and Equipment	3,831	(2,421)	1,410	337	(14)	0	6	(353)	0	0	4,154	(2,768)	1,386
Other Assets	3,676	(1,481)	2,195	109	(1)	0	0	(182)	0	0	3,784	(1,663)	2,121
Vessels	4,385	(4,323)	62	0	0	0	0	(14)	0	0	4,385	(4,337)	48
Work in Progress	133	0	133	227	(54)	0	0	0	(52)	0	254	0	254
	<b>61,049</b>	<b>(22,799)</b>	<b>38,250</b>	<b>2,465</b>	<b>(249)</b>	<b>0</b>	<b>185</b>	<b>(2,606)</b>	<b>340</b>	<b>0</b>	<b>63,605</b>	<b>(25,220)</b>	<b>38,385</b>
<b>Total</b>	<b>344,358</b>	<b>(28,081)</b>	<b>316,277</b>	<b>5,462</b>	<b>(706)</b>	<b>0</b>	<b>247</b>	<b>(6,577)</b>	<b>335</b>	<b>0</b>	<b>349,449</b>	<b>(34,411)</b>	<b>315,038</b>

## - Council 2015

# Note 13 ~ Property, Plant and Equipment

Infrastructure Assets	Cost/ Revaluation 01-07-14	Accumulated Depreciation	Carrying Amount 01-07-14	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 30-06-15	Accumulated Depreciation 30-06-15	Carrying Amount 30-06-15
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land under roads	19,402	0	19,402	0	0	0	0	0	0	0	19,402	0	19,402
Sewerage	25,689	0	25,689	221	(49)	0	2	(652)	0	0	25,861	(650)	25,211
Stormwater	9,702	0	9,702	193	(23)	0	0	(201)	0	0	9,872	(201)	9,671
Roads and Bridges	196,883	0	196,883	1,948	(301)	0	30	(2,548)	0	0	198,530	(2,518)	196,012
Water supplies	20,999	0	20,999	2,152	(213)	0	4	(613)	3,393	0	26,331	(609)	25,722
Airport runway	174	(95)	79	32	0	0	0	(8)	0	0	206	(103)	103
Landfills/Transfer Stns	1,831	(526)	1,305	0	(35)	0	30	(76)	0	0	1,796	(572)	1,224
Wharves	2,103	(596)	1,507	0	0	0	0	(35)	0	0	2,103	(631)	1,472
Work in Progress	3,463	0	3,463	20	(55)	0	0	0	(3,393)	0	35	0	35
	280,246	(1,217)	279,029	4,566	(676)	0	66	(4,133)	0	0	284,136	(5,284)	278,852

Other Fixed Assets	Cost/ Revaluation 01-07-14	Accumulated Depreciation	Carrying Amount 01-07-14	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 30-06-15	Accumulated Depreciation 30-06-15	Carrying Amount 30-06-15
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	4,324	0	4,324	0	0	0	0	0	49	0	4,373	0	4,373
Leasehold Improvements	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings	17,868	(4,688)	13,180	304	(95)	0	28	(485)	0	0	18,077	(5,145)	12,932
Office Equipment, Furniture & Fittings	1,682	(1,446)	236	53	(6)	0	5	(81)	0	0	1,729	(1,522)	207
Vehicles	988	(409)	579	31	(25)	0	25	(130)	0	0	994	(514)	480
Library Books	760	(556)	204	56	0	0	0	(79)	0	0	816	(635)	181
Plant and Equipment	2,377	(1,532)	845	30	(6)	0	5	(193)	0	0	2,401	(1,720)	681
Other Assets	3,655	(1,321)	2,334	181	(28)	0	14	(173)	0	0	3,808	(1,480)	2,328
Vessels	4,385	(4,276)	109	0	0	0	0	(47)	0	0	4,385	(4,323)	62
Work in Progress	62	0	62	102	(31)	0	0	0	0	0	133	0	133
	36,101	(14,228)	21,873	757	(191)	0	77	(1,188)	49	0	36,716	(15,339)	21,377
TOTAL	316,347	(15,445)	300,902	5,323	(867)	0	143	(5,321)	49	0	320,852	(20,623)	300,229

# Note 13 ~ Property, Plant and Equipment

## - Group 2015

Infrastructure Assets	Cost/ Revaluation 01-07-14	Accumulated Depreciation	Carrying Amount 01-07-14	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 30-06-15	Accumulated Depreciation 30-06-15	Carrying Amount 30-06-15
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land under roads	19,402	0	19,402	0	0	0	0	0	0	0	19,402	0	19,402
Sewerage	25,689	0	25,689	205	(49)	0	2	(652)	0	0	25,845	(650)	25,195
Stormwater	9,700	0	9,700	170	(23)	0	0	(201)	0	0	9,847	(201)	9,646
Roads and Bridges	196,883	0	196,883	1,778	(301)	0	30	(2,548)	0	0	198,360	(2,518)	195,842
Water supplies	20,999	0	20,999	1,879	(213)	0	4	(613)	3,104	0	25,769	(609)	25,160
Airport runway	174	(95)	79	22	0	0	0	(6)	0	0	196	(101)	95
Landfills/Transfer Stations	1,796	(526)	1,270	(10)	(35)	0	30	(76)	0	0	1,751	(572)	1,179
Wharves	2,104	(596)	1,508	0	0	0	0	(35)	0	0	2,104	(631)	1,473
Work in Progress	3,174	0	3,174	20	(55)	0	0	0	(3,104)	0	35	0	35
	279,921	(1,217)	278,704	4,064	(676)	0	66	(4,131)	0	0	283,309	(5,282)	278,027

Other Fixed Assets	Cost/ Revaluation 01-07-14	Accumulated Depreciation	Carrying Amount 01-07-14	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 30-06-15	Accumulated Depreciation 30-06-15	Carrying Amount 30-06-15
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	5,689	0	5,689	0	0	0	0	0	49	0	5,738	0	5,738
Leasehold Improvements	932	(214)	718	72	0	0	0	(160)	0	0	1,004	(374)	630
Buildings	34,268	(7,800)	26,468	321	(95)	0	28	(1,136)	0	0	34,064	(8,478)	25,586
Office Equipment, Furniture & Fittings	2,254	(1,882)	372	139	(27)	0	25	(150)	0	0	2,366	(2,007)	359
Vehicles	4,784	(2,838)	1,946	696	(444)	0	317	(559)	0	0	5,036	(3,080)	1,956
Library Books	760	(556)	204	56	0	0	0	(79)	0	0	816	(635)	181
Plant and Equipment	3,631	(2,144)	1,487	247	(47)	0	45	(322)	0	0	3,831	(2,421)	1,410
Other Assets	3,538	(1,322)	2,216	166	(28)	0	14	(173)	0	0	3,676	(1,481)	2,195
Vessels	4,385	(4,276)	109	0	0	0	0	(47)	0	0	4,385	(4,323)	62
Work in Progress	61	0	61	103	(31)	0	0	0	0	0	133	0	133
	60,302	(21,032)	39,270	1,800	(672)	0	429	(2,626)	49	0	61,049	(22,799)	38,250
Total	340,223	(22,249)	317,974	5,864	(1,348)	0	495	(6,757)	49	0	344,358	(28,081)	316,277

## Note 14 ~ Intangible Assets

	Parent		Group		
	Computer Software & Licences	Total	Goodwill	Software Licences	Total
<b>Cost</b>					
Balance at 1 July 2014	623	623	698	34	1,358
Transfers	0	0	0	0	0
Additions	9	9	0	0	9
Disposals	0	0	0	(4)	0
<b>Balance at 30 June 2015</b>	<b>632</b>	<b>632</b>	<b>698</b>	<b>30</b>	<b>1,367</b>
<b>Balance at 1 July 2015</b>					
Balance at 1 July 2015	632	632	698	30	1,367
Transfers	0	0	0	0	0
Additions	12	12	0	0	12
Disposals	0	0	0	0	0
<b>Balance at 30 June 2016</b>	<b>644</b>	<b>644</b>	<b>698</b>	<b>30</b>	<b>1,379</b>
<b>Accumulated Amortisation and Impairment</b>					
Balance at 1 July 2014	498	498	0	23	521
Transfers	0	0	0	0	0
Amortisation charge	81	81	0	7	88
Disposals	0	0	0	(8)	0
<b>Balance at 30 June 2015</b>	<b>579</b>	<b>579</b>	<b>0</b>	<b>22</b>	<b>609</b>
<b>Balance at 1 July 2015</b>					
Balance at 1 July 2015	579	579	0	22	609
Transfers	0	0	0	0	0
Amortisation charge	24	24	0	6	30
Disposals	0	0	0	0	0
<b>Balance at 30 June 2016</b>	<b>603</b>	<b>603</b>	<b>0</b>	<b>28</b>	<b>639</b>
<b>Carrying Amounts</b>					
Balance at 30 June 2015	53	53	698	8	758
<b>Balance at 30 June 2016</b>	<b>41</b>	<b>41</b>	<b>698</b>	<b>2</b>	<b>740</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	
	2015/2016 Actual \$000	2014/2015 Actual \$000	2015/2016 Actual \$000	2014/2015 Actual \$000
Trade payables	1,050	1,106	2,630	2,565
<b>Amounts due to related parties:</b>				
WestReef Ltd	775	935	0	0
Revenue Received in Advance	619	587	531	468
<b>Total trade and payables</b>	<b>2,444</b>	<b>2,628</b>	<b>3,161</b>	<b>3,033</b>
Buller District Council has classified the following payables as exchange transactions	1,658	1,866	2,375	2,271
Buller District Council has classified the following payables as non exchange transactions	786	762	786	762
<b>Total</b>	<b>2,444</b>	<b>2,628</b>	<b>3,161</b>	<b>3,033</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	
	2015/2016 Actual \$000	2014/2015 Actual \$000	2015/2016 Actual \$000	2014/2015 Actual \$000
<b>Current Asset Portion</b>				
Interest Rate Swaps	0	0	0	0
<b>Total Current Asset Portion</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Non Current Asset Portion</b>				
Interest Rate Swaps	0	0	0	0
<b>Total Current Asset Portion</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Current Liability Portion</b>				
Interest Rate Swaps	0	13	0	13
<b>Total Current Liability Portion</b>	<b>0</b>	<b>13</b>	<b>0</b>	<b>13</b>
<b>Non Current Liability Portion</b>				
Interest Rate Swaps	1,169	731	1,169	731
<b>Total Non Current Liability Portion</b>	<b>1,169</b>	<b>731</b>	<b>1,169</b>	<b>731</b>

The notional principal amounts of the outstanding interest rate swap contracts at 30 June 2016 were \$17,000,000 (2014/2015: \$18,000,000).

At 30 June 2016 the fixed interest rates of interest rate swaps vary from 3.87% to 4.62% (2014/2015: 4.38% to 4.94%).

The interest rate swaps have been included at fair value.

The termination date of the interest rate swap contracts of \$17,000,000 at 30 June 2016 vary from 31 March 2018 to 31 March 2024 (2014/2015: 31 March 2016 to 31 March 2020).

## Note 17 ~ Employment Benefit Liabilities

	Parent		Group	
	2015/2016 Actual \$000	2014/2015 Actual \$000	2015/2016 Actual \$000	2014/2015 Actual \$000
Accrued pay	68	33	93	58
Annual Leave & Long Service Leave	579	569	1,183	1,111
Retirement Gratuities	199	233	253	287
<b>Total Employee Benefit Liabilities</b>	<b>846</b>	<b>835</b>	<b>1,529</b>	<b>1,456</b>
<b>Comprising:</b>				
Current	600	550	1,255	1,141
Non-current	246	285	274	315
<b>Total Employee Benefit Liabilities</b>	<b>846</b>	<b>835</b>	<b>1,529</b>	<b>1,456</b>

## Note 18 ~ Borrowings

	Parent		Group	
	2015/2016 Actual \$000	2014/2015 Actual \$000	2015/2016 Actual \$000	2014/2015 Actual \$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	23,500	23,565	23,500	23,565
<b>Total non-current borrowings</b>	<b>23,500</b>	<b>23,565</b>	<b>23,500</b>	<b>23,565</b>
<b>Total Borrowings</b>	<b>23,580</b>	<b>23,645</b>	<b>23,580</b>	<b>23,645</b>

Councils debt was due to be repaid in July 2016. On 4 November 2015 Council negotiated a \$20,000,000 facility with the Local Government Financing Authority (LGFA). An additional commercial debt facility for \$7,000,000 has been renegotiated for 2 years and matures on 1 July 2018.

Buller District Council's has debt of \$6,433,860 (2014/2015; \$5,433,860) on floating interest rates. \$3,433,860 of this floating interest rate is set quarterly at the 90-day bill rate + 0.11%. The remaining \$3,000,000 is set quarterly by LGFA.

Council has interest rate swaps and floating rates for fixed interest rates for \$17,000,000 (2014/2015; \$18,000,000) 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 paid in full on 15 May 2018. The fair value balance of this loan to be repaid as at 30 June 2016 was \$145,824 (2014/2015; \$210,565).

### Security

The overdraft is secured by a general security agreement. The maximum amount that can be drawn down against the overdraft facility is \$500,000 (2014/2015: \$500,000). 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 Long-Term Plan 2015-2025.

## Maturity analysis and effective interest rates

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

2015/2016	Overdraft Council \$000	Overdraft Group \$000	Secured Loans Council & Group \$000
Less than one year	0	0	80
weighted average effective interest rate	8.2%	8.2%	0
Later than one year but not more than five years	0	0	23,500
weighted average effective interest rate	0%	0%	4.6%
Later than five years	0	0	0
weighted average effective interest rate	0%	0%	0%
	<b>0</b>	<b>0</b>	<b>23,580</b>

2014/2015	Overdraft Council \$000	Overdraft Group \$000	Secured Loans Council & Group \$000
Less than one year	0	0	80
weighted average effective interest rate	8.7%	8.7%	0
Later than one year but not more than five years	0	0	23,565
weighted average effective interest rate	0%	0%	5.8%
Later than five years	0	0	0
weighted average effective interest rate	0%	0%	0%
	<b>0</b>	<b>0</b>	<b>23,644</b>

### 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 Councils 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 the Council's financial statements.

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

<b>2014/2015</b>	<b>Loans repaid during Period \$000</b>	<b>Loans drawn down during Period \$000</b>	<b>Interest paid for the year \$000</b>	<b>Balance as at 30 June \$000</b>
Support Services	32	0	8	149
Community Services	42	0	56	1,010
Regulatory Services	42	0	16	230
Property Management , Amenities & Reserves	65	0	70	1,255
Water Supplies	81	0	115	1,667
Solid Waste	52	0	74	1,230
Wastewater	242	0	292	5,081
Stormwater	20	0	28	419
Professional Services Business Unit	9	0	2	23
	<b>585</b>	<b>0</b>	<b>661</b>	<b>11,064</b>

<b>2015/2016</b>	<b>Loans repaid during Period \$000</b>	<b>Loans drawn down during Period \$000</b>	<b>Interest paid for the year \$000</b>	<b>Balance as at 30 June \$000</b>
Support Services	38	31	8	143
Community Services	44	0	53	966
Regulatory Services	47	36	14	219
Property Management , Amenities & Reserves	68	0	67	1,187
Water Supplies	87	0	109	1,580
Solid Waste	56	0	71	1,174
Wastewater	254	0	277	4,824
Stormwater	21	0	27	398
Professional Services Business Unit	10	0	1	14
	<b>625</b>	<b>67</b>	<b>629</b>	<b>10,505</b>

## Note 19 ~ Provisions

	Landfill Aftercare Provision	Contaminated Site Remediation	Total Environmental Provisions	Total Environmental Provisions
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	2015/2016 \$000	2015/2016 \$000	2015/2016 \$000	2014/2014 \$000
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### Environmental Provision

Opening Balance	1,640	9	1,649	1,574
Additional Provisions	0	0	0	0
Amounts Used	(42)	0	(42)	(41)
Other Adjustments (incl. unused provision reversed)	(258)	0	(258)	6
Discounting Changes	161	0	161	110
<b>Closing Balance</b>	<b>1,501</b>	<b>9</b>	<b>1,510</b>	<b>1,649</b>

	Parent	Group
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	2015/2016 Actual \$000	2014/2015 Actual \$000	2015/2016 Actual \$000	2014/2015 Actual \$000
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### Total Provisions

#### Council and Group:

Current Liability	35	35	172	35
Non-current Liability	1,475	1,614	1,338	1,614
	<b>1,510</b>	<b>1,649</b>	<b>1,510</b>	<b>1,649</b>

In 2015/2016 the group provision (current portion) includes a provision for maintenance on the Harbour dredge vessel of \$110,000 (2014/2015; \$196,000), see below:

	2015/2016 Actual \$000	2014/2015 Actual \$000
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### Provision for Slipping

Opening Balance	27	111
Additional Provisions	110	196
Amounts Used	0	(280)
Other Adjustments	0	0
<b>Closing Balance</b>	<b>137</b>	<b>27</b>

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 revegetation
- 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 4.82% which is based on the rolling monthly average NZ Government 10 Year Bond rate over the last ten years (2014/2015: 5.01%).



## Note 20 ~ Accumulated Funds

	Parent		Group	
	2015/2016 Actual \$000	2014/2015 Actual \$000	2015/2016 Actual \$000	2014/2015 Actual \$000
<b>Opening Balance as at 1 July</b>	<b>169,498</b>	<b>171,120</b>	<b>165,791</b>	<b>168,217</b>
Net Surplus (Deficit) for the Period	(1,093)	(1,047)	(434)	(1,851)
Transfer from Reserves	933	945	933	945
Transfer to Reserves	(1,376)	(1,520)	(1,376)	(1,520)
<b>Balance at 30 June</b>	<b>167,962</b>	<b>169,498</b>	<b>164,914</b>	<b>165,791</b>

## Note 21 ~ Reserves

	Parent		Group	
	2015/2016 Actual \$000	2014/2015 Actual \$000	2015/2016 Actual \$000	2014/2015 Actual \$000
<b>Balance as at 1 July</b>	<b>4,411</b>	<b>3,836</b>	<b>4,411</b>	<b>3,836</b>
<b>Add:</b> Transfer from Accumulated Funds	1,376	1,520	1,376	1,520
	<b>5,787</b>	<b>5,356</b>	<b>5,787</b>	<b>5,356</b>
<b>Less:</b> Transfer to Accumulated Funds	(933)	(945)	(933)	(945)
<b>Balance at 30 June</b>	<b>4,854</b>	<b>4,411</b>	<b>4,854</b>	<b>4,411</b>

### 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 2014		Transfers to Reserves		Transfers from Reserve		Balance as at 30 June 2015	
			\$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	0	0	0	365	365
Community Development - Other	various not specified	Funds from depreciation used for the upgrade and construction of replacement Council assets	2,167	1,296	873	0	0	0	2,590	3,018
Reserve Contributions	Regulatory	Proceeds from subdivision for public reserve upgrades	1,152	221	70	0	0	0	1,302	1,315
Miles Bequest	Property Management, Amenities and Reserves	Funds set aside for the purchase of engraved seats at the Westport cemetery	2	0	0	0	0	0	2	2
Powell Bequest	Property Management, Amenities and Reserves	Funds bequested to Council for the purchase of public seating in Westport	3	0	0	0	0	0	3	3
War Memorial Hall	Property Management, Amenities and Reserves	n/a will be rounded down to 0	0	0	0	0	0	0	0	0
Mayor's Relief Fund	Democracy	Funds for providing grants for relief at the discretion of the Mayor	1	3	2	2	0	0	2	4
Kater Plot	Property Management, Amenities and Reserves	n/a will be rounded down to 0	0	0	0	0	0	0	0	0
Boiler Replacement Fund	Property Management, Amenities and Reserves	Funds set aside to go toward replacement of boiler at Brougham Street Offices	7	0	0	0	0	0	7	7
Development Contributions	Regulatory	Proceeds from commercial and industrial development to provide for social and recreation need of the area	119	0	0	0	0	0	119	119
Sale of Gifted Property	various not specified	Funds set aside from the sale of property gifted to Council	11	0	0	0	0	0	11	11
Infrastructure Contributions	Regulatory	Funds set aside for upgrading infrastructure where appropriate	10	0	0	0	0	0	10	10
<b>TOTAL Reserves Only</b>			<b>3,836</b>	<b>1,520</b>	<b>945</b>	<b>945</b>	<b>945</b>	<b>945</b>	<b>4,411</b>	<b>4,854</b>
Refuse Collection	Solid Waste	Separates all funding and expenditure and surpluses or deficits for the refuse collection activity	(254)	253	-	-	-	-	(0)	(0)
Recycling	Solid Waste	Separates all funding and expenditure and surpluses or deficits for the recycling activity	(99)	99	-	-	-	-	(0)	(0)
Contracted Refuse/ Recycling	Solid Waste	Separates all funding and expenditure and surpluses or deficits for the refuse collection and recycling activities	-44	711	643	0	0	0	25	50
Karamea Solid Waste	Solid Waste		10	64	61	0	0	0	13	18
Manuaia Solid Waste	Solid Waste		1	10	7	0	0	0	4	6
Westport Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	777	3,180	3,218	0	0	0	739	(887)
Reefton Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	(83)	323	290	0	0	0	(50)	(33)
Little Wanganui Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	47	12	13	0	0	0	46	50
Mokihinui Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	37	11	5	0	0	0	44	45
Ngakawau Hector Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	228	49	28	0	0	0	250	274
Waimangaroa Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	33	43	76	0	0	0	0	10

Separate Reserves	Activity that the Reserve relates to	Purpose of the Reserve	Opening Balance 1 July 2014		Transfers to Reserves		Transfers from Reserve		Balance as at 30 June 2015	
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cape Foulwind Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	398	75	22	450	73	13	511	
Punakaiki Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	14	53	85	(17)	56	97	(59)	
Inangahua Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	6	8	3	10	8	7	11	
South Granity Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	18	9	15	11	7	14	4	
Karamea Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	40	34	93	(20)	-	-	(20)	
Westport Sewerage	Wastewater/Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	(1,430)	2,009	1,658	(1,079)	2,059	1,976	(997)	
Reefton Sewerage	Wastewater/Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	285	297	178	404	309	236	477	
Little Wanganui Sewerage	Wastewater/Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	6	35	20	22	37	14	46	
Inangahua Junction Sewerage	Wastewater/Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	(2)	0	0	(2)	0	0	(2)	
Punakaiki Sewerage	Wastewater/Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	(16)	0	0	(16)	0	0	(16)	
Punakaiki Camp	Property Management, Amenities and Reserves	Separates all funding and expenditure and surpluses or deficits for the Punakaiki Camp activity	(275)	50	32	(256)	38	8	(226)	
Punakaiki Sea Wall	Property Management, Amenities and Reserves	Separates all funding and expenditure and surpluses or deficits for the Punakaiki seawall activity	2	0	0	2	0	0	2	
Dog Control	Regulatory	Separates all funding and expenditure and surpluses or deficits for the dog control activity	(192)	201	206	(197)	211	190	(176)	
Promotion & Development	Community Services	Separates all funding and expenditure and surpluses or deficits for the promotion and development activity	(36)	360	368	(44)	43	-	(0)	
<b>TOTAL Separate Balances Only</b>			<b>(528)</b>	<b>7,887</b>	<b>7,019</b>	<b>340</b>	<b>5,925</b>	<b>7,177</b>	<b>(911)</b>	
<b>TOTAL Reserves and Separate Balances</b>			<b>3,308</b>	<b>9,407</b>	<b>7,964</b>	<b>4,751</b>	<b>7,302</b>	<b>8,110</b>	<b>3,943</b>	

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	
	2015/2016 Actual \$000	2014/2015 Actual \$000	2015/2016 Actual \$000	2014/2015 Actual \$000
<b>Opening Balance as at 1 July</b>	<b>144,188</b>	<b>144,185</b>	<b>145,232</b>	<b>145,229</b>
Change in Asset Values through Comprehensive Revenue	0	3	0	3
<b>Closing Balance as at 30 June</b>	<b>144,188</b>	<b>144,188</b>	<b>145,232</b>	<b>145,232</b>
<b>Comprising:</b>				
Library Books	258	258	258	258
Roads and Bridges	117,290	117,290	117,941	117,941
Sewerage	9,308	9,308	9,413	9,413
Stormwater	7,219	7,219	7,296	7,296
Water Supplies	10,100	10,100	10,311	10,311
Landfill	0	0	0	0
Investment Revaluation Reserve	13	13	13	13
<b>Balance at 30 June</b>	<b>144,188</b>	<b>144,188</b>	<b>145,232</b>	<b>145,232</b>

## 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 Limited, Westreef Services Limited, Westport Harbour Limited and Buller Recreation Limited. Council also controls Westport Airport Authority and Buller Health Trust.

	2015/2016 Actual \$000	2014/2015 Actual \$000
<b>The following transactions were carried out with related parties:</b>		
<b>WestReef Services Limited</b>		
Services provided by Council during the year	98	90
Services provided to Council during the year	6,746	8,693
Accounts payable to Council at 30 June	7	6
Accounts receivable from Council at 30 June	775	935
<b>Buller Recreation Limited</b>		
Service level fee paid by Council to Buller Recreation	879	912
Service level fee paid in advance by Council to Buller Recreation	0	73
Services provided to Council during the year	1	2
Services provided by Council during the year	12	19
Loans owed to Council at 30 June	159	211
<b>Buller Holdings Limited</b>		
Accounts payable to Council at 30 June	82	104
Loans owed to Council at 30 June	2,364	2,364
Subventions revenue to Council during the year	400	1,306
Subventions payable to Council at 30 June	400	578
Interest Expenses paid to Council	82	104
Total Shares Issued to Council	19,131	19,076
Shares Issued during the year	55	43
<b>Westport Airport Authority</b>		
Services provided by Council during the year	131	61
Services provided by Westreef during the year	0	82
Rates, lease and interest charges paid to Council during the year	1	1
Current account balance owed (to) from Council at 30 June	(154)	(77)
Lease Payments made to Westport Harbour Ltd during the year	3	3
<b>Westport Harbour Limited</b>		
Services provided by Council during the year	204	109
Interest Expenses paid to Council	14	32
Lease Payments made to Council during the year	206	206
Advances relating to purchase of business as at 30 June	0	479
Accounts payable to Council at 30 June	11	49
Loans & Advances Repaid during the year	479	200

### Buller Health Trust

No related party transactions other than administration services provided by Council to Buller Health Trust during the year for no consideration.	0	0
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No debts or transactions were written off between parties during the period. (2014/2015: No debts were written off).

## Key Management and Members of Council

Councillor Sharon Roche is a Director/Shareholder of ITatWORK. In 2016 goods and services to the value of \$30,593 were provided to Council (2015: \$24,179). Councillor Roche was also a director of Buller Electricity Limited (until 15 January 2015) which owns Electro Services Limited. In 2016 there were no goods or services provided to Council that met the related party disclosure requirement (2015: \$53,818).

Councillor Lynn Brooks spouse provided services to the value of \$3,022 in regard to maintaining Council's Waimangaroa water supply during 2016 (2015: \$2,808).

### Key Management Personnel Compensation

Salaries and other short term employee benefits	1,150	990
Post Employment, Other Long Term Benefits and Share Based Payments	0	0
	<b>1,150</b>	<b>990</b>

Key management personnel includes the Mayor, Councillors, Chief Executive and other Senior Management Personnel.

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

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 and Investments	100%
Westport Harbour Limited	Subsidiary	CCTO	Port Operations	100%
Buller Recreation Limited	Subsidiary	CCO	Sports & Recreation Facilities	100%
Buller Health Trust	Controlled	Exempted as a CCO	Dental Services	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 Council Controlled Organisations 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 2015/16 there were no contributions made by the joint venture holders (2014/2015: no contributions made).
- Buller District Council's 50% share of its interest in the joint venture is detailed below.

	2015/2016 Actual \$000	2014/2015 Actual \$000
Current Assets	13	8
Long Term Assets (represented by Equity)	2,803	2,889
Current Liabilities	4	3
Long Term Liabilities	0	0
Revenue	117	69
Expenses	196	141



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

	Parent		Group	
	2015/2016 Actual \$000	2014/2015 Actual \$000	2015/2016 Actual \$000	2014/2015 Actual \$000
<b>Commitments</b>				
Capital Commitments Approved and Contracted	733	308	733	1,744
<b>Non-cancellable Operating Lease Commitments</b>				
<b>Motor Vehicles:</b>				
Not later than a year	3	3	3	3
Later than one year but not later than five years	0	0	0	0
Later than five years	0	0	0	0
	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>Office Equipment:</b>				
Not later than a year	56	56	56	56
Later than one year but not later than five years	0	0	0	0
Later than five years	0	0	0	0
	<b>56</b>	<b>56</b>	<b>56</b>	<b>56</b>

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

	2015/2016 Actual \$000	2014/2015 Actual \$000
<b>Lease Revenue Commitments with Westport Harbour Limited</b>		
Less than a year	206	125
More than 1 year less than 2	108	108
More than 2 years less than 5	324	324
Greater than 5 years	3,150	3,261
	<b>3,788</b>	<b>3,818</b>

### Other Contract Commitments

Buller District Council has a commitment to purchase land to the value of \$55,000 to be used for operating purposes.

The following Westreef contracts (except for the Refuse, Recycling and Landfill contract which ended in 2014 and has been extended for 10 years) were renewed with Westreef in 2012/2013 for another 7 years and expire on 30 June 2019. We expect the annual amounts to be as follows:

	2015/2016 Actual \$000	2014/2015 Actual \$000
Utility Services and Fire Fighting	1,156	1,138
Parks, Reserves, and Cemeteries	919	897
Refuse Collection, Recycling and Landfill Operation	589	550
	<b>2,664</b>	<b>2,585</b>

These contracts have a seven year right of renewal (except for Landfill Operation which is a 10 year duration) 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:

<b>Roothing</b>	<b>2015/2016 Actual \$000</b>	<b>2014/2015 Actual \$000</b>
Not later than one year	2,827	2,327

## Contingent Liabilities

Contingent Liabilities for Council and the Group are as follows:

- Council has recognised a Housing New Zealand contribution of \$400,000 as a contingent liability. The funds were used for pensioner housing upgrades. The amount will be required to be paid back to Housing New Zealand if Council does not utilise the funds on a pensioner housing project or divests the completed project within a 20 year timeframe. This liability ceases on 11 June 2027.
- Council has provided Sounds Air with a guarantee for \$108,000 should passenger numbers on flights to and from Westport Airport fall below 2.9 passengers per flight for a 12 month period.
- Council has provided the Coaltown Trust with a guarantee for \$500,000, as at balance date the liability guarantee was no longer required (2014/2015: \$500,000).
- Council has one outstanding leaky home claim for which it may be liable. The property is a residential property in the Reefton area constructed in 2008. The extent of the liability was unknown at balance date (2014/2015: no leaky home claims).
- 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 \$223,000 in Performance Bonds outstanding with Westpac as at 30 June 2016 (2014/2015: \$385,000).
- Buller Health Trust has no contingent liabilities as at 30 June 2016 (2014/2015: Nil).
- Buller Holdings Limited has no contingent liabilities as at 30 June 2016 (2014/2015: Nil).
- Westport Harbour Ltd has no contingent liabilities as at 30 June 2016 (2014/2015: Nil).
- Tourism West Coast (INC) also have no contingent liabilities as at 30 June 2016 (2014/2015: Nil).

## Contingent Assets

The Buller District Council and the Group has no contingent assets as at 30 June 2016 (2014/2015: No contingent assets).

## Lease Commitments as Lessor

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

	<b>2015/2016 Actual \$000</b>	<b>2014/2015 Actual \$000</b>
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	201	268
	<b>536</b>	<b>603</b>

## 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 of 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.

# Note 27 ~ Financial Instruments

## 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 into to hedge the fair value interest rate risk arising where Council has borrowed at fixed rates. In addition, investments at fixed interest rates expose Council to fair value interest rate risk.

### Cashflow Interest Rate Risk

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

Council manages its cash flow interest rate risk on borrowings by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings at floating rates and swaps them into fixed rates that are generally lower than those available if Council borrowed at fixed rates directly. Under the interest rate swaps, Council agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

### Credit Risk

Credit risk is the risk that a third party will default on its obligation to Council, causing Council to incur a loss. Council has no significant concentrations of credit risk, except for funds owed to 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 meeting its liquidity requirements Council maintains a target level of investments that must mature within the next 12 months. Council manages its borrowings in accordance with its funding and financial policies, which includes a Liability Management Policy. These policies have been adopted as part of Council's Long Term Plan.

Council has a maximum amount that can be drawn against its overdraft facility of \$500,000 (2014/2015: \$500,000). 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	
	2015/2016 Actual \$000	2014/2015 Actual \$000	2015/2016 Actual \$000	2014/2015 Actual \$000
<b>Financial Assets</b>				
<b>Loans and Receivables:</b>				
Cash and Cash Equivalents	3,308	3,025	5,663	5,748
Debtors and Other Receivables	3,263	4,260	3,661	3,970
Other Financial Assets:				
- Short Term Deposits	13,284	11,284	13,720	11,684
- Community Loans	0	0	0	0
- Loans to Related Parties	2,523	3,053	0	0
	<b>22,378</b>	<b>21,622</b>	<b>23,044</b>	<b>21,402</b>
<b>Fair Value Through Other Comprehensive Income</b>				
<b>Other Financial Assets:</b>				
- unlisted shares	40	40	40	40
<b>Total Fair Value Through Other Comprehensive Revenue</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>40</b>
<b>Fair Value Through Surplus or Deficit - Held For Trading</b>				
Derivative Financial Instrument Assets	0	0	0	0
<b>Total Financial Assets At Fair Value Through Surplus or Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Financial Liabilities</b>				
<b>Fair Value Through Surplus or Deficit - Held For Trading</b>				
Derivative Financial Instrument Liabilities	1,169	744	1,169	744
<b>Total Financial Liabilities At Fair Value Through Surplus or Deficit</b>	<b>1,169</b>	<b>744</b>	<b>1,169</b>	<b>744</b>
<b>Financial Liabilities At Amortised Cost</b>				
Creditors And Other Payables	2,444	2,628	3,161	3,033
Borrowings:				
- Bank Overdraft	0	0	0	0
- Secured Loans	23,580	23,644	23,580	23,644
<b>Total Financial Liabilities At Amortised Cost</b>	<b>26,024</b>	<b>26,272</b>	<b>26,741</b>	<b>26,677</b>

## Fair Value Heirarchy 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 2015/2016</b>			
<b>Financial Assets</b>			
Unlisted Shares	0	40	40
Derivative Financial Instrument Assets	0	0	0
<b>Financial Liabilities</b>			
Derivative Financial Instrument Liabilities	1,169	0	1,169
<b>Group 2015/2016</b>			
<b>Financial Assets</b>			
Unlisted Shares	0	40	40
Derivative Financial Instrument Assets	0	0	0
<b>Financial Liabilities</b>			
Derivative Financial Instrument Liabilities	1,169	0	1,169
<b>Parent 2014/2015</b>			
<b>Financial Assets</b>			
Unlisted Shares	0	40	40
Derivative Financial Instrument Assets	0	0	0
<b>Financial Liabilities</b>			
Derivative Financial Instrument Liabilities	744	0	744
<b>Group 2014/2015</b>			
<b>Financial Assets</b>			
Unlisted Shares	0	40	40
Derivative Financial Instrument Assets	0	0	0
<b>Financial Liabilities</b>			
Derivative Financial Instrument Liabilities	744	0	744

## Maximum Exposure to Credit Risk

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

	Parent		Group	
	2015/2016 Actual \$000	2014/2015 Actual \$000	2015/2016 Actual \$000	2014/2015 Actual \$000
Cash at Bank and Term Deposits	16,592	14,309	19,383	17,432
Debtors and Other Receivables	3,263	4,260	3,661	3,970
Community and Related Party Loans	2,523	3,053	0	0
<b>Total Credit Risk</b>	<b>22,378</b>	<b>21,622</b>	<b>23,044</b>	<b>21,402</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	
	2015/2016 Actual \$000	2014/2015 Actual \$000	2015/2016 Actual \$000	2014/2015 Actual \$000
<b>Counterparties with Credit Ratings</b>				
<b>Cash at Bank and Term Deposits:</b>				
AA	13,124	10,840	15,915	13,963
BB	3,468	3,468	3,468	3,468
<b>Total Cash at Bank and Term Deposits</b>	<b>16,592</b>	<b>14,308</b>	<b>19,383</b>	<b>17,431</b>
<b>Counterparties without Credit Ratings</b>				
<b>Cash at Bank and Term Deposits:</b>				
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>
<b>Community and Related Party Loans:</b>				
Existing counterparty with no defaults in the past	2,523	3,053	0	0
<b>Total Community and Related Party Loans</b>	<b>2,523</b>	<b>3,053</b>	<b>0</b>	<b>0</b>

## Contractual Maturity Analysis of Financial Liabilities

The table below 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. Future interest payments on floating rate debt is based on the floating rate on the instrument at balance 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 2015/2016</b>						
Creditors and Other Payables	2,444	2,444	2,444	0	0	0
Net Settled Derivative Liabilities	1,169	1,169	0	199	474	496
Bank Overdraft	0	0	0	0	0	0
Secured Loans	23,580	26,745	7,564	6,066	8,565	4,549
<b>Total</b>	<b>27,193</b>	<b>30,358</b>	<b>10,008</b>	<b>6,265</b>	<b>9,039</b>	<b>5,045</b>

<b>Group 2015/2016</b>						
Creditors and Other Payables	3,161	3,161	3,161	0	0	0
Net Settled Derivative Liabilities	1,169	1,169	0	199	474	496
Bank Overdraft	0	0	0	0	0	0
Secured Loans	23,580	26,745	7,564	6,066	8,565	4,549
<b>Total</b>	<b>27,910</b>	<b>31,075</b>	<b>10,725</b>	<b>6,265</b>	<b>9,039</b>	<b>5,045</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 2014/2015</b>						
Creditors and Other Payables	2,628	2,628	2,628	0	0	0
Net Settled Derivative Liabilities	744	744	13	89	642	0
Bank Overdraft	0	0	0	0	0	0
Secured Loans	23,644	26,866	7,621	4,065	15,179	0
<b>Total</b>	<b>27,017</b>	<b>30,239</b>	<b>10,263</b>	<b>4,154</b>	<b>15,822</b>	<b>0</b>

<b>Group 2014/2015</b>						
Creditors and Other Payables	3,033	3,033	3,033	0	0	0
Net Settled Derivative Liabilities	744	744	13	89	642	0
Bank Overdraft	0	0	0	0	0	0
Secured Loans	23,644	26,866	7,621	4,065	15,179	0
<b>Total</b>	<b>27,421</b>	<b>30,643</b>	<b>10,667</b>	<b>4,154</b>	<b>15,822</b>	<b>0</b>



## Contractual Maturity Analysis of Financial Assets

The table below 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 2015/2016</b>						
Cash and Cash Equivalents	3,308	3,308	3,308	0	0	0
Debtors and Other Receivables	3,263	3,263	3,263	0	0	0
<b>Other Financial Assets:</b>						
- Short Term Deposits	13,284	13,576	13,576	0	0	0
- Net Settled Derivative Assets	0	0	0	0	0	0
- Loans to Related Parties	2,523	2,605	2,525	80	0	0
	<b>22,378</b>	<b>22,752</b>	<b>22,672</b>	<b>80</b>	<b>0</b>	<b>0</b>

<b>Group 2015/2016</b>						
Cash and Cash Equivalents	5,663	5,663	5,663	0	0	0
Debtors and Other Receivables	3,661	3,661	3,661	0	0	0
<b>Other Financial Assets:</b>						
- Short Term Deposits	13,720	13,720	13,720	0	0	0
- Net Settled Derivative Assets	0	0	0	0	0	0
- Loans to Related Parties	0	0	0	0	0	0
	<b>23,044</b>	<b>23,044</b>	<b>23,044</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 2014/2015</b>						
Cash and Cash Equivalents	3,025	3,025	3,025	0	0	0
Debtors and Other Receivables	4,260	4,260	4,260	0	0	0
<b>Other Financial Assets:</b>						
- Short Term Deposits	11,284	12,291	12,291	0	0	0
- Net Settled Derivative Assets	0	0	0	0	0	0
- Loans to Related Parties	3,053	2,818	393	3,266	159	0
	<b>21,622</b>	<b>23,394</b>	<b>19,967</b>	<b>3,266</b>	<b>159</b>	<b>0</b>

<b>Group 2014/2015</b>						
Cash and Cash Equivalents	5,748	5,748	5,748	0	0	0
Debtors and Other Receivables	3,970	3,970	3,970	0	0	0
<b>Other Financial Assets:</b>						
- Short Term Deposits	11,684	11,684	11,684	0	0	0
- Net Settled Derivative Assets	0	0	0	0	46	0
- Loans to Related Parties	0	0	0	0	0	0
	<b>21,401</b>	<b>21,401</b>	<b>21,401</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	2015/2016 \$000				2014/2015 \$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	(25)	0	25	0	(20)	0	20	0
Other Financial Assets - Short Term Deposits	2	(133)	0	133	0	(113)	0	113	0
Other Financial Assets - Derivatives held for Trading	3	0	0	0	0	0	0	0	0
<b>Financial Liabilities</b>									
Derivatives - Held for Trading	4	(170)	0	170	0	(180)	0	180	0
Borrowings - Secured Loans	5	64	0	(64)	0	54	0	(54)	0
<b>Total Sensitivity to Interest Rate Risk</b>		<b>(264)</b>	<b>0</b>	<b>264</b>	<b>0</b>	<b>(259)</b>	<b>0</b>	<b>259</b>	<b>0</b>

## Explanation of Sensitivity Analysis - Council

### Financial Assets

#### 1. Cash and Cash Equivalents

Cash and cash equivalents of \$3,308,000 (2014/2015: \$3,025,000) of which \$808,000 (2014/2015: \$1,024,000) 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 revenue of \$25,000 (2014/2015: \$20,000).

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

Short Term Deposits consist of term deposits at financial institutions and total \$13,284,000 (2014/2015: \$11,284,000). A movement in interest rates of plus or minus 1.0% has an effect on investment revenue of \$133,000 (2014/2015: \$113,000).

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

There are no derivative financial instruments assets held for trading as at 30 June 2016 (2014/2015: Nil). Consequently a movement in interest rates of plus or minus 1.0% has no effect on realised receipts/(payments) on the derivatives during the period (2014/2015: Nil).

### Financial Liabilities

#### 4. Derivatives - Held For Trading

Derivative financial instruments held for trading consist of interest rate swaps with a fair value totalling \$1,169,000 (2014/2015: \$744,000). 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 \$170,000 (2014/2015: \$180,000).

#### 5. Borrowings - Secured Loans

Council has floating rate debt with a principal amount totalling \$6,434,000 (2014/2015: \$5,434,000). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$64,000 (2014/2015: \$54,000). A movement in market interest rates on fixed rate debt does not have any impact on interest expense.

Group - Interest Rate Risk	Note	2015/2016 \$000				2014/2015 \$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	(25)	0	25	0	(20)	0	20	0
Other Financial Assets - Short Term Deposits	2	(137)	0	137	0	(117)	0	117	0
Other Financial Assets - Derivatives held for Trading	3	0	0	0	0	0	0	0	0
<b>Financial Liabilities</b>									
Derivatives - Held for Trading	4	(170)	0	170	0	(180)	0	180	0
Borrowings - Secured Loans	5	64	0	(64)	0	54	0	(54)	0
<b>Total Sensitivity to Interest Rate Risk</b>		<b>(268)</b>	<b>0</b>	<b>268</b>	<b>0</b>	<b>(263)</b>	<b>0</b>	<b>263</b>	<b>0</b>

## Explanation of Sensitivity Analysis - Group

### Financial Assets

#### 1. Cash and Cash Equivalents

Cash and cash equivalents of \$5,663,000 (2014/2015: \$5,748,000) of which \$3,165,000 (2014/2015: \$3,748,000) 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 revenue of \$25,000 (2014/2015: \$20,000).

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

Short Term Deposits consist of term deposits at financial institutions and total \$13,720,000 (2014/2015: \$11,684,000). A movement in interest rates of plus or minus 1.0% has an effect on investment revenue of \$137,000 (2014/2015: \$117,000).

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

There are no derivative financial instruments assets held for trading as at 30 June 2016 (2014/2015: nil). Consequently a movement in interest rates of plus or minus 1.0% has no effect on realised receipts/(payments) on the derivatives during the period (2014/2015: nil).

### Financial Liabilities

#### 4. Derivatives - Held For Trading

Derivative financial instruments held for trading consist of interest rate swaps with a fair value totalling \$1,169,000 (2014/2015: \$744,000). 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 \$170,000 (2014/2015: \$180,000).

#### 5. Borrowings - Secured Loans

The Group has floating rate debt with a principal amount totalling \$6,434,000 (2014/2015: \$5,434,000). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$64,000 (2014/2015: \$54,000). 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 2016 for Buller District Council and the Group (2014/2015: Nil).

# Note 29 ~ Explanations of Major Variances against Budget

Explanations of major variances from Council's budgeted figures in the 2015/2016 Annual Report are as follows:

## Operating Revenue

Total revenue was \$22.0m compared to a budget of \$24.0m.

- Less Subsidies and Grants were received for Drinking Water Upgrades (\$1.3m) than budgeted. This was offset by receipt of unbudgeted grants from Development West Coast (\$0.5m) resulting in an overall budget variance of \$0.9m.
- Less investment income is mainly related to the timing of payments from Buller Holdings. There is an overall variance \$0.9m.
- Less fees and charges than budgeted (\$0.2m). This is due mainly to an economic slowdown in the district.
- A budgeted gain on revaluation of investment land was anticipated (\$0.2m) but continuing softening of the local property market has resulted in a nett write-down for the period of \$0.6m (which is included in operating expenditure).

## Operating Expenditure

Totalled \$23.1m compared to a budget of \$22.5m:

- Employment costs were \$0.18m higher than budgeted which is mainly attributable to extra cost to provide for the CEO's resignation.
- Depreciation and amortisation was lower than budgeted due to a number of budgeted capital projects that were not completed during the year.
- A budget saving of \$0.3m was made in Finance costs due to lower interest rates and change to a debt facility provided by LGFA which also reduced standing finance costs.
- Other Expenses were \$0.16m less than budgeted. The savings are spread across a wide range of Council activities. Notable savings were made in the Planning and Building area.
- No budget was provided for movements in the value Derivative contracts. The actual loss of \$0.4m was attributed to the downward movement in interest rates.
- The movement in the value of Investment properties was explained in the Operating Revenue section.

## Total Comprehensive Revenue & Expense

Council budgeted for \$8.7m total Comprehensive Revenue and Expense but achieved a \$1.1m loss. The difference is mainly due to a revaluation of infrastructure assets not being required in 2015/2016.

## Statement of Financial Position

- Cash and cash equivalents were \$2.5m higher than budget due to unanticipated movements in revenue and expense items and less expenditure on fixed assets than budgeted.
- Trade and other receivables were \$1.8m lower than budget due to continued focus on debt recovery.
- Short term investments were \$2m higher due to the growth in term deposits because there was less depreciation funded capital expenditure than planned for over the period.
- Investment Properties were \$2.4m less than budget due to a challenging property market which marked down the value of real estate over the year.
- Infrastructure assets were \$16m lower than budget principally due to revaluations not carried out (\$7.1m) and deferrals of capital projects particularly water upgrades and replacement.
- Trade and other payables are \$1.4m lower primarily related to the deferral of some capital projects.
- Derivative Financial Instruments liabilities are \$0.9m more than budgeted due to interest rates decreasing more than anticipated over the period.
- Debt was \$3.2m lower due to deferral of some debt funded capital projects and financing not completed until the following period.

## Cashflow Statement

- Payment to suppliers was \$0.5m lower than budget because of the operational savings made throughout the year.
- Investments realised were \$11.8m higher due to maturation and subsequent re-investments of term deposits.
- Purchase of fixed assets were \$4.3m lower due to deferral of some large capital projects.
- Loans raised and loans repaid were \$20.8m and \$23.5m higher than budgeted due to refinancing of Councils debt facilities.

## 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 2016 is \$63,139,000 (2015; \$62,059,000) (cost/revaluation). These activities have a total asset value for insurance purposes of \$116,336,511 (2015; \$111,750,166). Of this \$23,586,996 (2015; \$19,000,651) of mainly above ground infrastructure plant is fully insured for replacement value. Council insures 40% of the remaining assets of \$92,749,515 (2015; \$92,749,515) 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 at 30 June 2016 is \$200,216,000 (2014; \$198,337,000) (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 2016 is \$6,488,000 (2015; \$6,488,000) (cost/revaluation). These assets have an asset value for insurance purposes of \$8,001,735. Vessels and hydrographical equipment are fully insured for \$3,344,000.

■ 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.

### Buildings, Plant & Equipment & Other Assets

■ The total value of these assets in the financial statements as at 30 June 2016 is \$28,935,000 (2015; \$28,630,000) (cost/revaluation). This activity has a total asset value for insurance purposes of \$51,251,369 (2015; \$47,621,112). 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 2016 is \$1,030,000 (2015; \$994,000) (cost/revaluation). This activity has a total asset value for insurance purposes of \$881,669 (2015; \$1,003,217). All vehicles are insured for market value. The 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 (BHL), WestReef Services Ltd (WSL), Buller Recreation Ltd (BRL) and Westport Harbour Ltd (WHL), subsidiaries in substance Buller Health Trust (BHT) and Westport Airport Authority (WAA) which is owned as a 50% joint venture with the Ministry of Transport. Council owns 100% of BHL which in turn holds 100% interests in WSL, BRL and WHL.

The Buller District Council and group provides local infrastructure, local public services and provides regulatory functions to the community. The Council does not operate to make a financial return. Accordingly, Buller District Council has designated itself and the group as a Public Benefit Entity (PBE) for financial reporting purposes.

The financial statements of Buller District Council are for the year ended 30 June 2016. The financial statements were authorised for issue by Council on 26 October 2016.

## Basis of Preparation

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period and have been no changes in accounting policies during the financial year. The financial statements have been prepared on a historical cost basis, modified by the revaluation of certain infrastructural assets, investment property and financial instruments.

## Statement of Compliance

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). The financial statements have been prepared in accordance with Tier 1 PBE accounting standards. The financial statements comply with PBE Standards.

These financial statements are the second financial statements presented in accordance with the new PBE accounting standards. Prior period material adjustments arising on transition to the new PBE standards (if applicable) are explained in the notes to the accounts.

## Presentation Currency and Rounding

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.

## Standards issued and not yet effective and not early adopted

The following new standards, interpretations and amendments have been issued but are not yet effective as at 30 June 2016. The Buller District Council and Group has not early adopted these standards and interpretations.

### *Amendments to PBE IPSAS 1 - disclosure initiative:*

The amendments clarify existing PBE IPSAS 1 requirements that relate to materiality, order of the notes, subtotals, accounting policies and disaggregation. The revised PBE standards are effective from 1 January 2016. These are not expected to have significant impact on the Group.

## 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 and Buller Health Trust.

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, revenue and expenses on a line by line basis. All significant intra-group balances, transactions, revenue 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.

## 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 revenue 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

The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.
- Rates collected on behalf of the West Coast Regional Council (WCRC) are not recognised in the financial statements, as the Council is acting as an agent for the WCRC.

## 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 revenue is recognised on a straight line basis.
- Interest revenue 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 revenue.

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 Revenue & Expenses

Financial assets at fair value through other comprehensive revenue and expenses 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 revenue and expenses 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

### 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

## 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

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.

■ **Infrastructure 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

#### Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised in the surplus or deficit when incurred. Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with development and maintenance of the Council's website are recognised as an expense when incurred.

#### Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows: Computer software 3 to 5 years 20 to 33.3%

#### 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 2016.

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

Property, plant and equipment assets, measured at fair value are not required to be reviewed and tested for impairment. The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the asset class is revalued.

Property, plant and equipment, and intangible assets subsequently measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Intangible assets subsequently measured at cost that have an indefinite useful life, and goodwill, are not subject to amortisation and are tested annually for impairment.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

### - Value in use for non-cash generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

### - Value in use for cash generating assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cashflows.

## 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 4.8%, and a inflation factor of 2.0% 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 GAAP or Public Benefit Entity Accounting Standards, 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.

## Independent Auditor's Report

### To the readers of Buller District Council and group's annual report for the year ended 30 June 2016

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, on her behalf, to:

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

### Opinion on the audited information

In our opinion:

- the financial statements on pages 60 to 123:
  - present fairly, in all material respects:
    - the District Council and group's financial position as at 30 June 2016;
    - the results of its operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Tier 1 Public Benefit Entity Accounting (PBE) standards.
- the funding impact statement on page 64, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan;
- the statement of service provision (referred to in the annual report as the Council's Activities) on pages 12 to 47:
  - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2016, including:
    - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
    - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
  - complies with generally accepted accounting practice in New Zealand;

- the statement about capital expenditure for each group of activities on pages 12 to 47, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's Long-term plan;
- the funding impact statement for each group of activities on pages 12 to 47, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan.

## Compliance with requirements

The District Council and group has:

- complied with the requirements of schedule 10 of the Local Government Act 2002 that apply to the annual report; and
- made the disclosures on pages 7 to 69 which are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council and group's audited information.

Our audit was completed on 26 October 2016. This is the date at which our opinion is expressed.

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

## Basis of opinion

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

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the audited information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the District Council and group's preparation of the information we audited in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District Council 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 the 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 District Council and group complied with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report, we limited our procedures to making sure the annual report included the required information and identifying material inconsistencies, if any, with the information we audited. We carried out this work in accordance with International Standard on Auditing (New Zealand) 720; The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements.

We did not evaluate the security and controls over the electronic publication of the information we are required to audit and report on. We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

## **Responsibilities of the Council**

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

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

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

## **Responsibilities of the Auditor**

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

## **Independence**

When carrying out our audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. Other than this audit, and a limited assurance report on the District Council's Debenture Trust Deed, 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 Council

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