

Grey District Council Annual Report



**For the year
01 July 2018 – 30 June 2019**



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PART A: Introduction

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

Welcome to the 2018/2019 Annual Report. This is our report to the community on Council's performance for the period 1 July 2018 to 30 June 2019 and included in this report is:

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

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

This document reports a deficit of \$520,000 compared with our budgeted surplus of \$1,162,000. The variances contributing to this deficit are detailed further in this document (note 39). The background as to Council's strategy for addressing our key issues are fully explained in Council's 2018 – 2018 Long Term Plan. Residents and ratepayers with an interest in Council finances are encouraged to familiarise themselves with the Long Term Plan.

During the 2018/2019 year, the following projects were undertaken:

- New infrastructure installed at Arnott Heights to address ongoing water supply issues.
- Earthquake strengthening of the Left Bank Art Gallery building.
- Commencement of the new Runanga Water Supply Treatment Plant.
- The draft CBD Redevelopment Plan was developed and put out for public consultation.
- Work began on a Library & Museum Strategy.
- A Community & Events Facilitator was employed to work with community groups to facilitate events happening in the Town Square.

The Town Square had a successful summer season with several events taking place. It is a great space to relax, hang out and catch up with friends. Works are underway on a pedestrian ramp up onto the floodwall and a viewing platform over the mighty Grey River.

We have been fortunate to receive funding from the Government's Provincial Growth Fund for several projects which will provide many benefits to our District

in years to come. These include the Greymouth Master Plan, Croesus Road upgrade and dredging of the Port.

Council has a strong future focus on the maintenance and management of our assets, now and into the future, to provide the levels of service the community expects. We remain committed to maintaining efficient and accountable local government and, in the process, the provision of quality service delivery for our residents.

If you have any questions about any aspect of this report, please feel free to contact us.



T K Gibson
MAYOR



P G Pretorius
CHIEF EXECUTIVE OFFICER

2 Councillors and their portfolios as at 30 June 2019

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

1 Council is committed to:

Being accountable to its community.	Representing its community strongly and positively.
Consulting its community in a spirit of collective decision-making.	Working with other bodies and institutions pursuing the same goals.
Participating strongly in the activities of organised local government.	Striving towards optimum efficiency and a customer focus.
Equity and transparency in its dealings with its community.	Cultural, economic, environmental and social well-being of its community in decision-making.
Sustainability as basis for development activities in the District.	Creating opportunities for all.
Being a good employer.	A healthy community.
Building on our heritage.	

3 Senior staff and contact details

1 Management

Chief Executive Officer	Paul Pretorius
Community Development Manager	Kiri Pope <i>(from 8 October 2018 to 31 May 2019)</i> Dearne Thompson <i>(from 4 June 2019)</i>
Corporate Services Manager	Ian Young <i>(to 8 March 2019)</i> Paul Morris <i>(from 10 June 2019)</i>
Environmental Services Manager	Ben Healy <i>(to 28 October 2018)</i> John Canning <i>(from 3 January 2019)</i>
Infrastructure Services Manager	Mel Sutherland

2 Address

Postal Address	PO Box 382, Greymouth 7840
Main Office	105 Tainui Street, Greymouth Tel: +64 3 769 8600 Email: info@greydc.govt.nz Web: www.greydc.govt.nz Facebook: /GreyDC Twitter: @GreyDistrict

3 Contact details

Corporate Services	Email: info@greydc.govt.nz
Environmental Services	Email: environmental.services@greydc.govt.nz
Infrastructure Services	Email: infrastructure@greydc.govt.nz
Runanga Service Centre	25 Carroll Street, Runanga Tel: +64 3 762 7813
Grey District Library	18 Albert Street, Greymouth Tel: +64 3 768 5597 Email: library@greydc.govt.nz
Runanga Library	25 Carroll Street, Runanga Tel: +64 3 762 7813
History House Museum	27 Gresson St, Greymouth Tel: +64 3 768 4028 Email: historyhouse@greydc.govt.nz
Westland Recreation Centre	83 High St, Greymouth Tel: +64 3 768 9076 Email: wrc@greydc.govt.nz
Port of Greymouth	c/- 105 Tainui Street, Greymouth Tel: +64 3 768 5666

PART B: Independent Auditor's Report

Independent Auditor's Report

To the readers of Grey District Council's annual report for the year ended 30 June 2019

The Auditor-General is the auditor of Grey District Council (the District Council). The Auditor-General has appointed me, Chantelle Gernetzky, using the staff and resources of Audit New Zealand, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

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

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

We completed our work on 31 October 2019. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 18 to 69:
 - present fairly, in all material respects:
- the District Council's financial position as at 30 June 2019;
- the results of its operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on pages 70 to 71, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Annual plan;
- the statement of service provision referred to as the Group of Activity Statements on pages 82 to 142:
 - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2019, including:

- the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
- the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 82 to 142, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council’s Annual plan; and
- the funding impact statement for each group of activities on pages 82 to 142, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council’s Long-term plan.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 72 to 81, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council’s audited information and, where applicable, the District Council’s long-term plan and annual plans.

Basis for our opinion on the audited information

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

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

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

Responsibilities of the Council for the audited information

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

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

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using

the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

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

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

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

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

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

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service provision referred to as the Group of Activity Statements, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council to cease to continue as a going concern.

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

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

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 5 to 10, 17 and pages 143 to 144, but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

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

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

Independence

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

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



Chantelle Gernetzky
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

PART C: Financial Statements and Notes

1 Statement of compliance and responsibility

1 Compliance

The Council and Management of the Grey District Council confirm that all the statutory requirements in relation to the Annual Report have been complied with. All other statutory requirements relating to the annual report, as outlined in the Local Government Act 2002, have been complied with which includes the requirement to comply with generally accepted accounting practice.

2 Responsibility

Council and management of Grey District Council accept responsibility for the preparation of the annual Financial Statements and the judgements used in them.

Council and management accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of Council and management of Grey District Council, the annual Financial Statements for the year ended 30 June 2019 fairly reflect the financial position and operations of Grey District Council.



T K Gibson
MAYOR



P G Pretorius
CHIEF EXECUTIVE OFFICER

Dated this 31st day of October 2019.

2 Statement of comprehensive revenue and expense

For the year ended 30 June 2019

	Note	Actual 2018 \$000	2019 LTP Year 1 \$000	Actual 2019 \$000
REVENUE				
Rates, including targeted water supply rates	3	16,668	16,691	17,224
Subsidies and grants	4	4,044	7,444	6,009
Development and financial contributions		98	41	78
Fees and charges	5	3,922	4,378	4,712
Interest revenue	6	510	549	359
Other revenue	7	542	551	1,925
Total revenue		25,784	29,654	30,307
EXPENDITURE				
Personnel costs	8	5,322	5,490	5,481
Depreciation and amortisation expense	16	9,112	9,487	9,319
Finance costs	6	1,405	1,817	1,929
Other expenses	9	12,094	11,698	14,098
Total expenses		27,933	28,492	30,827
Net surplus/(deficit) before tax		(2,149)	1,162	(520)
Income tax expense		-	-	-
Surplus/(deficit) after tax attributable to Grey District Council		(2,149)	1,162	(520)
OTHER COMPREHENSIVE REVENUE AND EXPENSE				
Movement in asset revaluation reserve		-	-	-
Total other comprehensive revenue and expense		-	-	-
Total comprehensive revenue and expense		(2,149)	1,162	(520)

The accompanying notes form part of these financial statements.

3 Statement of financial position

As at 30 June 2019

	Note	Actual 2018 \$000	2019 LTP Year 1 \$000	Actual 2019 \$000
ASSETS				
Current assets				
Cash and cash equivalents	10	4,114	7,530	3,962
Receivables	11	5,386	2,501	4,410
Other financial assets	12	10,236	5,625	7,676
Inventory	13	307	-	307
Non-current assets held for sale		-	-	-
		20,043	15,656	16,355
Non-current assets				
Receivables	11	35	192	35
Property, plant and equipment	14	403,502	404,712	407,829
Intangible assets	15	168	287	116
Other financial assets	12	291	703	294
Investment property	17	2,709	3,359	2,670
		406,705	409,253	410,944
TOTAL ASSETS		426,748	424,909	427,299
LIABILITIES				
Current liabilities				
Bank overdraft		-	-	-
Payables	18	4,311	3,402	3,527
Employee entitlements	19	577	544	611
Deferred revenue		272	212	272
Borrowings	20	5,010	5,000	10,000
Derivative financial instruments	21	28	-	-
		10,198	9,158	14,410
Non-current liabilities				
Provisions	22	2,050	2,011	2,327
Employee entitlements	19	443	440	450
Borrowings	20	24,303	24,673	20,199
Derivative financial instruments	21	572	-	1,251
		27,368	27,124	24,227
TOTAL LIABILITIES		37,566	36,282	38,637
EQUITY				
Retained earnings	23	228,098	234,682	229,302
Special funds	23	9,315	7,821	7,587
Trusts bequests and other reserves	23	198	178	202
Revaluation reserve	23	151,571	145,946	151,571
Total equity attributable to the Council		389,182	388,627	388,662
TOTAL EQUITY AND LIABILITIES		426,748	424,909	427,299

The accompanying notes form part of these financial statements.

4 Statement of changes in equity

For the year ended 30 June 2019

	Actual 2018 \$000	2019 LTP Year 1 \$000	Actual 2019 \$000
Balance at 01 July	391,331	387,465	389,182
Total comprehensive revenue and expense	(2,149)	1,162	(520)
Balance at 30 June	389,182	388,627	388,662

The accompanying notes form part of these financial statements.

5 Statement of cash flows

For the year ended 30 June 2019

	Note	Actual 2018 \$000	2019 LTP Year 1 \$000	Actual 2019 \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from rates revenue		16,566	16,650	17,200
Subsidies and grants received		3,297	7,444	6,976
Development and financial contributions received		98	41	78
Interest received		413	527	419
Dividends received		-	-	-
Receipts from other revenue		4,108	5,935	6,526
Payments to suppliers		(10,790)	(12,334)	(14,963)
Payments to employees		(5,190)	(5,488)	(5,440)
Interest paid		(1,461)	(1,817)	(1,417)
Income tax paid (refund)		-	-	-
Goods and services tax (net)		(236)	36	294
Net cash from operating activities	24	6,805	10,994	9,673
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of property, plant and equipment		88	-	25
Proceeds from sale of investment property		23	-	25
Receipts from sale of investments		27,918	15,058	21,154
Purchase of property, plant and equipment		(8,880)	(9,981)	(13,422)
Purchase of intangible assets		-	-	-
Acquisition of investments		(26,310)	(15,398)	(18,597)
Net cash from investing activities		(7,161)	(10,321)	(10,815)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings		4,000	5,953	10,000
Repayment of borrowings		(5,000)	(6,383)	(9,010)
Dividends paid		-	-	-
Net cash from financing activities		(1,000)	(430)	990
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		(1,356)	243	(152)
Cash, cash equivalents and bank overdrafts at the beginning of the year		5,470	7,287	4,114
Cash, cash equivalents and bank overdrafts at the end of the year	10	4,114	7,530	3,962

The accompanying notes form part of these financial statements.

6 Notes to the financial statements

1 Statement of accounting policies

[1] Reporting entity

Grey District Council ("Council") is a territorial local authority governed by the Local Government Act 2002.

Council has two associates: Tourism West Coast (25% controlled) and West Coast Amateur Sports Trust.

All associates are incorporated in New Zealand.

The primary objective of Council is to provide goods or services for the community or social benefit rather than making a financial return. The Council has designated itself as a public benefit entity (PBE) for the purposes of complying with generally accepted accounting practice.

The financial statements of Council are for the year ended 30 June 2019. The financial statements were authorised for issue by Council on 31 October 2019.

[2] Basis of preparation

The financial statements of Council have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of Schedule 10, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with Public Benefit Entity Standards (PBE Standards) and authoritative notices that are applicable to entities that apply PBE Standards.

Council is classified as a Tier 2 reporting entity but has elected to report under Tier 1 and it applies full PBE Standards.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The financial statements have been prepared on a historical cost basis, except where modified by the revaluation of land and buildings, certain infrastructural assets, investment property, forestry assets, and certain financial instruments (including derivative instruments).

The financial statements are presented in New Zealand dollars and are rounded to the nearest thousand dollars (\$'000) where indicated. The functional currency of Council is New Zealand dollars.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the surplus/deficit.

[3] Associates

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

Council investments in associates are carried at cost in Council's own "parent entity" financial statements in accordance with PBE IPSAS 7.19(c).

[4] Accounting policies

The following accounting policies which materially affect the measurement of financial performance, financial position and cash flows for Council have been applied:

Revenue

Revenue comprises of the items below and is measured at the fair value of consideration received or receivable.

Revenue may be derived from either exchange or non-exchange transactions.

Revenue from exchange and non-exchange transactions

Revenue from exchange transactions arises where the Council provides goods or services to another entity and directly receives approximately equal value (primarily in the form of cash in exchange).

Revenue from non-exchange transactions arises from transactions that are not exchange transactions. Revenue from non-exchange transaction arises when the Council receives value from another party without giving approximately equal value directly in exchange for the value received.

Approximately equal value is considered to reflect a fair or market value, which is normally commensurate with an arm's length commercial transaction between a willing buyer and willing seller. Many of the services that the Council provides for a fee are charged at below market value as they are subsidised by rates. Other services operate on a cost recovery or breakeven basis and are not considered to reflect a market return. Most of the Council's revenue is therefore categorised as non-exchange.

Specific accounting policies for major categories of revenue are outlined below. The Council undertakes various activities as part of its normal operations, some of which generate revenue, but generally at below market rates. The following categories (except where noted) are classified as transfers, which are non-exchange transactions other than taxes.

Rates

Rates Revenue is recognised by Council as being revenue on the due date of each instalment. Rates are a tax as they are payable under the Local Government (Rating) Act 2002 and are therefore defined as non-exchange.

Water billing revenue is recognised on an accrual basis and are taxes that use a specific charging mechanism to collect the rate and are non-exchange revenue.

Subsidies and grants

New Zealand Transport Agency financial assistance is recognised as revenue upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.

Other grants and subsidies are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Other bequests, and assets vested in Council — with or without conditions — are recognised as revenue when control over the assets is obtained.

Insurance proceeds

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

Development and financial contributions

Development and financial contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service.

Finance revenue

Interest revenue is included in finance revenue in the statement of comprehensive revenue and expense and recognised using the effective interest method.

Other revenue

Dividends are recognised when the right to receive payment has been established and are classified as exchange revenue.

Revenue from fines and penalties (e.g. traffic and parking infringements, library overdue book fines, rates penalties) is recognised when infringement notices are issued or when the fines/penalties are otherwise imposed.

Revenue from the rendering of services where the service provided is non-exchange is recognised when the transaction occurs to the extent that a liability is not also recognised. Within rendering of services the only revenues considered to be exchange revenue are from Parking services (meter fees and permits) and commercial leases of some building assets. For these transactions the revenue is recognised by reference to the stage of completion of the transaction at the reporting date.

The sale of goods is classified as exchange revenue. Sale of goods is recognised when products are sold to the customer and all risks and rewards of ownership have transferred to the customer.

Investment property lease rentals (net of any incentives given) are classified as exchange revenue and recognised on a straight line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which benefits derived from the leased asset is diminished.

Other gains and losses

Gains include additional earnings on the disposal of property, plant and equipment and movements in the fair value of financial assets and liabilities and are recognised as exchange revenue.

Vested Asset Revenue is recognised as non-exchange revenue when the maintenance period (where the developer is responsible for addressing maintenance items) ends and the asset is at the required standard to be taken over by Council.

Borrowing costs

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

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each balance date. Movement in the fair value in interest rate swaps are recognised as a finance expense/revenue through the surplus/deficit.

Grant expenditure

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

Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of Council's decision.

Leases

Finance leases

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

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

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

Operating leases

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

Cash and cash equivalents

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

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

Financial assets

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

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

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

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

The four categories of financial assets are:

- **Loans and receivables**

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

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

- **Held to maturity investments**

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

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

Investments in this category include fixed term deposits and bonds.

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

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

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

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

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

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

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

Impairment of financial assets

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

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

Accounts receivable

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

Inventory

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

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

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

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

Non-current assets held for sale

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

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

Property, plant and equipment

Property, plant and equipment consists of:

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

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

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

Additions

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

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

Disposals

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

Subsequent costs

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

Depreciation

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

Asset Class	Depreciation Method	Life (years)	%
Buildings:			
- Structure	Straight line	40 - 50	2.0 –2.5
- Fit Out	Straight line	10 – 20	5.0 – 10
- Services	Straight line	15 - 30	3.33 – 6.67
- Sundry (e.g. car parking)	Straight line	10	10
Aerodrome	Straight line	10 - 75	1.33 - 10
Plant and machinery	Straight line	3 – 30	3 – 33
Furniture and fittings	Straight line	10	10
Computer equipment	Straight line	3 – 8	12.5 – 33
Library stocks	Straight line	8	12.5
Breakwaters and wharves	Straight line	40 – 50	2 –2.5
Reserve board assets	Not depreciated		
Landfill sites	Straight line	10 – 50	2 – 10
Landfill capitalised aftercare costs	Straight line	8	12.5
Water supply systems:			
- Pipe network	Straight line	50 – 90	1.11 – 2
- Pumps and electrical	Straight line	10 – 60	1.67 – 10
- Reservoirs	Straight line	60 – 80	1.25 – 1.67
Drainage and sewerage			
- Pipe network	Straight line	50 – 100	1 – 2
- Pumps and electrical	Straight line	10 – 80	1.25 – 10

Asset Class	Depreciation Method	Life (years)	%
- Ponds	Straight line	60	1.67
Heritage assets	Straight line	40	2.5
Roading networks:			
- Formation	Not depreciated		
- Pavement structure – sealed	Straight line	40 – 50	2 – 2.5
- Pavement structure – unsealed	Straight line	3 – 22	4.5 – 33
- Pavement surfacing	Straight line	8 – 16	6.25 – 12.5
- Kerb and channelling	Straight line	50 – 150	0.67 – 2
- Bridges	Straight line	15 – 100	1 – 6.67
- Footpaths	Straight line	15 – 50	2 – 6.67
- Drainage: surface water channels	Straight line	10 – 80	1.25 – 10
- Drainage: culverts and catch pits	Straight line	50 – 150	0.67 – 2
- Traffic signs and pavement marking	Straight line	5 – 15	6.67 – 20
- Streetlights	Straight line	25 – 40	2.5 – 4.0
Flood protection scheme	Straight line	100	1
Parking developments	Straight line	50	2
Sports fields and parks (improvements)	Straight line	5 – 100	1 – 20
Work in progress	Not depreciated	-	-

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

Revaluation

The measurement base for each class of asset is described below. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value.

Valuation

Infrastructural assets	Valuation basis
Roading network	Optimised depreciated replacement cost
Land under roads	Deemed cost
Stormwater	Optimised depreciated replacement cost
Flood protection system	Depreciated historical cost
Sewerage	Optimised depreciated replacement cost
Water supply systems	Optimised depreciated replacement cost
Landfill Site	Depreciated historical cost

Fixed assets	Valuation basis
General land	Fair value
Other land	Historical cost
Buildings	Fair value
Plant and machinery	Depreciated historical cost
Furniture and fittings	Depreciated historical cost
Computer equipment	Depreciated historical cost
Library stocks	Depreciated historical cost
Breakwater and wharves	Depreciated historical cost
Aerodrome	Fair value
Parking developments	Depreciated historical cost

Fixed assets	Valuation basis
Reserve Board Assets	Historical Value
Sports fields and parks	Deemed cost
Heritage assets	Deemed cost

Accounting for revaluations

Council accounts for revaluations of property, plant and equipment on a class of asset basis.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the surplus/deficit.

Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the surplus/deficit will be recognised first in the surplus/deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

Those asset classes that are revalued are valued on a three yearly valuation cycle on the basis described above. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value.

Intangible Assets

Software acquisition and development

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

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

Staff training costs are recognised in the surplus or deficit when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Investment property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, Council measures all investment property at fair value as determined.

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus/deficit.

Impairment of non-financial assets

Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the assets ability to generate net cash inflows and where the Council would, if deprived of the asset, replace its remaining future economic benefits or service potential.

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

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus/deficit.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in surplus/deficit, a reversal of the impairment loss is also recognised in the surplus/deficit.

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

Trade and other payables

Short-term creditors and other payables are recorded at their face value.

Employee benefits

Short-term benefits

Employee benefits that Council expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken, at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

Long-term benefits

Long service leave and retirement leave

Entitlements that are payable beyond 12 months, such as long service leave and retiring leave, have been calculated on an actuarial basis. The calculations are based on:

- Likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and
- The present value of the estimated future cash flows. A discount rate of 5.0% and an inflation factor of 2.5% were used. The discount rate is based on the weighted average of Government interest rates for stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees.

Provisions

Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

Landfill post closure costs

Council has a legal obligation under its resource consent to provide on-going maintenance and monitoring services at the landfill site after closure. A provision for post closure costs is recognised as a liability when the obligation for post closure arises.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including new legal requirements and known improvements in technology. The provision includes all costs associated with landfill post closure. The discount rates applied are 1.0% - 3.1%

Financial guarantees

A financial guarantee contract is a contract that requires the Council to make specified payments to reimburse the holder of the contract for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value, even if a payment under the guarantee is not considered probable. If a financial guarantee contract was issued in a stand-alone arms-length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received, a liability is recognised based on the probability that the Council will be required to reimburse a holder for a loss incurred discounted to present value. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the initial recognition amount less any amortisation. However, if it is probable that expenditure will be required to settle a guarantee, then the provision for the guarantee is measured at the present value of the future expenditure.

Borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Equity

Equity is the community's interest in Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- Ratepayers equity (Retained earnings)
- Special funds reserves
- Trusts, bequests and other reserves
- Asset revaluation reserves

Reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Council. Restricted reserves are those reserves subject to specific conditions accepted as binding by Council and which may not be revised by Council without reference to the courts or third parties. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met. Council created reserves are reserves established by Council decision. Council may alter them without reference to any third party or the courts. Transfers to and from these reserves are at the discretion of Council.

Goods and Service Tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by Council at the beginning of the year in the annual plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by Council for the preparation of the financial statements.

Cost allocation

Council has derived the cost of service for each significant activity of Council using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

Critical accounting estimates and assumptions

In preparing these financial statements, Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Landfill aftercare provision

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

Financial guarantees

Note 22 discloses Council's assessment on the probability that Council will be required to reimburse the guarantee holder and the total amount of the guarantee.

Infrastructural assets and property carried at fair value

There are a number of assumptions and estimates used when performing Optimised Depreciation Replacement Cost (ODRC) valuations over infrastructural assets and property carried at fair value. These include:

- The physical deterioration and condition of an asset, for example Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- Estimating any obsolescence or surplus capacity of an asset; and
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the surplus/deficit. To minimise this risk, Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of Council's asset management planning activities, which gives Council further assurance over its useful life estimates.

Experienced independent valuers peer review Council's infrastructural asset revaluations.

Critical judgements in applying council's accounting policies

Management has exercised the following critical judgements in applying Council's accounting policies for the period ended 30 June 2019:

Classification of property

Council owns a number of properties, which are maintained primarily to provide housing to elderly persons. The receipt of market-based rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives as part of Council's social housing policy. These properties are accounted for as property, plant and equipment.

Classification of leases

Council is the lessor on a large number of leases which include terms where the lessee can extend the lease into perpetuity. Council has determined that the risks and rewards of ownership is retained by the Grey District Council and therefore have classified the leases as operating leases.

Classification of property

Council's leasehold property has been classified as Investment Property as the primary purpose is to earn rental revenue for the Council and is not directly related to service delivery.

Cost of service statements

The Cost of Service Statements, as provided in the Statement of Service Performance, report the net cost of services for significant activities of Council, and are represented by the costs of providing the service less all directly related revenue that can be allocated to these activities.

Statement of cash flows

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

"Operating Activities" include cash received from all revenue sources of Council and record the cash payments made for the supply of goods and services.

"Investing Activities" are those activities relating to the acquisition, holding and disposal of property, plant and equipment and of investments. Investments can include securities not falling within the definition of cash.

"Financing Activities" are those activities change the equity and debt capital structure of Council.

"Cash" is considered to be cash on hand and cash at bank, and on-call deposits, net of overdrafts.

New standards and interpretations issued and not yet adopted

Interests in other entities

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

Financial instruments

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

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

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

Impairment of revalued assets

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

Under the amendment, a revalued asset can be impaired without having to revalue the entire class-of asset to which the asset belongs. This amendment is effective for the 30 June 2020 financial statements, with early adoption permitted. The Council plans to apply the new standards in preparing the 30 June 2020 financial statements. The Council has not yet assessed the effects of these new standards.

2 Summary revenue and expenditure for groups of activities

	Actual 2018 \$000	2019 LTP Year 1 \$000	Actual 2019 \$000
REVENUE			
Land transport	5,955	10,119	7,796
Stormwater	1,119	1,102	1,309
Wastewater	2,651	2,607	2,659
Water Supply	2,221	2,337	2,232
Solid waste management	2,409	2,215	2,784
Emergency management	129	92	95
Environmental services	2,070	2,165	2,171
Other transport	889	906	2,953
Property and housing	1,335	1,329	1,096
Community facilities and events	4,845	4,877	5,183
Democracy and administration	7,975	8,394	8,179
Total activity revenue	31,598	36,143	36,457
Less internal recoveries	(5,814)	(6,489)	(6,150)
Total revenue	25,784	29,654	30,307
EXPENDITURE			
Land transport	7,276	7,206	7,339
Stormwater	1,289	1,289	1,370
Wastewater	2,911	3,063	3,210
Water Supply	2,115	2,127	2,192
Solid waste management	2,165	2,021	2,309
Emergency management	104	92	83
Environmental services	2,248	2,122	2,414
Other transport	1,166	1,637	2,108
Property and housing	1,503	1,469	1,345
Community facilities and events	5,596	5,759	6,702
Democracy and administration	7,374	8,196	7,905
Total activity expenditure	33,747	34,981	36,977
Less internal recoveries	(5,814)	(6,489)	(6,150)
Total Expenditure	27,933	28,492	30,827

Each significant activity is stated gross of internal costs and revenues. In order to fairly reflect the total external operations for the Council in the statement of comprehensive revenue and expense, these transactions are eliminated as shown above.

3 Rates revenue

Total revenue from any funding mechanism authorised by the Local Government (Rating Act) 2002 (i.e. including targeted water supply rates and lump sum contributions) is as follows:

	Actual 2018 \$000	2019 LTP Year 1 \$000	Actual 2019 \$000
GENERAL RATES			
General Rate	6,854	6,882	7,190
Uniform Annual General Charge	3,156	3,114	3,246
Total general rates	10,010	9,996	10,436
TARGETED RATES ATTRIBUTABLE TO ACTIVITIES:			
District Promotion	365	350	376
Refuse Collection	1,369	1,374	1,412
Sewerage Collection	2,489	2,468	2,567
Water Supplies	1,943	2,086	2,013
Water Meter Rates	269	237	211
Lump sum contributions	-	-	-
PENALTIES			
Rate Penalties	223	180	209
Total rates	16,668	16,691	17,224

Rates remissions

Rate revenue shown is net of rates remitted on land where Grey District Council is the ratepayer. Rate discounts and rates remitted per Council policy are expensed through the surplus/deficit.

	Actual 2018 \$000	2019 LTP Year 1 \$000	Actual 2019 \$000
Rates on land where GDC is the ratepayer	412	430	423
Rate discounts	32	41	33
Rates remitted per Council policy	81	39	46
Total rates remitted	525	510	502

Non-rateable land

In accordance with the Local Government (Rating) Act 2002 certain properties cannot be rated for general rates. This includes schools, places of religious worship, public gardens and reserves. These non-rateable properties, where applicable, may be subject to targeted rates in respect of sewerage, water, refuse and sanitation. Non-rateable land does not constitute a remission under Council's rates remission policy.

Rating base information

This information is provided in terms of Schedule 10 clause 30A of the Local Government Act 2002:

The annual report must state—

- the number of rating units within the district or region of the local authority at the end of the preceding financial year;*
- the total capital value of rating units within the district or region of the local authority at the end of the preceding financial year;*
- the total land value of rating units within the district or region of the local authority at the end of the preceding financial year.*

	As at 30 June 2017	As at 30 June 2018
Total number of rating units	9,027	9,012
Total capital value of rating units	2,931,651,550	2,837,586,350
Total land value of rating units	1,391,031,350	1,270,163,350

4 Subsidies and grants

	Actual 2018 \$000	2019 LTP Year 1 \$000	Actual 2019 \$000
New Zealand Transport Agency subsidies	2,715	5,496	4,282
Ministry of Health drinking water related subsidies	-	-	-
Ministry of Health wastewater related subsidies	-	-	-
Other grants and subsidies	1,329	1,948	1,727
Total subsidies and grants	4,044	7,444	6,009

There are no unfulfilled conditions and other contingencies attached to subsidies and grants recognised (2018: nil).

5 Fees and charges

	Actual 2018 \$000	2019 LTP Year 1 \$000	Actual 2019 \$000
Wastewater - trade waste user charges	87	96	90
Building and resource consent charges	667	685	645
Dog registration and other user charges	179	217	196
Liquor licencing fees	73	52	70
Landfill charges	648	570	960
Swimming pool and stadium user charges	659	1,167	1,036
Parking fees	44	43	48
Lease revenue	324	386	361
Retirement housing rental revenue	638	632	643
Port berthage and user access fees	196	195	190
Other fees and charges	407	335	473
Total fees and charges	3,922	4,378	4,712

6 Interest revenue and finance costs

	Actual 2018 \$000	2019 LTP Year 1 \$000	Actual 2019 \$000
INTEREST REVENUE			
Interest Revenue:			
- term deposits	510	549	344
- local authority and government bonds	-	-	15
Total interest revenue	510	549	359
FINANCE COSTS			
Interest expense:			
- interest on borrowings	1,328	1,817	1,278
Interest derivatives (presented net):			
- Interest rate swaps - fair value through P&L	77	-	651
Total Finance Costs	1,405	1,817	1,929
Net finance costs	895	1,268	1,570

7 Other revenue

	Actual 2018 \$000	2019 LTP Year 1 \$000	Actual 2019 \$000
Traffic and parking infringements	55	56	34
Freedom camping infringements	41	58	29
Petrol tax	156	178	154
Vested land and infrastructure from property development	-	94	-
Insurance recoveries	-	-	1,436
Non-current assets held for sale gains on disposal	-	-	-
Property plant & equipment gains on disposal	113	65	69
Investment property gains on disposal	-	-	-
Investment property revaluation gains	6	-	25
Other	171	100	178
Total other revenue	542	551	1,925

8 Personnel costs

	Actual 2018 \$000	2019 LTP Year 1 \$000	Actual 2019 \$000
Wages and salaries	4,944	5,215	5,182
Contributions to defined contribution plans	246	220	258
Increase/(decrease) in employee benefit liabilities	132	55	41
Total employee expenses	5,322	5,490	5,481

9 Other expenses

	Note	Actual 2018 \$000	2019 LTP Year 1 \$000	Actual 2019 \$000
Fees to principal auditor				
Audit of financial statements		99	109	100
Long Term Plan (LTP) audit		69	-	-
Debenture Trust Deed Audit		4	-	4
Insurance expenses		562	590	682
Consultants		1,054	643	1,199
Legal fees		63	216	85
Electricity		918	937	1,136
Grants & Donations		375	348	655
Remuneration of elected members	32	267	269	267
Directors' fees		-	-	-
Minimum lease payments under operating leases		163	390	247
Assets written off		-	-	-
Impairment of asset expense		-	-	-
Bad debt expense		3	25	96
Movement in impairment of receivables	11	-	-	57
Movement in provision for financial guarantee		(229)	-	16
Loss on sale of property, plant and equipment		4	-	-
Loss on sale of Investment Property		8	-	-
Investment property revaluation losses		(6)	-	(14)
Other operating expenses		8,740	8,171	9,568
Total other expenses		12,094	11,698	14,098

10 Cash and cash equivalents

	Actual 2018 \$000	Actual 2019 \$000
Cash at bank and on hand	4,114	3,962
Call deposits	-	-
Term deposits with maturities of less than 3 months at acquisition	-	-
Total cash and cash equivalents	4,114	3,962

The carrying value of cash at bank, call deposits, and short-term deposits with maturities less than three months approximates their fair value.

The effective interest rate on deposits in 2019 was 3.27 percent (2018: 3.5 percent). The deposits had an average maturity of 145 days (2018: 154 days).

11 Trade and other receivables

	Actual 2018 \$000	Actual 2019 \$000
Receivables		
Rates receivables	1,480	1,551
Water rate receivables	144	97
New Zealand Transport Agency receivable	1,398	431
Port receivables	95	125
Lease receivables	362	400
Sundry receivables	1,657	1,702
Community loans	35	35
Prepayments	-	265
Loans to related parties	-	-
Interest receivable	194	134
GST receivable	384	90
Receivables prior to impairment	5,749	4,830
Less provision for impairment of receivables	(328)	(385)
Total receivables	5,421	4,445
Total receivables comprise:		
Receivables from non-exchange transactions – (this includes outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates)	4,865	3,911
Receivables from exchange transactions – (this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates)	556	534

Fair value

Receivables are generally short-term and non-interest bearing. Therefore, the carrying value of receivables approximates their fair value.

Impairment

The Council does not provide for any impairment on rates receivable, as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid four (4) months after the due date for payment. If payment has not been made within three (3) months of the Court's judgment, then the Council can apply to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit.

Ratepayers can apply for payment plan options in special circumstances. Where such repayment plans are in place, debts are discounted to their present value of future payments if the effect of discounting is material.

The ageing profile of receivables at year end is detailed below:

	Gross	2018 Impairment	Net	Gross	2019 Impairment
	\$000	\$000	\$000	\$000	\$000
Not past due	3,057	-	3,057	1,306	-
Past due 1 - 30 days	49	-	49	97	-
Past due 31 - 90 days	491	-	491	284	-
Past due > 90 days	2,152	(328)	1,824	3,143	(385)
Total	5,749	(328)	5,421	4,830	(385)

All receivables greater than 30 days in age are considered to be past due.

The impairment provision has been calculated based on a review of specific overdue receivables. Individually impaired receivables have been determined to be impaired because of the significant financial difficulties being experienced by the debtor.

Movements in the provision for impairment of receivables are as follows:

	Actual 2018 \$000	Actual 2019 \$000
At 1 July	328	328
Provisions reversed during the year	(16)	(16)
Additional provisions made during the year	16	73
Receivables written off during period	-	-
At 30 June	328	385

12 Other financial assets

	Actual 2018 \$000	Actual 2019 \$000
CURRENT PORTION		
Term deposits with original maturities greater than 3 months and remaining maturities less than 12 months	10,156	7,676
Borrower notes	80	-
Local authority stock	-	-
Available-for-sale financial assets	-	-
Total current investments	10,236	7,676
NON-CURRENT PORTION		
Borrower notes	240	240
Local authority stock	51	54
Unlisted shares	-	-
Total non-current investments	291	294

Fair value

Term deposits

The carrying amount of term deposits approximates their fair value.

Borrower notes

The carrying amount of borrower notes approximates their fair value.

Unlisted shares

Unlisted shares are recognised at fair value. Due to the immaterial size and nature of the Council's investment in The New Zealand Local Government Insurance Corporation Limited (Civic Assurance), the Council has estimated the fair value of this investment based on the LGFA's net asset backing as at 30 June.

Impairment

There were no impairment expenses or provisions for other financial assets. At balance date, none of these financial assets are either past due or impaired.

13 Inventory

	Actual 2018 \$000	Actual 2019 \$000
Land being developed for sale	307	307
Materials held for repair of Aquatic Centre	-	-
Total inventory	307	307

The land relates to surplus land (commonly referred to as the *Koromiko* Block) that Council is in the processing of subdividing. Council sold a part of the land in 2015 and expects to sell the remaining lots over the next 1 - 3 years.

14 Property, plant and equipment

COUNCIL 2019

	Cost/ valuation 01-Jul-18	Accumulated depreciation & impairment charges 01-Jul-18	Carrying amount 01-Jul-18	Current year additions	Current year disposals/ transfers at cost	Accumulated depreciation on disposals	Current year impairment charges	Current year depreciation	Revaluation surplus / (deficit)	Cost/ valuation 30-Jun- 19	Accumulated depreciation & impairment charges 30-Jun-19	Carrying amount 30-Jun- 19
INFRASTRUCTURAL ASSETS												
Roading Network	167,507	(4,318)	163,189	5,455	-	-	-	(4,318)	-	172,962	(8,636)	164,326
Land Under Roads	68,733	-	68,733	-	-	-	-	-	-	68,733	-	68,733
Stormwater	31,968	(702)	31,266	592	-	-	-	(702)	-	32,560	(1,404)	31,156
Flood Protection System	8,615	(1,718)	6,897	-	-	-	-	(73)	-	8,615	(1,791)	6,824
Sewerage	55,069	(1,052)	54,017	930	-	-	-	(1,052)	-	55,999	(2,104)	53,895
Water Supply Systems	24,047	(549)	23,498	1,367	-	-	-	(549)	-	25,414	(1,098)	24,316
Landfill Site	3,707	(2,656)	1,051	2,879	-	-	-	(45)	-	6,586	(2,701)	3,885
Work in progress	2,093	-	2,093	739	(2,078)	-	-	-	-	754	-	754
TOTAL INFRASTRUCTURAL ASSETS	361,739	(10,995)	350,744	11,962	(2,078)	-	-	(6,739)	-	371,623	(17,734)	353,889
OTHER FIXED ASSETS												
General Land	4,260	-	4,260	-	-	-	-	-	-	4,260	-	4,260
Other Land	2,794	-	2,794	24	-	-	-	-	-	2,818	-	2,818
Buildings	37,565	(1,675)	35,890	683	-	-	-	(1,869)	-	38,248	(3,544)	34,704
Service concession asset - Civic Centre	-	-	-	-	-	-	-	-	-	-	-	-
Plant & Machinery	1,959	(1,280)	679	312	(88)	88	-	(164)	-	2,183	(1,356)	827
Furniture & Fittings	498	(396)	102	25	-	-	-	(13)	-	523	(409)	114
Computer Equipment	1,989	(1,654)	335	115	(34)	34	-	(129)	-	2,070	(1,749)	321
Library Stocks	2,091	(1,879)	212	74	-	-	-	(40)	-	2,165	(1,919)	246
Breakwaters & Wharves	4,808	(3,626)	1,182	1,774	-	-	40	(116)	-	6,622	(3,742)	2,880
Aerodrome	2,158	(52)	2,106	13	-	-	-	(44)	-	2,171	(96)	2,075
Parking Developments	443	(162)	281	-	-	-	-	(10)	-	443	(172)	271
Reserve Board Assets	290	-	290	-	-	-	-	-	-	290	-	290
Sports fields and Parks	2,736	(837)	1,899	65	-	-	-	(99)	-	2,801	(936)	1,865
Heritage Assets	1,114	(280)	834	-	-	-	-	(39)	-	1,114	(319)	795
Work in progress	1,894	-	1,894	636	(56)	-	-	-	-	2,474	-	2,474
TOTAL OTHER FIXED ASSETS	64,599	(11,841)	52,758	3,721	(178)	122	40	(2,523)	-	68,182	(14,242)	53,940
TOTAL PROPERTY, PLANT AND EQUIPMENT	426,338	(22,836)	403,502	15,683	(2,256)	122	40	(9,262)	-	439,805	(31,976)	407,829

COUNCIL 2018

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

Core assets

Included within the infrastructure assets above are the following core Council assets:

	Closing book value	Additions constructed by Council	Additions transferred to Council	Most recent replacement cost estimate for revalued assets
	\$000	\$000	\$000	\$000
2019				
Water Supply Systems				
- treatment plants and facilities	4,860	-	-	5,212
- other assets (such as reticulation systems)	19,456	1,367	-	36,373
Sewerage				
- treatment plants and facilities	13,294	-	-	16,201
- other assets (such as reticulation systems)	40,601	930	-	53,463
Stormwater	31,156	592	-	68,387
Roads and footpaths	164,326	5,455	-	256,444
Flood Protection System	6,824	-	-	n/a
	280,517	8,344	-	436,080
2018				
Water Supply Systems				
- treatment plants and facilities	3,323	-	-	5,212
- other assets (such as reticulation systems)	20,175	595	-	36,373
Sewerage				
- treatment plants and facilities	13,494	-	-	16,201
- other assets (such as reticulation systems)	40,523	522	-	53,463
Stormwater	31,266	506	-	68,387
Roads and footpaths	163,189	2,219	-	256,444
Flood Protection System	6,897	-	-	n/a
	278,867	3,842	-	436,080

The replacement cost for Water Supply Systems, Sewerage, Stormwater, and Roads and footpaths are based on the optimised replacement cost estimate amounts in the valuation for the 2016/2017 year. The Flood protection system relates to the Greymouth floodwall, which Council values on a historical cost basis.

Valuation

Other fixed assets: general land and buildings

At fair value as determined from market-based evidence where possible and optimised depreciated replacement cost by an independent valuer. The most recent valuation was performed by Peter J Hines BCom (VPM), ZNZIV, Registered Valuer of Preston Rowe Paterson, and the valuation is effective as at 30 June 2017.

Other fixed assets: aerodrome

Improvements - At fair value determined on a depreciated replacement cost basis by Council's Assets Manager, MD Sutherland BSc (Geography), BE (Civil), PGDipBusAdmin ADEM MIPENZ AFNZIM. The valuation is effective as at 30 June 2017.

Land

At fair value as determined by an independent valuer. The most recent valuation was performed by Peter J Hines BCom (VPM), ANZIV, Registered Valuer of Preston Rowe Paterson, and the valuation is effective as at 30 June 2017.

Infrastructural asset classes: land, sewerage, water, stormwater, and roads

At fair value determined on a depreciated replacement cost basis by Council's Assets Manager, MD Sutherland BSc (Geography), BE (Civil), PGDipBusAdmin ADEM MIPENZ AFNZIM. The valuation has been independently reviewed by John Vessey, Technical Principal: Asset Valuation at Opus International Consultants Ltd. The valuation is effective as at 30 June 2017.

Land under roads

Land under roads was valued based on fair value of adjacent land determined by Council's Assets Manager, MD Sutherland BSc (Geography), BE (Civil), PGDipBusAdmin ADEM MIPENZ AFNZIM, effective 30 June 2005. Land under roads is no longer revalued.

Total fair value of property, plant and equipment valued by each valuer

	Cost/ revaluation 30-Jun-17 \$000
MD Sutherland, Grey DC	275,908
P J Hines, Preston Rowe Paterson	41,346

Impairment

Council has reviewed its fixed asset register on a line by line basis to consider whether there is an impairment of any assets. We are not aware of any issue that would cause any significant change in asset value. The relevant issues considered were:

- Change in use
- One off events that damaged the assets
- Market value changes
- Decreases in earning potential

The Port assets and Council's earthquake prone buildings were all assessed on the above criteria and were not determined to either be not impaired or already appropriately considered in the carrying values. Council has carried out initial EQ assessments on the public buildings it is responsible for and is currently completing detailed assessments on the buildings. The buildings have been assessed for impairment and it has been determined that any necessary impairments were appropriately considered and reflected in the market valuations applied as at 30 June 2017 when the asset class was revalued.

Work in progress

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

	Actual 2018 \$000	Actual 2019 \$000
INFRASTRUCTURAL ASSETS		
Water supply systems		
- Taylorville Dobson supply	-	-
- Runanga supply	15	754
Landfill		
- Cell 3 design and development	938	-
	-	-
Other		
- North breakwater and sea protection wall	1,140	-
	2,093	754
OTHER FIXED ASSETS		
Buildings		
- Viewing Platform Mawhera Quay	-	16
- Greymouth CBD Town Square	1,838	2,080
- EQ Strengthening - Left Bank Art Gallery	56	-
- Baketown Public Toilet	-	145
- Blackball Public Toilet	-	200
- Rapahoe Public Toilet	-	33
	1,894	2,474

Insurance of Assets

	Carrying value of assets covered by insurance contracts \$000	Maximum amount to which assets are insured \$000
Buildings	34,704	84,013
Contents	681	14,303
Work in progress		56
Vehicles	827	437
Stormwater network and plant	31,156	19,837
Sewerage network and plant	53,895	43,870
Water supply network and plant	24,316	15,988
Landfill	3,798	1,819
Flood Protection System	6,824	3,721
Breakwaters & Wharves	2,880	13,388
	159,081	197,432

ASSET VALUES FROM STATEMENT OF FINANCIAL POSITION

Property, plant and equipment 407,742

Less carrying value of those assets disclosed above:

Carrying value of assets covered by insurance contracts 159,081

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

Less uninsured asset classes

Roading Network 164,326

Land Under Roads 68,733

General Land 4,260

Other Land 2,818

Aerodrome 2,075

Parking Developments 271

Reserve Board Assets 290

Sports fields and Parks 1,865

Heritage Assets 795

Work in progress 3,228

-

15 Intangible Assets

Movements in the carrying value for each class of intangible asset are as follows:

	Council Computer software
	\$000
COST	
Balance at 1 July 2017	448
Additions	-
Disposals	-
Balance at 30 June 2018	448
Balance at 1 July 2018	448
Additions	-
Disposals	-
Balance at 30 June 2019	448
ACCUMULATED AMORTISATION AND IMPAIRMENT	
Balance at 1 July 2017	(226)
Amortisation charge	(54)
Disposals	-
Balance at 30 June 2018	(280)
Balance at 1 July 2018	(280)
Amortisation charge	(52)
Disposals	-
Balance at 30 June 2019	(332)
CARRYING AMOUNTS	
Balance at 1 July 2017	222
Balance at 30 June and 1 July 2018	168
Balance at 30 June 2019	116

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

16 Depreciation and amortisation expense by group of activity

	Actual 2018	2019 LTP Year 1	Actual 2019
	\$000	\$000	\$000
Land transport	4,323	4,318	4,318
Stormwater	776	776	776
Wastewater	1,052	1,052	1,052
Water Supply	549	549	549
Solid waste management	57	159	58
Emergency management	5	5	4
Environmental services	3	3	3
Other transport	194	469	238
Property and housing	406	406	420
Community facilities and events	1,485	1,488	1,681
Democracy and administration	262	262	220
Total depreciation and amortisation expense	9,112	9,487	9,319

17 Investment property

	Actual 2018 \$000	Actual 2019 \$000
Balance 01 July	2,731	2,709
Transfer from <i>Assets held for sale</i>	-	-
Transfer from <i>Property, plant and equipment</i>	-	-
Disposals	(28)	(25)
Fair value gains/(losses) on valuation	6	(14)
Balance at 30 June	2,709	2,670

Valuation

At fair value as determined from market-based evidence. The most recent valuation was performed by Mark Bolland BCom (VPM), MPINZ, Registered Valuer of Preston Rowe Paterson and the valuation is effective as at 30 June 2019.

18 Payables

	Note	Actual 2018 \$000	Actual 2019 \$000
Payables under exchange transactions			
Trade payables		3,148	2,425
Sundry Creditors		979	961
Directors fee payable		-	-
Accrued expenses		-	-
Amounts due to related parties	29	20	12
Interest Payable		164	129
Total		4,311	3,527
Payables under non-exchange transactions			
Grants payable		-	-
GST payable		-	-
Total		-	-
Total trade and other payables		4,311	3,527

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

19 Employee entitlements

	Actual 2018 \$000	Actual 2019 \$000
Accrued pay	190	169
Annual leave	559	621
Long service leave	89	89
Retirement gratuities	182	182
	1,020	1,061
COMPRISING:		
Current	577	611
Non-current	443	450
Total employee benefit liabilities	1,020	1,061

Key assumptions in measuring retirement and long service leave obligations

The present value of retirement and long service leave obligations depend on a number of factors that are determined on an actuarial basis. Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will affect the carrying amount of the liability.

Expected future payments are discounted using forward discount rates derived from the yield curve of New Zealand government bonds. The discount rates used have maturities that match, as closely as possible, the estimated future cash outflows. The salary inflation factor has been determined after considering historical salary inflation patterns. A weighted average discount rate of 3.5% (2018: 3.5%) and an inflation factor of 2.0% (2018: 2.0%) were used.

20 Borrowings

	Actual 2018 \$000	Actual 2019 \$000
CURRENT		
Secured loans	5,010	10,000
Total current borrowings	5,010	10,000
NON-CURRENT		
Secured loans	24,303	20,199
Total non-current borrowings	24,303	20,199
Total borrowings	29,313	30,199

External borrowings	Maturity date	Interest rate (as at 30 Jun 19)	Balance at 30 June 2018 \$	Loans uplifted \$	Amortisation of fair value	Loans repaid \$	Balance at 30 June 2019 \$
LOAN NAME							
Westpac Multi Option Cash Loan	22 Sep 19	2.95%	4,000,000	-	-	(4,000,000)	-
Harbour Asset Management floating rate note	15 Jun 20	2.33%	5,000,000	-	-	-	5,000,000
Harbour Asset Management floating rate note	28 Mar 22	2.44%	-	5,000,000	-	-	5,000,000
Local Government Funding Agency	15 Mar 19	2.89%	3,000,000	-	-	(3,000,000)	-
Local Government Funding Agency	15 Mar 19	5.00%	2,010,275	-	-	(2,010,275)	-
Local Government Funding Agency	15 May 21	6.00%	5,184,891	-	(60,687)	-	5,124,204
Local Government Funding Agency	15 May 21	6.00%	5,152,475	-	(50,047)	-	5,102,428
Local Government Funding Agency	15 Apr 23	5.50%	2,965,558	-	6,454	-	2,972,012
Local Government Funding Agency	15 Apr 23	2.78%	2,000,000	-	-	-	2,000,000
Local Government Funding Agency	16 Sep 19	2.15%	-	5,000,000	-	-	5,000,000
			29,313,199	10,000,000	(104,280)	(9,010,275)	30,198,644
Portion of Term Debt repayable within One year			5,010,275				10,000,000
Portion of Term Debt repayable in One to Two years			9,000,000				10,226,632
Portion of Term Debt repayable in Two to Five years			15,302,924				9,972,012
Portion of Term Debt repayable in Five years or more			-				-
Total Term Debt repayable			29,313,199				30,198,644

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

Carrying values are approximately equal to fair value.

21 Derivative financial instruments

	Actual 2018 \$000	Actual 2019 \$000
Interest rate swaps - fair value	600	1,251
	600	1,251
COMPRISING:		
Current	28	-
Non-current	572	1,251
Total derivative financial instruments	600	1,251

The notional principal amounts of the outstanding interest rate swap contracts for the Council were \$13,500,000 (2018: \$8,500,000). At 30 June 2019, the fixed interest rates of cash flow interest rate swaps vary from 3.39% to 4.95% (2018: 3.39% to 4.95%).

22 Provisions

	Actual 2018 \$000	Actual 2019 \$000
Landfill aftercare provision	1,406	1,667
Financial guarantees	644	660
Total provisions	2,050	2,327

Movements for each class of provision are as follows:

Landfill aftercare provision

	Actual 2018 \$000	Actual 2019 \$000
Balance 01 July	1,286	1,406
Additional provisions made in the year	170	311
Amounts used in the year	(50)	(50)
Unused amounts reversed	-	-
Balance at 30 June	1,406	1,667

Landfill aftercare provision

Council has responsibility under the resource consent to provide maintenance and monitoring of the landfill after the sites are closed. The major sites are Blackball and McLean's Pit. There are post-closure responsibilities such as:

- Treatment and monitoring leachate
- Groundwater and surface monitoring

- Gas monitoring and recovery
- Implementation of remedial measures such as needed for cover and control systems
- On-going site maintenance for drainage systems, final cover and vegetation

The management of the landfill will influence the timing of the recognition of some liabilities.

The cash outflows for landfill post-closure are expected to occur between 2020 and 2051. The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and is discounted using a range of the discount rates of 1.0% to 3.1% (2018: 1.8% to 4.4%).

Financial guarantees

	Actual 2018 \$000	Actual 2019 \$000
Balance 01 July	873	644
Additional provisions made in the year	-	64
Amounts used in the year	(33)	(33)
Unused amounts reversed	(196)	(15)
Balance at 30 June	644	660

Financial guarantees

The Council is listed as a sole guarantor for two loan agreements that the West Coast Theatre Trust has entered into. The loan details are:

	Loan 1	Loan 2
Lender	Nelson Building Society	Development West Coast
Total	\$693,150	\$81,343
Term	25 years	10 years
Expiry	May 2035	December 2020

The exercising of the guarantees will be dependent on the financial stability of the West Coast Theatre Trust. At balance date, the Grey District Council believes that there is a high likelihood that it will be called upon by the above lenders to make loan payments.

Council is not satisfied that the West Coast Theatre Trust has the financial stability to meet all its obligations under the loans, and in the 2014/2015 Annual Plan, Council resolved to grant the West Coast Theatre Trust an additional \$50,000 of funding to be used to meet the minimum loan payments of the Development West Coast loan. This funding was confirmed to continue in the 2018 – 2028 Long Term Plan and subsequent Annual Plans.

Equity

	Actual 2018 \$000	Actual 2019 \$000
RATEPAYERS EQUITY		
Opening balance	229,552	228,098
Plus net surplus/(deficit) for the year	(2,149)	(520)
Net transfer from/(to) Special Funds	716	1,728
Net transfer from/(to) Trusts & Bequests	(21)	(4)
Net Transfer from revaluation reserves on disposal	-	-
Closing balance	228,098	229,302
SPECIAL FUNDS		
Opening balance	10,031	9,315
Plus interest (transfer from ratepayer equity)	312	269
Other transfers from ratepayers equity	493	497
Transfer to ratepayers equity	(1,521)	(2,494)
Closing balance	9,315	7,587
TRUSTS, BEQUESTS & OTHER RESERVES		
Opening balance	177	198
Transfer from ratepayers equity	22	6
Transfer to ratepayers equity	(1)	(2)
Closing balance	198	202
REVALUATION RESERVES		
Opening balance	151,571	151,571
Reclassification to surplus or deficit on disposal	-	-
Net revaluation gains / (losses)	-	-
Impairment losses recognised in the revaluation reserve	-	-
Closing balance	151,571	151,571
TOTAL EQUITY	389,182	388,662
REVALUATION RESERVES ARE MADE UP OF THE FOLLOWING		
Land & Building Revaluation Reserve	20,984	20,984
Aerodrome revaluation reserve	436	436
Roading Revaluation Reserve	84,719	84,719
Water Revaluation Reserve	9,044	9,044
Investment Revaluation Reserve	52	52
Drainage & Sewerage Revaluation Reserve	36,336	36,336
	151,571	151,571

Information about reserve funds held for a specific purpose is provided on the following page:

2019: Special Funds

Reserve	Activities to which the reserve relates	Balance 01 July	Transfers into fund	Transfers out of fund	Balance 30 June
		\$000	\$000	\$000	\$000
Special funds					
Special Fund Interest Suspense		-	-	-	-
Greymouth Sewerage Fund	Wastewater	-	-	-	-
Te Kinga Infra Upgrade Reserve	All activities	94	2	-	96
Rural Sewerage Capital Works Reserve	Wastewater	289	8	-	297
Cobden Stormwater Mitigation Reserve	Stormwater	53	1	-	54
Barrytown Area Infra Reserve	All activities	64	2	(2)	64
Atarau Area Infra Reserve	All activities	-	-	-	-
Ahaura Area Infra Reserve	All activities	173	5	-	178
Hauptiri Area Infra Reserve	All activities	119	4	-	123
Nelson Creek Infrastructure Reserve	All activities	18	1	-	19
Ngahere Infrastructure Reserve	All activities	199	6	-	205
Blackball Area Infra Reserve	All activities	1	-	-	1
Runanga Area Infra Reserve	All activities	744	21	-	765
Kaiata Stillwater Area Infra Reserve	All activities	199	5	-	204
Karoro Infrastructure Development Reserve	All activities	642	19	-	661
South Beach/Paroa Infrastructure Reserve	All activities	428	12	-	440
Camerons Infrastructure Reserve	All activities	80	3	-	83
Gladstone Infrastructure Reserve	All activities	212	6	-	218
Arnold Valley Area Infra Reserve	All activities	88	2	-	90
Lake Brunner Area Infra Reserve	All activities	175	5	(11)	169
Hohonu Area Infra Reserve	All activities	40	1	-	41
Infra Renewal Reserve	All activities	180	49	(80)	149
Moana Water Supply	Water supply	9	-	-	9
Flood Protection Reserve	Stormwater/Flood protection	119	4	-	123
Cemetery Extension Reserve	Cemeteries	51	1	-	52
Cemetery Maintenance Reserve	Cemeteries	362	15	-	377
Footpath Reserve	Land transport	64	2	-	66
Roading Reserve - Exp Committed	Land transport	214	6	(30)	190
Land Fill Reserve	Solid waste management	45	11	-	56
Airport Maintenance Reserve	Airport	444	63	-	507
Disaster Recovery Reserve	All activities	2,140	61	(1,943)	258
Civil Defence Reserve	Emergency management	35	1	-	36
Rural Fire Authority Reserve	Rural fire authority	30	1	-	31
Economic Development Reserve	All activities	11	-	(10)	1
Harbour Endowment LS Reserves	Port	25	50	(1)	74
Land Sale Reserve	All activities	113	22	(121)	14
Reserves Subdivision Contributions	Community facilities and parks	67	103	(25)	145
Maori Land Compensation Reserve	Council property	183	5	(22)	166
TDS Reserve	Economic development	64	2	-	66
Town Clock Reserve	Community facilities and parks	23	1	-	24
Gas Management Plan Reserve	Council property	18	-	-	18
District Planning Reserve	District planning	4	-	-	4
Plant and Machinery Reserve	All activities	436	103	(131)	408
Building & Property Gen Reserve	Council property	26	48	(31)	43
Westland Rec Centre Maintenance Reserve	Westland Recreation Centre	20	-	-	20
Spring Creek Pool	Spring Creek Pool	83	2	-	85
Ogilvie Reserve Reserve	All activities	35	4	(3)	36
Corp Equip and Furniture Reserve	Council administration	772	58	(36)	794
Staff Costs Reserve	Council administration	-	-	-	-
Sunshine Coach Reserve	Council administration	7	-	-	7
Rental Housing Reserve	Retirement housing	112	44	(48)	108
Miners Rec Centre Reserve	Westland Recreation Centre	-	-	-	-
Library Reserve	Libraries	5	7	-	12
SPECIAL FUNDS - Committed Expenditure	All activities	-	-	-	-
Total special funds		9,315	766	(2,494)	7,587

2019: Trusts and bequests

Reserve	Activities to which the reserve relates	Balance 01 July \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance 30 June \$000
Trusts and bequests					
McGlashan Trust	Community facilities and parks	18	1	-	19
E White Bequest	Community facilities and parks	42	1	-	43
Mayoral Flood Relief Fund	Democracy	8	-	-	8
Grey United Tennis Resurfacing Reserve	Community facilities and parks	-	-	-	-
Citizens Emergency Relief Fund	Democracy	71	2	-	73
Perotti Bequest	Community facilities and parks	-	-	-	-
Peters Bequest - Talking Books	Libraries	16	-	(2)	14
Vera Corbett Bequest	Libraries	33	1	-	34
Thomas Dehenny Bequest	Community facilities and parks	10	1	-	11
Total trusts and bequests		198	6	(2)	202
TOTAL SPECIAL FUNDS, TRUSTS, AND BEQUESTS		9,513	772	(2,496)	7,789

2018: Special Funds

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

2018: Trusts and bequests

Reserve	Activities to which the reserve relates	Balance 01 July \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance 30 June \$000
Trusts and bequests					
McGlashan Trust	Community facilities and parks	2	16	-	18
E White Bequest	Community facilities and parks	40	2	-	42
Mayoral Flood Relief Fund	Democracy	8	-	-	8
Grey United Tennis Resurfacing Reserve	Community facilities and parks	-	-	-	-
Citizens Emergency Relief Fund	Democracy	68	3	-	71
Perotti Bequest	Community facilities and parks	-	-	-	-
Peters Bequest - Talking Books	Libraries	17	-	(1)	16
Vera Corbett Bequest	Libraries	32	1	-	33
Thomas Dehenny Bequest	Community facilities and parks	10	-	-	10
Total trusts and bequests		177	22	(1)	198
TOTAL SPECIAL FUNDS, TRUSTS, AND BEQUESTS		10,208	827	(1,522)	9,513

Purpose of each reserve fund

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

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

Special funds	
Spring Creek Pool	To assist in the promotion, development and maintenance of Spring Creek Pool
Ogilvie Reserve	To fund on-going maintenance costs associated with the Ogilvie Reserve.
Corp Equip and Furniture Reserve	To fund the upgrade and renewal of office equipment and furniture; and to fund new office equipment and investment in new technology
Staff Costs Reserve	To fund the cost of recruiting and replacing staff (all activities)
Sunshine Coach Reserve	To fund any renewal and significant maintenance cost associated with the 'Sunshine Coach'
Rental Housing Reserve	To maintain in perpetuity, Council's retirement housing stock.
Miners Rec Centre Reserve	To fund the proposed Miners' Recreation Centre
Library Reserve	To fund any key maintenance work or equipment upgrades required at Council's District library.
Special Funds - Committed Expenditure	Holds amounts already committed by Council from other Special Funds, but not yet spent
Port Plant Renewal	To replace existing port operational plant or effect major maintenance to existing port operational plant.
CWS Ltd Share Sale Reserve	General purpose reserve available for use in any Council activities.

Trusts and bequests	
McGlashan Trust	Maintenance development of war memorial areas in the District.
E White Bequest	Surface development/maintenance of reserve land lying alongside or adjacent to the Greymouth/Hokitika railway line, including Petrie Avenue (parks and reserves, parking).
Mayoral Flood Relief Fund	To assist victims of flooding and other adverse events.
Grey United Tennis Resurfacing Reserve	Money held on behalf of the Grey United Tennis club.
Citizens Emergency Relief Fund	To assist victims of flooding and other adverse events.
Perotti Bequest	A bequest for general municipal purposes (any activities).
Peters Bequest - Talking Books	To purchase talking books for the library.
Vera Corbett Bequest	To purchase library books.
Thomas Dehenny Bequest	A bequest for general municipal purposes (any activities).

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

	Actual 2018 \$000	Actual 2019 \$000
Deficit from operations	(2,288)	(520)
ADD/(LESS) NON CASH ITEMS		
Depreciation	9,112	9,319
Impairment in value of Property, Plant and Equipment	40	(40)
Assets vested in Council	-	-
Unrealised landfill aftercare costs	120	174
Movement in provision for financial guarantee	(90)	16
Movement in employee entitlements (non current)	(57)	7
Assets vested by Council	284	-
Assets written off	-	-
	9,409	9,476
MOVEMENTS IN WORKING CAPITAL		
(Increase)/decrease in accounts receivable	(1,459)	916
(Increase)/decrease in interest receivable	(97)	60
(Increase)/decrease in inventory	115	-
Increase/(decrease) in accounts payable	1,108	(749)
Increase/(decrease) in interest payable	(21)	(35)
Increase/(decrease) in revenue in advance	(10)	-
Increase/(decrease) in employee entitlements	189	34
	(175)	226
LESS ITEM CLASSIFIED AS INVESTING ACTIVITY		
Net (gain)/loss on sale of property, plant & equipment and non-current assets held for sale	(109)	(69)
Net (gain)loss on sale of investment property	8	-
Fair value (gains)/losses on valuation of investment property less amortisation of fair value of term loans	(6)	14
Change in fair value of interest swap	77	651
	(141)	492
Net cash flow from operations	6,805	9,674

25 Capital commitments and operating leases

Operating leases as lessee

Grey District Council leases land and office equipment in the normal course of its business. The majority of these leases have a non-cancellable term of 21 years for land and four (4) years for office equipment. The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

Non-cancellable operating leases as lessee

	Actual 2018 \$000	Actual 2019 \$000
OFFICE EQUIPMENT		
Not later than one year	54	45
Later than one year and not later than two years	45	21
Later than two years but not later than five years	40	20
Later than five years	-	-
	139	86
LAND LEASES		
Not later than one year	223	223
Later than one year and not later than two years	223	196
Later than two years but not later than five years	570	559
Later than five years	2,000	1,813
	3,016	2,791
Total non-cancellable operating leases	3,155	2,877

Other contracts

Council has entered into future contracts in respect of on-going maintenance and operations of facilities and infrastructure. The companies that have been contracted and the period for which those contracts remain in effect are as follows:

Westroads Ltd

Maintenance of Parks & Reserves, Cemeteries & Public Conveniences	To 30 th June 2019
Roading Maintenance Works	To 30 th June 2021
Maintenance of Parks & Reserves, Cemeteries & Urban Waterways (New contract commenced 1 July 2019)	To 30 th June 2024

Smart Environmental New Zealand Limited

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

Tied in to Contracts

Paul Smith Earthmoving 2002 Limited

Utilities Maintenance (incl. Maintenance and Operation of the Greymouth Flood Scheme)	To 30 th June 2022
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OCS Limited

Public Conveniences & Council Chambers Cleaning (New contract commenced 1 July 2019)	To 30 th June 2022
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Operating and Maintenance contracts include fixed price and unit rate provisions, which makes estimating the value of the future commitment difficult. For this reason, no value has been included for these contracts.

Capital commitments approved and contracted

In addition to the above operating and maintenance contracts Council as at 30 June 2019 had remaining contractual commitments as follows:

Contract	Contractor	Minimum remaining commitment per awarded contract
Taylorville, Dobson & Kaiata Sewerage Scheme	Tru-Line Civil Limited	98,846
Runanga Water Treatment Plant Upgrade – Civil Works	Process Flow Limited	131,223
Preston Rd Storage Building	CYB Construction Limited	156,655
Resealing of Carriageways – Chip Seal (Three Years)	Isaac Construction Limited	1,748,648
McLean's Pit Landfill – Cell 3 Construction	Grant Hood Contracting Limited	57,273
Tainui Street Floodwall Pedestrian Ramp	Chris Moore Building Contractor Limited	194,627
Arnott Heights Watermain Renewal	Tru-Line Civil Limited	36,939
Croesus Road Upgrade	Rosco Contractors Limited	2,103,335
		4,527,546

26 Contingent liabilities

Financial guarantees

Westurf Recreation Trust

The Council has agreed to act as a sole guarantor for a Westurf Recreation Trust loan, up to a maximum of \$200,000, for the purposes of upgrading their artificial turf at the Greymouth Hockey Stadium. This is contingent on final Council satisfaction on the project being financially sustainable. As at balance date the trust has not yet proceeded with uplifting of a loan, and has indicated to Council that they are unlikely to require the loan.

Defined benefit superannuation scheme

The Council is a participating employer in the National Provident Fund's Defined Benefit Plan Contributors Scheme (the scheme) which is a multi-employer defined benefit scheme. If the other participating employers ceased to participate in the scheme, the Council could be responsible for the entire deficit of the scheme (see note 28). Similarly, if a number of employers ceased to participate in the scheme, the Council could be responsible for an increased share of the deficit. The Council estimates that during the next financial year the Council's contribution to the scheme will be \$1,413 (2018: Nil).

Claim against Council

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

27 Contingent assets

Financial contributions – resource consents

Council has entered into a number of bonding arrangements with various sub dividers, whereupon the financial contributions payment to Council is delayed until the sale of each individual lot. The actual contributions are adjusted based on relative price indices and are underwritten by a third party guarantor. As at 30 June 2019, the payments to be made to Council in the future totalled \$160,504 (2018: \$167,524).

28 Defined benefit superannuation scheme

The Council contributes to a multi-employer defined benefit superannuation scheme (the scheme), operated by the National Provident Fund. The funding level (solvency ratio) of the Scheme is the ratio of the net assets available to pay benefits to the value of the past service liabilities. The Actuary has estimated the funding level, as at 31 March 2019, as 98.1% (106.1% as at 31 March 2018). This funding level is an estimate based on the

valuation results and membership data as at 31 March 2012 and allows for the investment return for the year ended 31 March 2017.

Each year the Scheme's Actuary carries out a review of the Scheme to determine an employer contribution rate sufficient to meet the accrued and future liabilities of the Scheme. In the actuarial review completed as at 31 March 2018 the Actuary recommended (and endorsed by the board) employer contributions to the Scheme change from zero to 1 times (100%) of the employees' contribution from 1 April 2019.

29 Related party transactions

Council members

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

Councillor	Business in which an interest is held		Transaction type	Service received from the business 2018 (incl. GST)	Amount payable 2018 (incl. GST)	Service received from the business 2019 (incl. GST)	Amount payable 2019 (incl. GST)
				\$	\$	\$	\$
Gibson	A.J	Muffler Shop West Coast Ltd	Vehicle repairs	537	-	1,208	-
Gibson	T.K	Steve's Building and Property Services Ltd		27,221	-	-	-
Haddock	P.R	Westland Engineering	Engineering Services	770	-	586	-
Haddock	P.R	E-Quip Engineering	Engineering Services	147,220	472	40,502	564
Haddock	P.R	Greymouth Equipment Centre	Engineering Services	-	-	-	-
Hay	M	Hay Brothers 2014	Painting Contractors	22,458	157	-	-
Kokshoorn	A.F	Greymouth Car Centre	Vehicle repairs	-	-	1,921	863
Kokshoorn	A.F	Greymouth Evening Star	Printing and advertising	72,618	15,281	118,444	6,089
				270,824	15,910	162,661	7,516

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

Councillor	Business in which an interest is held		Transaction type	Services provided to the business 2018 (incl. GST)	Amount receivable 2018 (incl. GST)	Services provided to the business 2019 (incl. GST)	Amount receivable 2019 (incl. GST)
				\$	\$	\$	\$
Gibson	A.J	Muffler Shop West Coast Ltd	Lease	21,486	16,861	39,805	51,170
				21,486	16,861	39,805	51,170

Tourism West Coast

Grey District Council had the ability to appoint Trustees to Tourism West Coast Incorporated. The trustees appointed by Grey District Council had between 20% and 50% of the voting rights to the entity. Grey District Council did make a contribution to Tourism West Coast (\$100,000 annually) for operational purposes but did not have any rights to any distributions from that entity. Therefore, no revenue, expenses or assets are recognised in respect of these investments. Note: Tourism West Coast ceased to exist as a separate entity from 1 April 2019 and these functions are being carried out by Development West Coast.

Grants provided to the organisation 2018 (excl. GST)	Amount payable 30-Jun-18 (excl. GST)	Grants provided to the organisation 2019 (excl. GST)	Amount payable 30-Jun-19 (excl. GST)
\$	\$	\$	\$
118,680	-	116,265	-

West Coast Theatre Trust

Grey District Council makes two appointments to the West Coast Theatre Trust. Grey District Council does make a contribution to West Coast Theatre Trust for operational purposes but does not have any rights to any distributions from that entity. Therefore, no revenue, expenses or assets are recognised in respect of these investments.

Grants provided to the organisation 2018 (excl. GST)	Amount payable 30-Jun-18 (excl. GST)	Grants provided to the organisation 2019 (excl. GST)	Amount payable 30-Jun-19 (excl. GST)
\$	\$	\$	\$
73,000	4,000	132,944	4,620

West Coast Amateur Sports Trust

The above organisation is a Council Controlled Organisation by virtue of the fact that the Mayors of the three West Coast local authorities have nominated the respective District representatives on the Trust. This has happened 'informally' and there has been no formal Council involvement and no set policies or objectives with regard to control of this organisation or specific key performance targets or other measures have been put in place. The CCO status of the Trust has only recently come to Council's attention and steps are in place to change the Trust Deed to remove the right of local authorities to control the votes on the Trust.

Grants provided to the organisation 2018 (excl. GST)	Amount payable 30-Jun-18 (excl. GST)	Grants provided to the organisation 2019 (excl. GST)	Amount payable 30-Jun-19 (excl. GST)
\$	\$	\$	\$
-	-	2,000	-

Key management personnel

During the year councillors and key management, as part of a normal customer relationship, were involved in minor transactions with Council (such as payment of rates and purchase of rubbish bags).

No debts involving a related party have been written off or forgiven during the year (2018: Nil). There are no transactions that have taken place at nil or nominal value that have not already been mentioned above.

Key management personnel compensation

	Actual 2018 \$000	Actual 2019 \$000
Salaries and other short term employee benefits	990,365	1,085,631
Employer superannuation contributions	32,815	49,829
Post employment benefits	-	-
Total compensation	1,023,180	1,135,460
Total full-time equivalent personnel	14	14

Key management personnel include the Mayor, elected members, chief executive and other senior management personnel.

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors.

30 Greymouth floodwall

The Greymouth floodwall is owned by Grey District Council but is managed by a joint committee of Grey District Council and West Coast Regional Council. The joint committee agreement places the responsibility for the management, rating and maintenance of the structural integrity of the floodwall on the West Coast Regional Council. However, Grey District Council is responsible for the rating and maintenance of amenities of the floodwall.

In the 2009/2010 financial year the West Coast Regional Council completed an upgrade of the Greymouth floodwall. The value of this upgrade was vested in the Grey District Council (as the owner of the floodwall) and was recorded as vested asset revenue in 'Other gains/ (losses)'. The value was also added to the appropriate asset category in Property Plant and Equipment.

31 Elected members' remuneration

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

		Honorarium 2019	Travel Allowance 2019	Total 2019	Total 2018
		\$	\$	\$	\$
MAYOR					
Kokshoorn	A.F	82,446	-	82,446	82,458
COUNCILLOR					
Becker	A.D	21,881	677	22,558	22,472
Coll	A.P	21,881	-	21,881	21,893
Gibson	A.J	21,881	-	21,881	21,893
Gibson	T.K	21,881	-	21,881	21,893
Haddock	P.R	21,881	-	21,881	21,893
Hay	M	30,633	-	30,633	30,645
McBride	P.T	21,881	-	21,881	21,893
Sandrey	C.R	21,881	-	21,881	21,893
Total elected members remuneration		266,246	677	266,923	266,930

32 Chief Executive Officer's remuneration

	Actual 2018	Actual 2019
Salary	184,320	193,888
Employer Superannuation Contributions	11,061	20,717
Telephone rental	631	631
Car - Full Use	8,838	9,406
Professional Allowances/Fees	500	500
Total Chief Executive Officer's remuneration	205,350	225,142

33 Council employees

2019

<\$60,000	66
\$60,000 - \$79,999	20
\$80,000 - \$99,999	11
\$100,000 - \$119,999	7
\$120,000 - \$239,999	4

Total Employees	108
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2018

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

Total Employees	95
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Total remuneration includes non-financial benefits provided to employees.

At balance date, the Council employed 56 (*2018: 48*) full-time employees, with the balance of staff representing 22 (*2018: 27*) full-time equivalent employees. A full-time employee is determined on the basis of a 32-hour working week.

34 Severance payments

There were no severance payments during the 2018/2019 year that meets the definition of a severance payment as in clause 33 of schedule 10 of the Local Government Act 2002 (*2018: Nil payments*).

35 Bonds receivable and bonds payable

Council is party to a surety bond agreement along with the West Coast Regional Council and Buller District Council with regards to a number of resource consents. The agreements are jointly executed by the three Councils, with said funds only called upon if remedial action is required per the conditions of the resource consents. As Council has no automatic right of claim over the funds, it is not recognised in the statement of financial position as an asset or liability.

36 Events subsequent to balance date

No event subsequent to balance date.

37 Financial instrument risk

Council has a series of policies to manage the risks associated with financial instruments. Council is risk averse and seeks to minimise exposure from its treasury activities. Council has established Council approved Liability Management and Investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

The accounting policies for financial instruments have been applied to the line items below:

	Actual 2018 \$000	Actual 2019 \$000
FINANCIAL ASSETS		
Loans and receivables		
Cash and cash equivalents (net)	4,114	3,962
Short term investments > 3 -12 months	10,156	7,676
Trade and other receivables	5,421	4,445
	19,691	16,083
Held to maturity investments		
Term investments	-	-
Borrower notes (Local Government Funding Agency)	320	240
Local authority stock	51	54
	371	294
Available for sale		
Unlisted shares (Civic Assurance)	-	-
	-	-
FINANCIAL LIABILITIES		
Financial liabilities at amortised cost		
Trade and other payables	4,311	3,527
Secured loans	29,313	30,199
	33,624	33,726
Fair value through statement of comprehensive revenue and expense		
Derivative financial instruments (interest rate swap)	600	1,251
	600	1,251

Fair value hierarchy

	Total \$000	Quoted Market Price \$000	Observable Inputs \$000	Significant non- observable inputs \$000
30 June 2019				
Financial Assets				
Borrower notes	240	-	240	-
Bonds	54	-	54	-
Financial Liabilities				
Derivatives	1,251	-	-	1,251
30 June 2018				
Financial Assets				
Borrower notes	320	-	320	-
Bonds	51	-	51	-
Financial Liabilities				
Derivatives	600	-	-	600

	Actual 2018 \$000	Actual 2019 \$000
Balance at 1 July	523	600
Gain and losses recognised in surplus or deficit	77	651
Gain and losses recognised in other comprehensive revenue and expense	-	-
Purchases	-	-
Sales	-	-
Transfer into level 3	-	-
Transfers out of level 3	-	-
	600	1,251

Contractual maturity analysis financial liabilities (excluding derivatives)

	Carrying Amount \$000	Contractual cash flows \$000	Less Than 1 Year \$000	1-2 years \$000	2-5 years \$000	More than 5 years \$000
2019						
Payables	3,527	3,527	3,527	-	-	-
Bank overdraft	-	-	-	-	-	-
Secured loans	30,199	30,199	10,000	10,227	9,972	-
Finance leases	-	-	-	-	-	-
Financial guarantees	660	596	596	-	-	-
Total	34,386	34,322	14,123	10,227	9,972	-
2018						
Payables	4,311	4,311	4,311	-	-	-
Bank overdraft	-	-	-	-	-	-
Secured loans	29,313	29,313	5,010	9,000	15,303	-
Finance leases	-	-	-	-	-	-
Financial guarantees	644	644	644	-	-	-
Total	34,268	34,268	9,965	9,000	15,303	-

Contractual maturity analysis derivative financial liabilities

	Liability carrying amount \$000	Asset carrying amount \$000	Contractual cash flows \$000	Less than 1 year \$000	1-2 years \$000	2-5 years \$000
2019						
Net settled derivative liabilities	1,251	-	1,251	-	-	77
Total	1,251	-	1,251	-	-	77
2018						
Net settled derivative liabilities	600	-	600	-	-	-
Total	600	-	600	-	-	-

Market risk

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Council is not exposed to currency risk, as it does not enter into foreign currency transactions.

Interest rate risk

The interest rates on Council's cash and cash equivalents are disclosed in note 10 and on Council's borrowings in note 20.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowing issued at fixed rates expose Council to fair value interest rate risk. Council's Liability Management policy outlines the level of borrowing that is to be secured using fixed rate instruments. Fixed to floating interest rate swaps are entered into to hedge the fair value interest rate risk arising where Council has borrowed at fixed rates. In addition, investments at fixed interest rates expose Council to fair value interest rate risk.

If interest rates on cash and cash equivalents and other financial assets at 30 June 2019 had fluctuated by plus or minus 0.5%, the effect would have been to decrease/increase the surplus/deficit by \$60,000 (2018: \$73,000).

Based on financial instrument disclosures at the balance date and with other variables held constant; if interest rates on borrowings at 30 June 2019 had fluctuated by plus or minus 0.5%, the effect would have been to decrease/increase the surplus after tax by \$152,000 (2018: \$147,000) as a result of higher/lower interest expense on floating rate borrowings.

Cash flow interest rate risk

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

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

Credit risk

Credit risk is the risk that a third party will default on its obligation to Council, causing Council to incur a loss. Council has no significant concentrations of credit risk, as it has a large number of credit customers, mainly ratepayers, and Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

Council invests funds only in deposits with registered banks and local authority stock and its investment policy limits the amount of credit exposure to any one institution or organisation.

Investments in other Local Authorities are secured by charges over rates. Other than other local authorities, the Council only invests funds with those entities, which have a Standard and Poor's credit rating of at least A2 for short term and A – for long-term investments. Accordingly, the Council does not require any collateral or security to support these financial instruments.

Liquidity risk

Liquidity risk is the risk that Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Council aims to maintain flexibility in funding by keeping committed credit lines available.

In meeting its liquidity requirements, Council maintains a target level of investments that must mature within the next 12 months.

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

Council has a maximum amount that can be drawn down against its overdraft facility of \$550,000 (2018: \$550,000) plus available credit on a credit line facility with Westpac of \$5,000,000 (2018: \$6,000,000). There are no restrictions on the use of this facility.

The maturity profiles of Council's interest bearing investments and borrowings are disclosed in notes 12 and 21 respectively.

38 Capital management

Council's capital is its equity (or ratepayers' funds), which comprise retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 [the Act] requires Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayer's funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires Council to make adequate and effective provision in its Long Term Plan (LTP) and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. And the Act sets out the factors that Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in Council's LTP.

Council has the following Council created reserves:

- Reserves for different areas of benefit;
- Self-insurance reserves; and
- Trust and bequest reserves.

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from the general rate. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

Self-insurance reserves are built up annually from general rates and are made available for specific unforeseen events. The release of these funds generally can only be approved by Council.

Trust and bequest reserves are set up where Council has been donated funds that are restricted for particular purposes. Interest is added to trust and bequest reserves where applicable and deductions are made where funds have been used for the purpose they were donated.

39 Explanation of major variances against budget

Explanations for major variations from Council's estimated figures in the 2018/2019 Annual Plan are as follows (note variances at the activity level are explained in more detail under each relevant 'group of activity' statement further in this document):

Statement of comprehensive revenue and expense

Actual result is a deficit of \$520,000 as compared to the budgeted surplus of \$1,162,000. This negative variance of \$1,682,000 is attributable to several factors, most notably:

- **Subsidies and grants revenue** is less than budget by \$1,435,000. New Zealand Transport Agency (NZTA) subsidies are less than budget by \$1,214,000 due to:
 - Lower than budgeted capital works which resulted in \$1.0M lower subsidy.
 - The amount of 'emergency works', roading expenditure (i.e. due to extreme weather events) being less than budget, and therefore the associated NZTA subsidy not being required.
- **Other subsidies** received offsetting the reduction above are the Tourism Infrastructure Fund (\$120,000) for additional recycling bins and from the Provincial Growth Fund (\$750,000) to enable the Port to be dredged. The actual cost of the port dredging was \$877,000.
- **Fees and charges revenue** is more than budget by \$334,000. Westland Recreation Centre income was \$131,000 lower than forecast, however this was offset by higher than anticipated waste volumes generating \$393,000 higher revenue. Added to this is the port fees being \$88,000 more than budget due to contributions from port users for dredging contributions.
- **Depreciation and amortisation expense:** This is lower than budgeted by \$168,000. The annual depreciation expense has decreased this year as a result of projects expected to be completed in 2017/2018 carried forward into the 2018/2019 year.
- **Operating costs** included unbudgeted provision increases (\$118,000). Consultant fees were \$556,000 more than budgeted due to costs associated with building consent processing (\$220,000), consultants to

cover the long term vacancy of the Transport Engineer (\$146,000), senior staff recruitment costs (\$68,000) process reviews (\$47,000).

Subsidies and grants expenditure is up \$300,000. \$216,000 is to be recovered through the DWC MDI funding scheme. \$70,000 in unbudgeted grants were made from reserves per council decisions made throughout the year.

Statement of movements in equity

Significant variations from budgeted changes in equity relate to:

- Total comprehensive income being \$1,769,000 less than budget, per above variances.

Statement of financial position

Significant variations from budget are as follows:

- Assets are more than budget by \$2.3M largely due to property, plant and equipment having a higher carrying value than budget by \$3M. This is attributable to:
 - Key capital projects not being completed in the financial year they were expected to be. This includes McLean's Landfill expansion (new cell) and new Greymouth water reservoir.
- Liabilities \$2.355 M more than budget, largely due to some capital projects being carried over from prior years.

Statement of cash flows

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

7 Funding impact statement for whole of Council

	2018 Annual Plan \$000	2018 Actual \$000	2019 LTP Year 1 \$000	2019 Actual \$000
[A] SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	9,858	10,233	10,176	10,645
Targeted rates	6,261	6,435	6,515	6,579
Subsidies and grants for operating purposes	1,693	1,248	1,472	1,915
Fees and charges	4,496	3,966	4,378	5,001
Interest and dividends from investments	626	510	549	359
Local authorities fuel tax, fines, infringement fees, & other receipts	360	382	392	366
Total operating funding [A]	23,294	22,774	23,482	24,865
[B] APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	17,102	17,086	17,188	19,281
Finance costs	2,025	1,405	1,817	1,929
Other operating funding applications	-	283	-	298
Total applications of operating funding [B]	19,127	18,774	19,005	21,508
Surplus (deficit) of operating funding [A - B]	4,167	4,000	4,477	3,357
[C] SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	2,789	2,799	5,972	4,095
Development and financial contributions	39	99	41	78
Increase (decrease) in debt	821	(1,000)	(430)	(844)
Gross proceeds from sale of assets	51	138	-	94
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	1,200
Total sources of capital funding [C]	3,700	2,036	5,583	4,623
[D] APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
—to meet additional demand	-	-	-	-
—to improve the level of service	1,342	4,117	4,067	3,517
—to replace existing assets	6,288	4,783	5,986	10,034
Increase (decrease) in reserves	237	(695)	7	(1,701)
Increase (decrease) of investments	-	(2,169)	-	(3,870)
Total applications of capital funding [D]	7,867	6,036	10,060	7,980
Surplus (deficit) of capital funding [C - D]	(4,167)	(4,000)	(4,477)	(3,357)
Funding balance: [A - B] + [C - D]	-	-	-	-

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

	2018 Annual Plan	2018 Actual	2019 LTP Year 1	2019 Actual
	\$000	\$000	\$000	\$000
Surplus (deficit) of operating funding	4,167	4,000	4,477	3,357
Add sources of capital funding recognised as revenue in Statement of Comprehensive Revenue and Expense				
Subsidies and grants for capital expenditure	2,789	2,799	5,972	4,095
Development and financial contributions	39	99	41	78
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	1,200
Adjust for other sources of non cash items excluded from the Funding Impact Statement				
Depreciation and amortisation expense	(8,552)	(9,112)	(9,487)	(9,319)
Net gain (loss) of non current assets held for sale	-	-	-	-
Net gain (loss) on sale of property plant & equipment/investment property	51	101	65	69
Vested assets revenue/Other dedicated capital funding	92	-	94	-
Fair value gain / (loss) on investment property	-	6	-	14
Gross profit on sale of land inventory	-	-	-	-
Other non operating revenue/(expense)	-	(42)	-	-
Surplus/(deficit) after tax attributable to Grey District Council	(1,414)	(2,149)	1,162	(506)

8 Financial Reporting and Prudence Disclosures

The government has introduced the new Local Government (Financial Reporting and Prudence) Regulations 2014 which has a series of measures and benchmarks, disclosed in the following pages. These measures further highlight the financial performance of Council in a way that is consistent and standardised.

These measures allow for comparison of financial performance with other Councils. However, readers are urged to read the commentary and explanations provided to give context to the information, as it is not always possible to compare Grey District Councils' results with other Councils due to their size, location and provision of services.

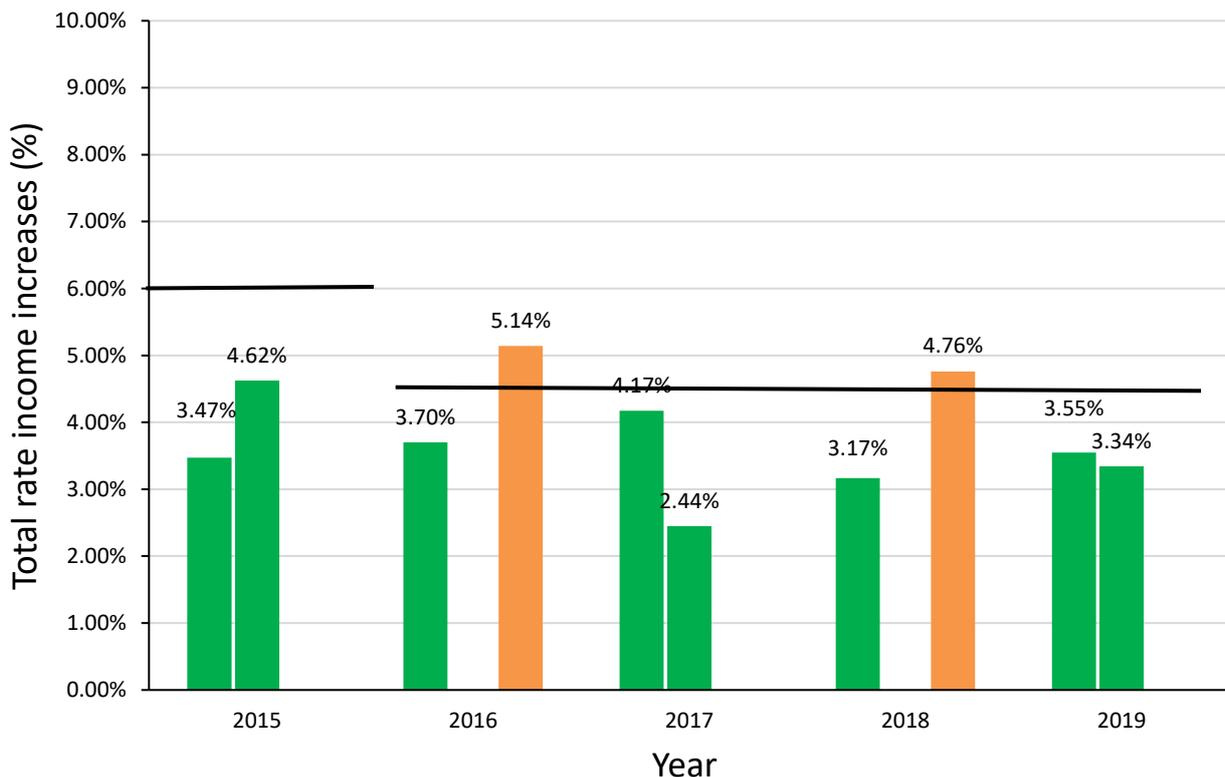
[1] Rate affordability benchmarks

The Council meets the rates affordability benchmark if—

- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

Total actual rate income percentage increases

- For years 2014 and 2015, the limit as contained within Council's financial strategy (per the 2012 – 2022 Long Term Plan) is for the total rate increase in any year to be no more than 6% (6% being the benchmark).
- For 2016, 2017, 2018 and 2019, the limit as contained within Council's financial strategy (per the 2018 – 2028 Long Term Plan) is for the total rate increase in any year to be no more than 4.5% (4.5% being the benchmark).

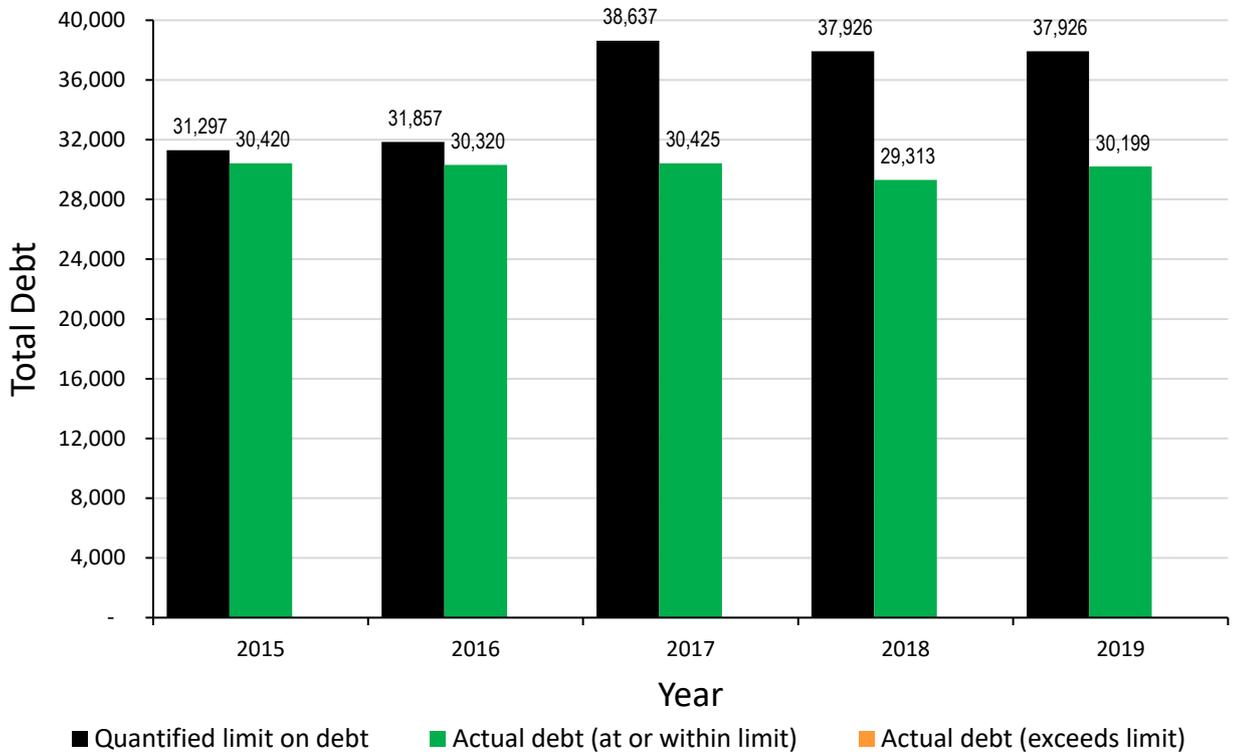


[2] Debt affordability benchmarks

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

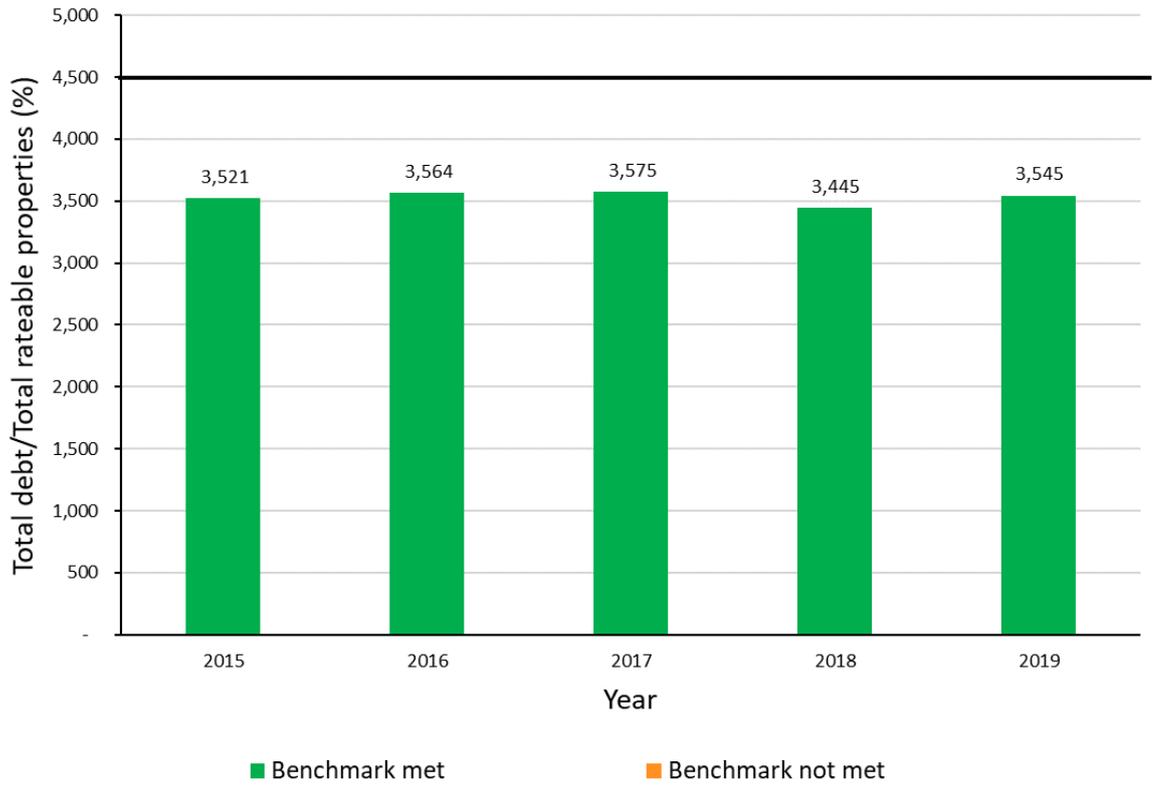
Actual debt compared to forecast debt

The following graph compares total actual debt as compared to what total budgeted was forecast to be (with the budgeted total debt being the benchmark). The benchmark is met if total actual debt is less than or equal to total budgeted debt.



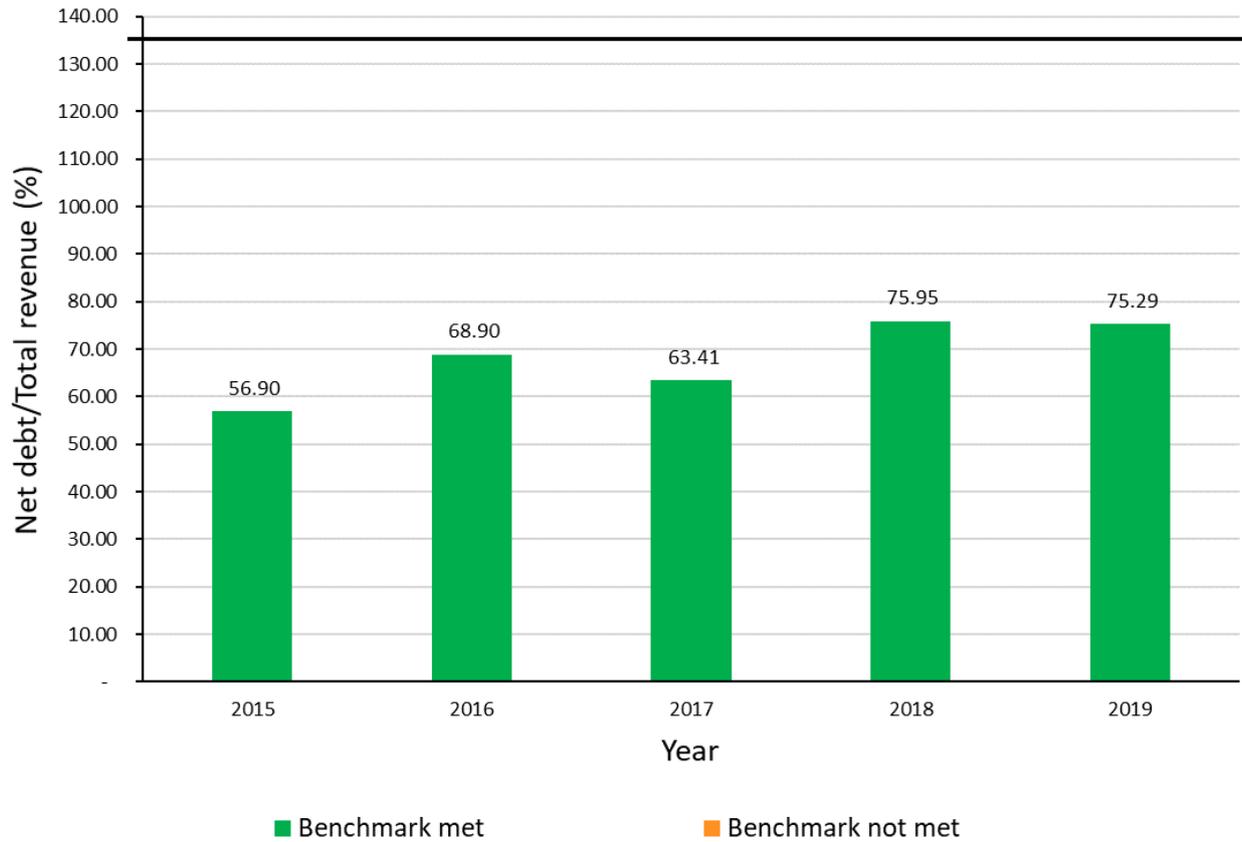
Total actual debt per rateable property

The following graph displays the total actual debt per rateable property. Council's benchmark is for total debt per rateable property to remain less than \$4,500.



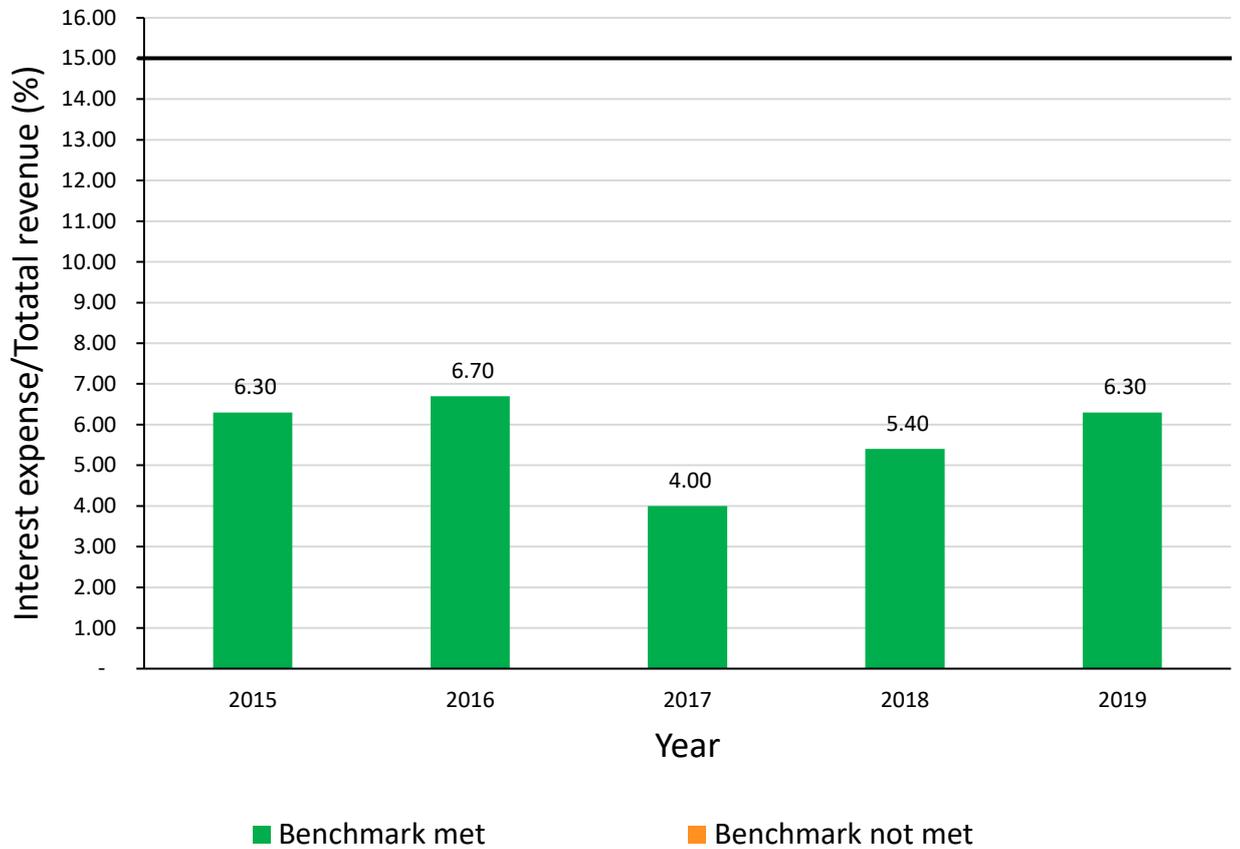
Total net debt as a percentage of total actual revenue

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



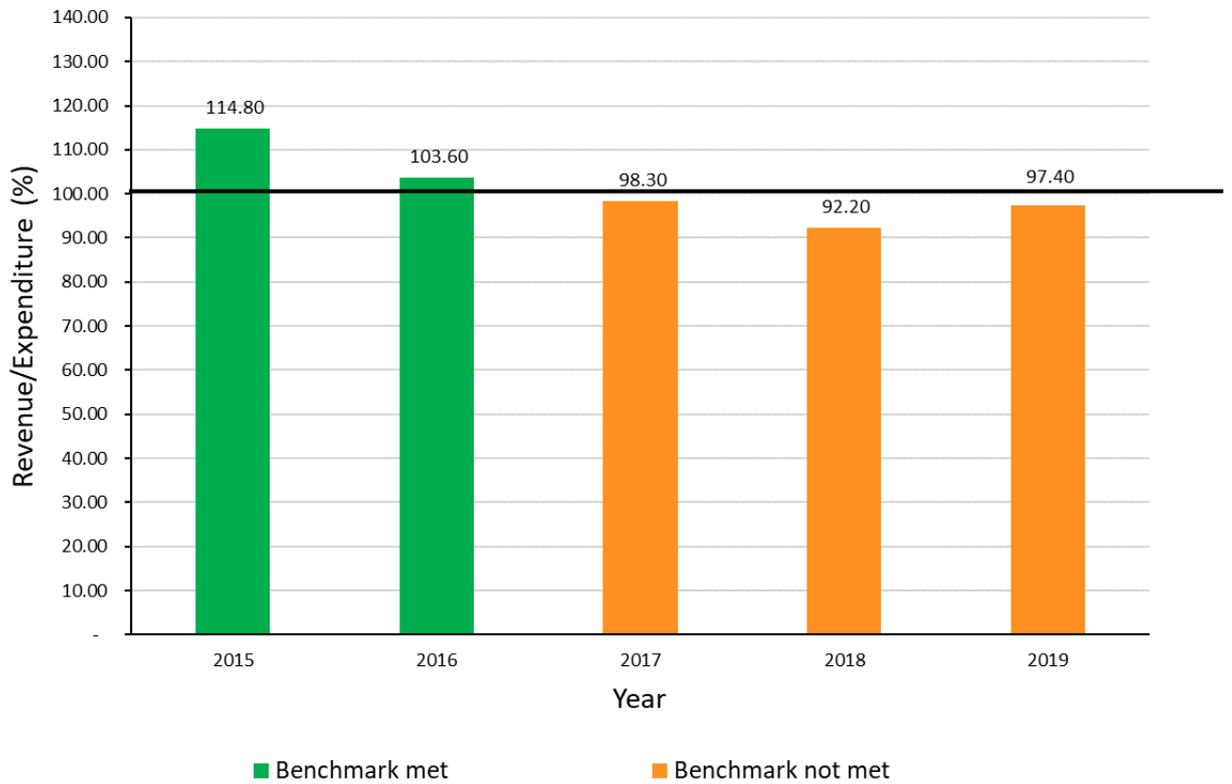
Actual debt servicing (finance) costs as a percentage of total actual revenue

The following graph displays total actual interest expense as a percentage of total revenue. Council's benchmark is for total interest expenses to remain less than 15% of total revenue.



[3] Balanced budget benchmark

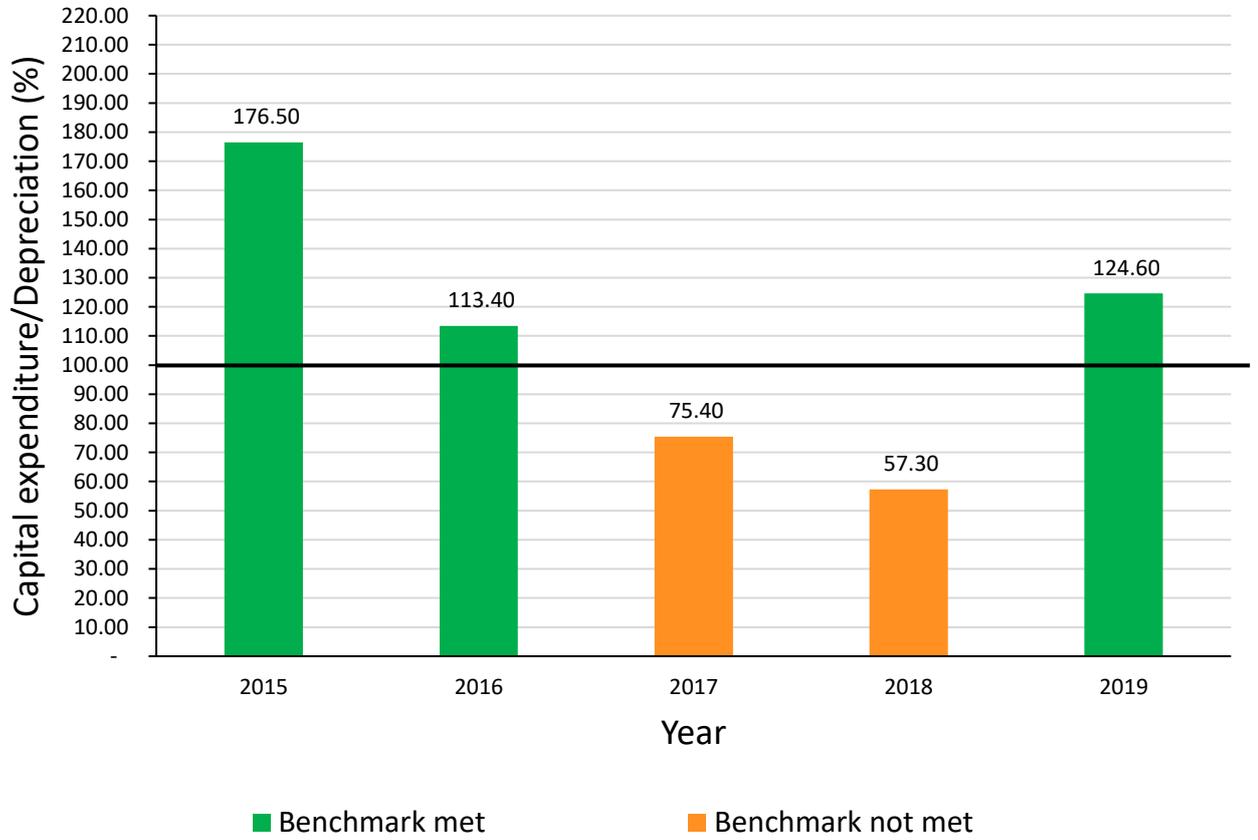
The following graph displays the council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment). The Council meets this benchmark if its revenue equals or is greater than its operating expenses.



[4] Essential services benchmark

The following graph displays the council's capital expenditure on network services as a proportion of depreciation on network services.

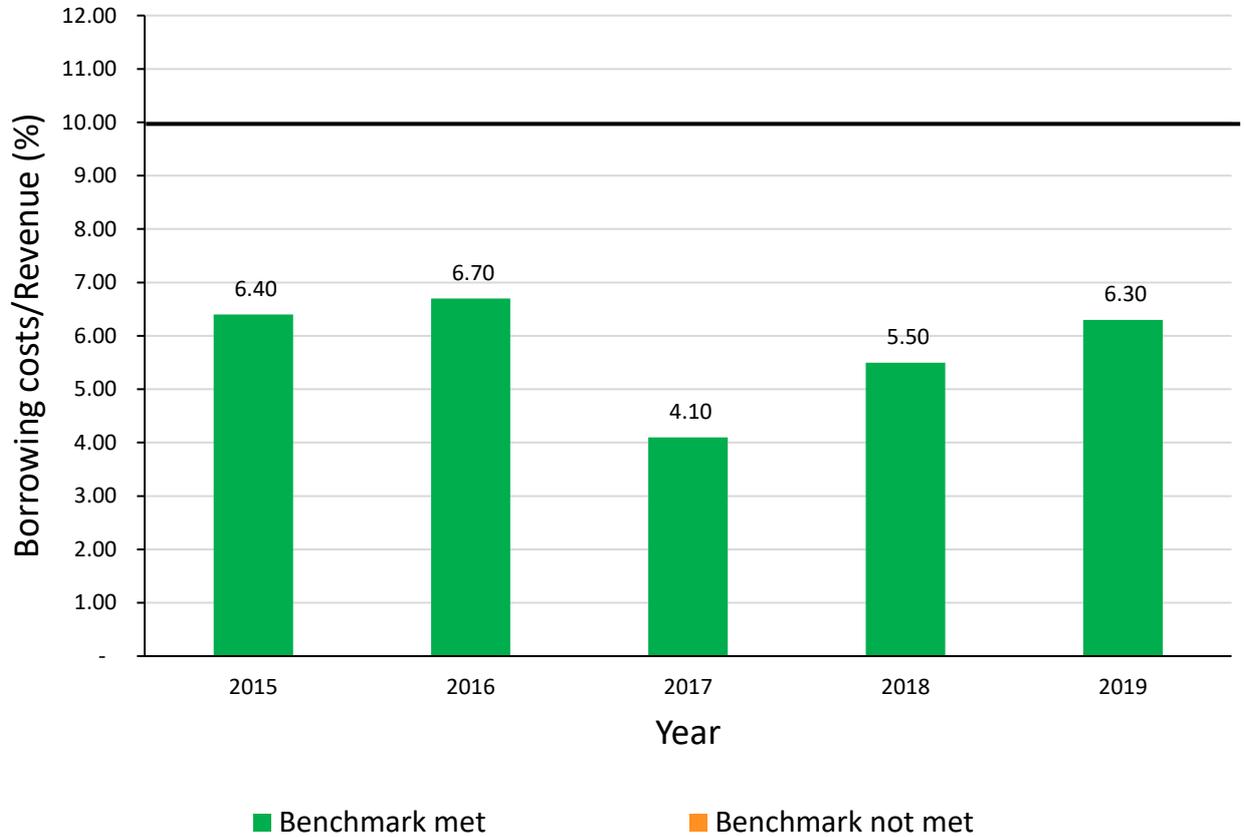
The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



[5] Debt servicing benchmark

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

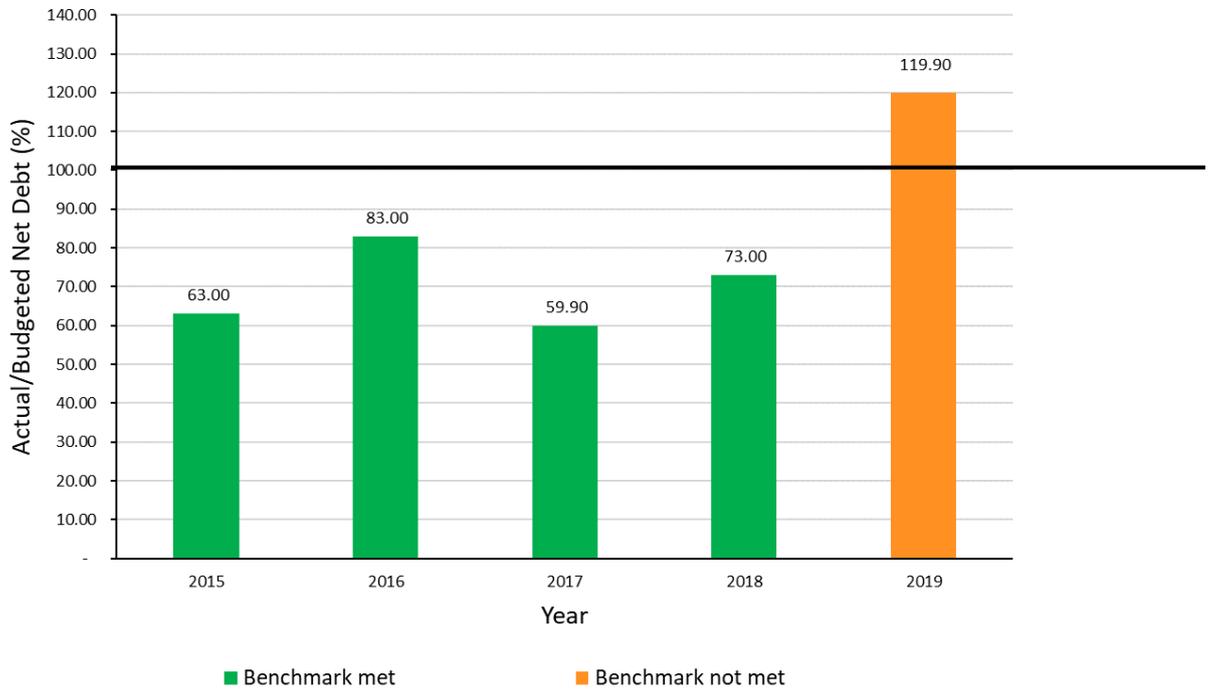
Because Statistics New Zealand projects the council's population will grow no faster than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



[6] Debt control benchmark

The following graph displays the council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

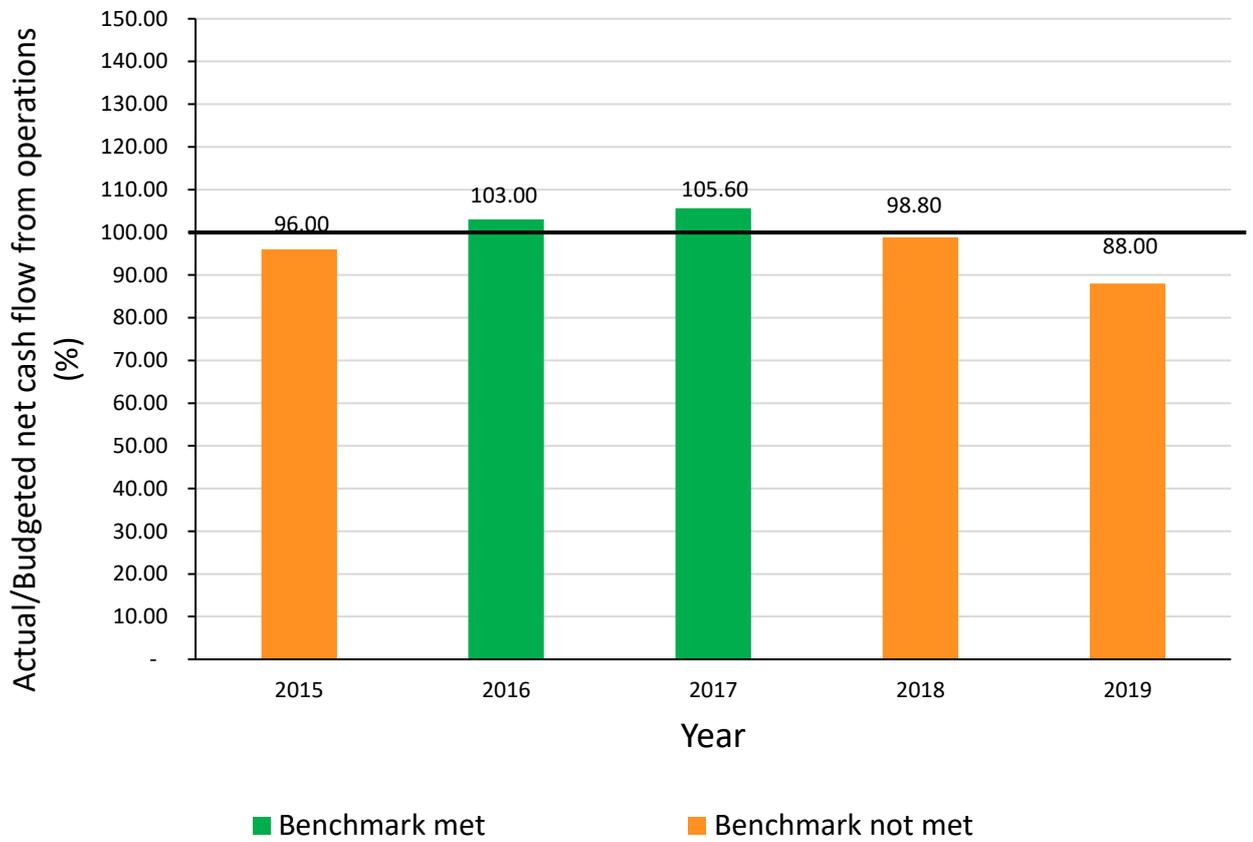
The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



[7] Operations control benchmark

This graph displays the council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



PART D: Group of Activity Statements

Resident satisfaction survey–

Council used an independent research company to carry out a resident satisfaction survey on Council's behalf. The interviews took place in between mid-October and December 2018. Initial random sampling was combined with quota sampling to ensure a representative sample was achieved. Quotas were set for age, gender and area according to the 2013 Census.

The statistical margin of error for the total sample of 350 is plus/minus 5% at a 95% confidence level.

Results from the 2018 resident satisfaction survey have been used for the measures of some non-financial performance.

1 Land transport

1 Activities included in this group

Land Transport includes the following key functions:

- Council roads including associated facilities such as street lights, cycle lanes and road signs (State Highways excluded as they are the responsibility of the New Zealand Transport Agency (NZTA))
- Footpaths
- Bridges and large culverts
- Bus shelters
- Promotion of road safety

The car parking function is dealt with under the 'Other Transport' section.

The management and maintenance of the Greymouth to Taramakau Bridge section of the West Coast Wilderness Trail is included in this activity.

2 Why we are involved in this activity/these activities

Council provides sealed roads (including bridges where necessary), footpaths, bus shelters and street lights so that motor vehicles, bicycles and pedestrians can travel efficiently and safely.

Modern society cannot function without access. Access is important as it enables the convenient movement of people and goods to places of work, trade, health services, education and recreation.

Promotion of road safety is also important to avoid damage to property, injury and deaths while people are using land transport infrastructure.

3 Performance measurement

What we're measuring	How we'll measure	2018/2019 target	2017/2018 measure	2018/2019 measure	Notes
Public satisfaction with our local roading network, including footpaths	% of residents are satisfied with Council's roading network	70%	79%	81%	The Resident's Satisfaction Survey was conducted between mid-October and December 2018. Full report available on Council's website.
	% of residents are satisfied with the way local roads are maintained	60%	68%	72%	The Resident's Satisfaction Survey was conducted between mid-October and December 2018. Full report available on Council's website.
	% of residents are satisfied with the way footpaths are maintained	52%	52%	52%	The Resident's Satisfaction Survey was conducted between mid-October and December 2018. Full report available on Council's website.
	Maximum number of reported local road closures due to surface flooding per year	15	18	7	These occurred during events on 8 November 2018 & 27 March 2019.
	% of customer requests responded to within 10 working days	85%	86%	87%	158 out of 181 customer requests were completed within 10 working days.
The condition of our roads and footpaths	% of roads which meet smooth roads standard	90%	93%	93%	Based on the data as measured from Council's roading asset management system. Road roughness data is collected every two years. Traffic count data was last collected in April 2018 and road roughness data was last collected in March

					2017. Both will be measured again by the end of 2019. Hence, the current measurement of the percentage of roads meeting the smooth roads standard is the same as for the previous year.
	% of sealed road network resurfaced per year	7.04%	2%	7.55%	Due to late start of the Contract and the inclement weather experienced during early 2018, the proportion of road network budgeted for resurfacing during 2017/2018 was unable to be completed. Works which were not completed were carried over into 2018/2019, hence the higher than targeted percentage.
	% of footpaths at service standard of "fair" or better (as measured against condition ratings set in GDC Land Transport AMP)	80%	77%	79%	Council continues to invest in upgrading footpaths throughout the district. During 2018/2019, 3.7km of the footpath network was renewed. This produced an improvement in the overall condition of Council's footpaths.
The safety of our roads	% of residents who agree that local roads are safe when using them	80%	83%	83%	The Resident's Satisfaction Survey was conducted between mid-October and December 2018. Full report available on Council's website.
	Maximum % of fatalities/serious injury crashes on local roads contributed to by road factors	<17%	20%	29%	There was one fatality and six serious injuries in road accidents within the Grey District during 2018/2019. Two of the serious injuries were contributed by road factors. Example of road factors include problems with the condition of the road surface or problems with visibility of the upcoming road environment.
	Change in number of fatalities/serious injury crashes from previous year on local roads <ul style="list-style-type: none"> • 2018/2019: 7 fatal/serious crashes • 2017/2018: 5 fatal/serious crashes • 2016/2017: 7 fatal/serious crashes 	Reduction > 1	-2	+2	The 2017/2018 Annual Report stated that there was a total of five fatality/serious injury accidents on local roads within the Grey District. In 2018/2019, there were seven fatality/serious injury road accidents.

4 Activity funding impact statement

	2018 LTP Year 3 \$000	2018 Actual \$000	2019 LTP Year 1 \$000	2019 Actual \$000
[A] SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	2,884	2,940	2,906	3,035
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	1,577	925	1,396	1,755
Fees and charges	18	47	18	293
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	182	167	180	169
Total operating funding [A]	4,661	4,079	4,500	5,252
[B] APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	2,764	2,374	2,697	2,517
Finance costs	8	6	6	4
Internal charges and overheads applied	171	573	185	500
Other operating funding applications	-	-	-	-
Total applications of operating funding [B]	2,943	2,953	2,888	3,021
Surplus (deficit) of operating funding [A - B]	1,718	1,126	1,612	2,231
[C] SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	2,071	1,870	5,572	2,544
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(24)	(112)	(24)	(24)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding [C]	2,047	1,758	5,548	2,520
[D] APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
—to meet additional demand	-	-	-	-
—to improve the level of service	333	202	3,799	278
—to replace existing assets	3,268	2,180	3,391	5,177
Increase (decrease) in reserves	164	(172)	(30)	(30)
Increase (decrease) of investments	-	674	-	(674)
Total applications of capital funding [D]	3,765	2,884	7,160	4,751
Surplus (deficit) of capital funding [C - D]	(1,718)	(1,126)	(1,612)	(2,231)
Funding balance: [A - B] + [C - D]	-	-	-	-

5 Activity revenue and expense statement

	2018 LTP Year 3 \$000	2018 Actual \$000	2019 LTP Year 1 \$000	2019 Actual \$000
REVENUE				
General rates, uniform annual general charges, rates penalties	2,884	2,940	2,906	3,035
Targeted rates (including targeted rates for water supply)	-	-	-	-
Subsidies and grants (operating and capital)	3,648	2,795	6,968	4,299
User charges & regulatory revenue (consent fees, infringements etc)	18	47	18	293
Internal charges and overheads recovered	-	-	-	-
Other revenue	229	173	227	169
Total revenue	6,779	5,955	10,119	7,796
EXPENDITURE				
Staff costs	-	-	-	-
Operating & maintenance costs	2,764	2,374	2,697	2,517
Finance costs	8	6	6	4
Internal charges and overheads applied	171	573	185	500
Other expenses	-	-	-	-
Depreciation	3,812	4,323	4,318	4,318
Total expenditure	6,755	7,276	7,206	7,339
Surplus (deficit) of activities	24	(1,321)	2,913	457

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

	2018 LTP Year 3 \$000	2018 Actual \$000	2019 LTP Year 1 \$000	2019 Actual \$000
General renewals and miscellaneous new capital	2,533	1,739	2,414	3,688
General Bridge component renewals	262	320	294	436
Replacement of assets after severe weather	488	-	457	92
Slaty Creek - Lake Brunner Rd upgrade	-	12	-	-
Footpath Renewals	-	185	239	12
On-going minor safety improvements	318	126	306	1,008
Taylorville-Blackball Rd strengthening	-	-	-	-
Croesus Road upgrade	-	-	3,480	219
Total capital expenditure	3,601	2,382	7,190	5,455

7 Variations from budget

1. Subsidies and grants (operating and capital) are less than budget by \$2,751,000 mainly due to the entire NZTA financially assisted programme not being carried out (notably Council's reseal programme), as well as no significant severe weather events to respond to in terms of roading damage.

2. Payments to staff and suppliers/operating & maintenance costs less than budget by \$155,000, however, per number 3 below, the budget includes an amount that is actually 'internal charges and overheads'. Overall Council has spent \$188,000 more than budgeted on operational expenditure (excluding depreciation). This is due to accelerated spend on sealed road resurfacing to remediate a backlog of resurfacing.
3. Internal charges and overheads applied are greater than budget by \$315,000, which relates to the amount being incorrectly classified as a payment to 'staff and suppliers' in the budget.
4. Capital expenditure was \$5,455,000 for the year compared to the budget of \$7,190,000. This \$1,735,000 variance was due to a number of items, notably lower than expected costs associated with Croesus Road upgrade (\$3,261,000). This has been offset by higher than anticipated spend on Low Cost/Low Risk expenditure (\$727,000) and unbudgeted LED street light conversion (\$734,000).

8 Identified effects of these activities on the community

- On-going minor safety improvements have decreased the risk to users of the district's roading network.
- Continued reduction in funding (in real terms) from the NZTA for subsidised works in line with the Government Policy Statement on Land Transport Funding (i.e. no adjustment for inflation) has placed a higher financial burden on the local community.

2 Stormwater

1 Activities included in this group

Stormwater includes the following key functions:

- Management of Stormwater systems (mostly in urban residential areas) including public open drains.
- Flood prevention. This includes maintaining urban watercourses.

Note: Council has a minor Flood Protection responsibility in that it puts floodgates in place in specific locations when levels in the Grey River reach a specific height.

It also maintains and operates flood pump stations at Johnston Street and Tarry Creek Greymouth as part of the Greymouth Flood Scheme on behalf of the Greymouth Flood Scheme Committee (a joint Grey District Council and West Coast Regional Council committee).

2 Why we are involved in this activity/these activities

Council needs to control stormwater to protect our community's health and safety and minimise property damage and access. Adequate collection and disposal arrangements are of critical importance and the flood prevention focus is important.

3 Performance measurement

What we're measuring	How we'll measure	2018/2019 target	2017/2018 measure	2018/2019 measure	Notes
Customer satisfaction	% of residents are satisfied with the overall stormwater service	65%	65%	66%	The Resident's Satisfaction Survey was conducted between mid-October and December 2018. Full report available on Council's website.
	Number of complaints received about a Council stormwater scheme (per 1,000 properties connected to a Council scheme) Number of service connections: 6,195	<i>Total complaints: 30</i> <i>Per 1,000 properties: 5.1</i> <i>(5,852 connections)</i>	<i>Total complaints: 13</i> <i>Per 1,000 properties: 2.2</i> <i>(5,852 connections)</i>	<i>Total complaints: 29</i> <i>Per 1,000 properties: 4.7</i> <i>(6,195 connections)</i>	29 complaints were received and resolved regarding Council's stormwater services, which is an increase on the result from last year. It is noted that we deal with a number of complaints where sewage is still discharging to the stormwater system. New sewerage system will hopefully alleviate most of these. Storm events appear to be more frequent with higher rainfall intensities, resulting in more surface ponding and flood events.
The reliability and efficiency of the stormwater system	% of residents are satisfied with the way their property drains stormwater in urban and residential areas	60%	80%	80%	The Resident's Satisfaction Survey was conducted between mid-October and December 2018. Full report available on Council's website.
	Requirements of the Greymouth Flood Scheme Action Plan are met prior to and during significant storm events	<i>Achieved</i>	<i>Achieved</i>	<i>Achieved</i>	No significant flood events within 2018/2019 that resulted in triggering the Greymouth Flood Action Plan, meaning no flood events resulting in a 5.0m level at the Dobson monitoring site on the Grey River.

What we're measuring	How we'll measure	2018/2019 target	2017/2018 measure	2018/2019 measure	Notes
	<p>Maximum number of flooding events *</p> <p>* Note: a flood event is defined as a 50-year flood, which is a flood event that has a 2% probability occurring in any given year. To measure this Council will obtain information on corresponding storm event rainfall intensities.</p>	Nil	Nil	Nil	No significant flood events as defined by a 1:50 return period for 2018/2019.
	<p>For each flooding event, maximum number of habitable floors affected (per 1,000 properties connected to a Council scheme)</p> <p>Number of serviced urban properties: 6,195</p> <p>Note:</p> <ul style="list-style-type: none"> Council is only measuring reported incidents in urban areas where the stormwater network is. Number of serviced properties includes all urban properties, whether connected to the Council service or not. Some properties discharge stormwater via their own property stormwater system to watercourses. 	<p>Total floors: 2</p> <p>Per 1,000 properties: 0.34 (5,852 connections)</p>	<p>Total floors: 3</p> <p>Per 1,000 properties: 0.51 (5,852 connections)</p>	<p>Total floor: 0</p> <p>Per 1,000 properties: 0 (6,195 connections)</p>	Nil for 2018/2019.
	Maximum number of local road closures due to surface flooding per year (dependent on number of storm events per year)	15	18	7	These occurred during events on 8 November 2018 & 27 March 2019.
	Median response time to attend a flooding event	3 hours	Nil	Nil	No significant flood events as defined by a 1:50 return period for 2018/2019.
Stormwater discharges are managed without adversely affecting the receiving environment	Number of abatement notices	2	Nil	Nil	No infringements received in 2018/2019.
	Number of infringement notice	1	Nil	Nil	
	Number of enforcement orders	Nil	Nil	Nil	
	Number of successful prosecutions	Nil	Nil	Nil	
	Total for all enforcement actions	3	Nil	Nil	

4 Activity funding impact statement

	2018 LTP Year 3 \$000	2018 Actual \$000	2019 LTP Year 1 \$000	2019 Actual \$000
[A] SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	977	1,118	1,083	1,131
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	-	1	-	178
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	-	-
Total operating funding [A]	977	1,119	1,083	1,309
[B] APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	331	302	327	325
Finance costs	36	28	39	37
Internal charges and overheads applied	146	183	147	232
Other operating funding applications	-	-	-	-
Total applications of operating funding [B]	513	513	512	594
Surplus (deficit) of operating funding [A - B]	464	606	571	715
[C] SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(11)	(14)	(14)	(14)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding [C]	(11)	(14)	(14)	(14)
[D] APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
—to meet additional demand	-	-	-	-
—to improve the level of service	7	137	8	1
—to replace existing assets	446	368	549	592
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) of investments	-	87	-	108
Total applications of capital funding [D]	453	592	557	701
Surplus (deficit) of capital funding [C - D]	(464)	(606)	(571)	(715)
Funding balance: [A - B] + [C - D]	-	-	-	-

5 Activity revenue and expense statement

	2018 LTP Year 3 \$000	2018 Actual \$000	2019 LTP Year 1 \$000	2019 Actual \$000
REVENUE				
General rates, uniform annual general charges, rates penalties	977	1,118	1,083	1,131
Targeted rates (including targeted rates for water supply)	-	-	-	-
Subsidies and grants (operating and capital)	-	-	-	-
User charges & regulatory revenue (consent fees, infringements etc)	-	1	-	178
Internal charges and overheads recovered	-	-	-	-
Other revenue	19	-	19	-
Total revenue	996	1,119	1,102	1,309
EXPENDITURE				
Staff costs	-	-	-	-
Operating & maintenance costs	331	302	327	325
Finance costs	36	28	39	37
Internal charges and overheads applied	146	183	147	232
Other expenses	-	-	-	-
Depreciation	908	776	776	776
Total expenditure	1,421	1,289	1,289	1,370
Surplus (deficit) of activities	(425)	(170)	(187)	(61)

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

	2018 LTP Year 3 \$000	2018 Actual \$000	2019 LTP Year 1 \$000	2019 Actual \$000
General renewals (replacement of assets)	446	326	549	593
Miscellaneous new capital	7	1	8	-
Runanga flood mitigation	-	1	-	-
Structural repairs - Johnston St pump station	-	5	-	-
Spare pump for stormwater pump stations	-	71	-	-
Culverting of drains - Blackball	-	101	-	-
Total capital expenditure	453	505	557	593

7 Variations from budget

1. Fees and charges revenue is \$178,000 higher than budget due to cost recovery achieved from West Coast Regional Council for storm damage at Arnott Heights.
2. Internal charges and overheads applied are greater than budget by \$85,000 as more staff resource was provided in response to customer demands.
3. Depreciation expense \$119,000 higher than budget as a result of revaluation of assets carried out in 2017. These valuations reflect the latest best estimate of the replacement cost of Council's assets as well as the

remaining useful lives. The combination of these determine the annual depreciation expense, which has determined the actual position being higher than forecast when preparing the 2018 budget. This has no immediate direct impact on Council's operations as is a non-cash expense. The increased amount was incorporated into financial forecasts for the LTP.

8 Identified effects of these activities on the community

- The nature of some of Council's stormwater network is such that overflows in higher rainfall are not uncommon. This has short term negative effects as overflows can enter private property and flow down secondary flow paths (such as roads)
- The on-going effects of climate change are potentially leading to more frequent high intensity storms which reduce the ability of stormwater systems to cope.
- The ongoing Greymouth wastewater upgrade is starting to demonstrate results for the Greymouth stormwater system working more efficiently.

3 Wastewater (sewerage)

1 Activities included in this group

Sewerage includes collection, treatment and disposal in the six (6) Council schemes of:

- Wider Greymouth area (Greymouth, Cobden, Blaketown, Boddytown, Dobson, Taylorville and Kaiata)
- Karoro, South Beach, Paroa
- Runanga/Dunollie
- Moana
- Blackball
- Iveagh Bay (Te Kinga)

This activity does not cover on-site individual property waste disposal systems or public schemes that are owned and operated by other individuals or businesses.

2 Why we are involved in this activity/these activities

By collecting, treating and disposing of wastewater, Council provides a service to residents and businesses that supports development in the District and protects the physical environment and our community's health.

3 Performance measurement

What we're measuring	How we'll measure	2018/2019 target	2017/2018 measure	2018/2019 measure	Notes
Customer satisfaction	% of residents are satisfied with wastewater service	65%	70%	66%	The Resident's Satisfaction Survey was conducted between mid-October and December 2018. Full report available on Council's website.
	Number of complaints received, e.g. about odour, faults, blockages, response times (per 1,000 sewerage connections) Number of service connections: 4,832	Total complaints: 50 Per 1,000 properties: 10 (4,826 connections)	Total complaints: 38 Per 1,000 properties: 8 (4,826 connections)	Total complaints: 43 Per 1,000 properties: 8.9 (4,832 connections)	43 complaints were received and resolved in 2018/2019. This is an increase from the 38 complaints received last year but still less than our target. No odour complaints were received. The complaints were mainly to do with blocked sewers or sewer discharges onto properties.
The reliability and efficiency of the wastewater system	Number of wastewater overflows into houses due to faults in the public reticulation	Nil	Nil	Nil	No wastewater overflows into houses were reported in 2018/2019.
	Number of dry weather sewerage overflows (per 1,000 sewerage connections) Number of service connections: 4,832	Total overflows: 2 Per 1,000 properties: 0.4 (4,826 connections)	Total overflows: 4 Per 1,000 properties: 0.8 (4,826 connections)	Total overflows: 11 Per 1,000 properties: 2.3 (4,832 connections)	Eleven dry weather sewerage overflows were reported in 2018/2019. This is an increase from last year and is due to the increase in use of the Cobden Bridge Campervan Dump Station. Staff will investigate how the use of the Cobden Bridge Campervan Dump Station can be better managed.
	If deemed necessary by the West Coast Regional Council, any non-compliance is publicly advertised:	Achieved	Achieved	Achieved	There were no reports of non-compliance in 2017/2018 and therefore no advertising was required.

	<ul style="list-style-type: none"> • Within ½ hour on the website • Same day on the local radio station • The next publication of the local daily newspaper 				
	<p>Median response times to reported faults</p> <ul style="list-style-type: none"> • to get to site (timed from notification) • to resolve the problem (timed from notification) <p>(Where contaminated sites are discovered or identified through site investigations, response times will be longer if consents are required to remove and dispose of material)</p>	<ul style="list-style-type: none"> • 1 hour • 5 hours 	<ul style="list-style-type: none"> • 1.28 hours • 5.45 hours 	<ul style="list-style-type: none"> • 40 minutes • 1.52 hours 	Contractor has met the required response timeframes under these performance measures. Our new maintenance contractor is working well to meet targets set.
	All planned shutdowns are notified at least 24 hours prior	<i>Achieved</i>	Achieved	Achieved	All repairs to the sewer network are completed live. The network had no planned shutdowns in the 2018/2019 year.
Treated waste water discharges are managed without adversely affecting the receiving environment	Number of abatement notices	2	Nil	Nil	Nil for this financial year.
	Number of infringement notices	1	Nil	Nil	
	Number of enforcement orders	<i>Nil</i>	Nil	Nil	
	Number of successful prosecutions	<i>Nil</i>	Nil	Nil	
	Total for all enforcement actions	3	Nil	Nil	

4 Activity funding impact statement

	2018 LTP Year 3 \$000	2018 Actual \$000	2019 LTP Year 1 \$000	2019 Actual \$000
[A] SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	2,568	2,489	2,468	2,567
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	103	134	110	88
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	-	-
Total operating funding [A]	2,671	2,623	2,578	2,655
[B] APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	955	1,050	1,029	1,120
Finance costs	1,005	610	756	829
Internal charges and overheads applied	198	199	226	209
Other operating funding applications	-	-	-	-
Total applications of operating funding [B]	2,158	1,859	2,011	2,158
Surplus (deficit) of operating funding [A - B]	513	764	567	497
[C] SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	3	-	1
Development and financial contributions	15	25	15	3
Increase (decrease) in debt	(139)	(264)	(295)	(295)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding [C]	(124)	(236)	(280)	(291)
[D] APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
—to meet additional demand	-	-	-	-
—to improve the level of service	-	206	-	720
—to replace existing assets	539	315	287	210
Increase (decrease) in reserves	(150)	59	-	-
Increase (decrease) of investments	-	(52)	-	(724)
Total applications of capital funding [D]	389	528	287	206
Surplus (deficit) of capital funding [C - D]	(513)	(764)	(567)	(497)
Funding balance: [A - B] + [C - D]	-	-	-	-

5 Activity revenue and expense statement

	2018 LTP Year 3 \$000	2018 Actual \$000	2019 LTP Year 1 \$000	2019 Actual \$000
REVENUE				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates (including targeted rates for water supply)	2,568	2,489	2,468	2,567
Subsidies and grants (operating and capital)	-	3	-	1
User charges & regulatory revenue (consent fees, infringements etc)	103	134	110	88
Internal charges and overheads recovered	-	-	-	-
Other revenue	29	25	29	3
Total revenue	2,700	2,651	2,607	2,659
EXPENDITURE				
Staff costs	-	-	-	-
Operating & maintenance costs	955	1,050	1,029	1,120
Finance costs	1,005	610	756	829
Internal charges and overheads applied	198	199	226	209
Other expenses	-	-	-	-
Depreciation	1,102	1,052	1,052	1,052
Total expenditure	3,260	2,911	3,063	3,210
Surplus (deficit) of activities	(560)	(260)	(456)	(551)

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

	2018 LTP Year 3 \$000	2018 Actual \$000	2019 LTP Year 1 \$000	2019 Actual \$000
General renewals & miscellaneous new capital	539	111	222	199
Runanga system replacement	-	205	65	14
Greymouth wastewater upgrade	-	204	-	716
Runanga Pond effluent discharge upgrade	-	-	-	-
Dobson/Kaiata/Taylorville scheme	-	1	-	1
Total capital expenditure	539	521	287	930

7 Variations from budget

1. Finance costs are more than budget by \$73,000 due to higher than anticipated capital expenditure that has debt funded namely the upgrade of the Greymouth scheme which was carried forward from the 2017/2018 year.
2. Capital expenditure to improve the level of service: \$720,000 greater than budget due to the continuation of the Greymouth scheme (\$717,000) which was carried over from the 2017/2018 year.

8 Identified effects of these activities on the community

- The on-going upgrades and new schemes have placed a recognised financial burden on those required to fund them. Whilst this has a negative impact it is considered that they are outweighed by the positive impacts, such as reduced discharges to the environment.

4 Water supply

1 Activities included in this group

Water supply includes sourcing, treatment and distribution from the following Council water supply schemes:

- Wider Greymouth (Greymouth, Cobden, Blaketown, Boddytown, Karoro, South Beach, Paroa, Taylorville, Dobson and Stillwater)
- Runanga/Dunollie/Rapahoe
- Blackball

2 Why we are involved in this activity/these activities

We provide quality, affordable water and, in the process contribute to:

- Our community's health
- Community safety (through water supply for firefighting)
- Industrial and residential development

3 Performance measurement

What we're measuring	How we'll measure	2018/2019 target	2017/2018 measure	2018/2019 measure	Notes
Customer satisfaction	% of residents are satisfied with the appearance and taste of water	80%	83%	73%	The Resident's Satisfaction Survey was conducted between mid-October and December 2018. Full report available on Council's website.
	% of residents are satisfied with the pressure and flow of water	80%	91%	92%	The Resident's Satisfaction Survey was conducted between mid-October and December 2018. Full report available on Council's website.
	% of residents are satisfied with overall water supply service	70%	72%	64%	The Resident's Satisfaction Survey was conducted between mid-October and December 2018. Full report available on Council's website.
	Maximum number of complaints received about water clarity, taste, odour, pressure/flow, continuity of supply or Council's response to reported issues (per 1,000 water supply connections) Number of rated properties: 4,694	<i>Total complaints:</i> 147 <i>Per 1,000 properties:</i> 31.4 (4,686 connections)	<i>Total complaints:</i> 62 <i>Per 1,000 properties:</i> 13.2 (4,686 connections)	<i>Total complaints:</i> 56 <i>Per 1,000 properties:</i> 11.9 (4,694 connections)	56 complaints were received and resolved in 2018/2019, which is a slight reduction from last year and well under our target. All water clarity, taste, odour, pressure/flow and continuity of supply complaints are entered as service requests for tracking and reporting purposes. The main reasons for complaints during 2018/2019 was largely due to unplanned water outages.

What we're measuring	How we'll measure	2018/2019 target	2017/2018 measure	2018/2019 measure	Notes
Council is providing a reliable, efficient and safe water supply	If deemed necessary by the Ministry of Health, any non-compliance is publicly notified as soon as practical, by advertising: <ul style="list-style-type: none"> Within ½ hour on the website Same day on the local radio station The next available publication of the local daily newspaper 	<i>Achieved</i>	Achieved	Achieved	No requests from the Ministry of Health (MOH) for 2018/2019.
	Maximum number of notifiable water supply transgressions with Drinking Water Standards per year:				Runanga Supply was connected to the Greymouth Supply on a temporary basis on 26 April 2018 while new water treatment plant was under construction. One sample in the Rapahoe Zone on 29 October 2018 resulted in a positive E. coli of 4 MPN/100mL. Consultation with MOH occurred and follow up sampling, under Water Safety Plan. Second sample was < 1 MPN/100mL and no boiled water notice was issued.
	<ul style="list-style-type: none"> Greymouth (now includes Taylorville/Dobson/Stillwater) 	<i>Nil</i>	Nil	1	
	<ul style="list-style-type: none"> Blackball 	<i>Nil</i>	Nil	Nil	
	<ul style="list-style-type: none"> Runanga/Rapahoe 	5	Nil	NA	
All planned shutdowns are notified at least 24 hours prior	<i>Achieved</i>	Achieved	Achieved	There were 31 planned shutdowns during 2018/2019 and they were all notified 24 hours prior.	
Maximum % of real water loss from reticulation system* (water loss measured from the reservoirs at least once per year):					A desktop analysis was completed through the Greater Greymouth Water Supply Master Plan report in late 2016. This suggests that leakage is significantly higher than previously known. Council is moving forward with water meter monitoring sites throughout the Greymouth Water Supply to enable closer monitoring of water consumption. It is furthermore working towards District Metered Areas where by leakage monitoring and leak identification can more easily be undertaken.
	<ul style="list-style-type: none"> Greymouth (now includes Taylorville/Dobson/Stillwater) 	25%	Not measured	Not measured	
	<ul style="list-style-type: none"> Blackball 	5%	Not measured	Not measured	
	<ul style="list-style-type: none"> Runanga/Rapahoe 	15%	Not measured	Not measured	
Drinking water supply compliance with following sections of the drinking water standards:					

What we're measuring	How we'll measure	2018/2019 target	2017/2018 measure	2018/2019 measure	Notes
	Part 4 – bacteria ¹ compliance criteria -				
	<ul style="list-style-type: none"> Greymouth (now includes Taylorville/Dobson/Stillwater) 	<i>Achieved</i>	Achieved	Achieved	The Greymouth water supply achieved bacterial compliance in the 2018/2019 year.
	<ul style="list-style-type: none"> Blackball 	<i>Achieved</i>	Achieved	Achieved	The Blackball water supply achieved bacterial compliance in the 2018/2019 year.
	<ul style="list-style-type: none"> Runanga/Rapahoe 	<i>Achieved</i>	Achieved	N/A	Runanga Supply was connected to the Greymouth Supply on a temporary basis on 26 April 2018 while new water treatment plant was under construction.
	Part 5 – protozoal compliance criteria -				
	<ul style="list-style-type: none"> Greymouth (now includes Taylorville/Dobson/Stillwater) 	<i>Achieved</i>	Achieved	Achieved	The Greymouth water supply achieved Protozoal compliance in the 2018/2019 year.
	<ul style="list-style-type: none"> Blackball 	<i>Achieved</i>	Achieved	Achieved	The Blackball water supply achieved Protozoal compliance in the 2018/2019 year.
	<ul style="list-style-type: none"> Runanga/Rapahoe 	<i>Not achieved</i>	Not achieved	N/A	Runanga Supply was connected to the Greymouth supply on a temporary basis on 26 April 2018 while new water treatment plant was under construction.

¹ Bacteria (eg E.Coli) and protozoa (eg Giardia and Cryptosporidium) are small living organisms (bugs and such like) that are harmful to humans. Bacteria can be removed by chlorine disinfection whereas protozoa cannot and require higher levels of treatment.

What we're measuring	How we'll measure	2018/2019 target	2017/2018 measure	2018/2019 measure	Notes																				
Average consumption of drinking water per day per resident	<p>Figures below are from July 2017 to June 2018</p> <p>Breakdown –</p> <table border="1"> <thead> <tr> <th>Scheme</th> <th>Litres supplied per year ¹</th> <th>Population serviced ²</th> <th>Consumption ³</th> </tr> </thead> <tbody> <tr> <td>Greymouth (includes Dobson/Taylorville/Stillwater)</td> <td>2,575,475,000</td> <td>9,717</td> <td>726</td> </tr> <tr> <td>Runanga/Rapahoe*</td> <td>187,484,000</td> <td>1,519</td> <td>338</td> </tr> <tr> <td>Blackball</td> <td>80,192,000</td> <td>468</td> <td>469</td> </tr> <tr> <td>Totals</td> <td>2,843,151,000</td> <td>11,704</td> <td>665</td> </tr> </tbody> </table> <p>¹ Supply and consumption includes industrial/commercial use ² Normal resident population ex 2013 Census ³ Consumption expressed as litres per person per day. * Runanga/Rapahoe consumption for 10 months as it was then connected to Greymouth as part of the upgrade project.</p>	Scheme	Litres supplied per year ¹	Population serviced ²	Consumption ³	Greymouth (includes Dobson/Taylorville/Stillwater)	2,575,475,000	9,717	726	Runanga/Rapahoe*	187,484,000	1,519	338	Blackball	80,192,000	468	469	Totals	2,843,151,000	11,704	665	< 640 litres per person per day	785 litres per person per day	812 litres per person per day	During the past twelve months, there was several significant leaks which were difficult to locate. One example of this is the water leak in Dobson on the State Highway, which was draining down into an old mine shaft. It took Council and its Contractor many nights of investigation to locate this leak. In this case, the leak was the majority of a 150mm diameter pipe draining directly into the mine shaft. Consumption total is based on a population split.
Scheme	Litres supplied per year ¹	Population serviced ²	Consumption ³																						
Greymouth (includes Dobson/Taylorville/Stillwater)	2,575,475,000	9,717	726																						
Runanga/Rapahoe*	187,484,000	1,519	338																						
Blackball	80,192,000	468	469																						
Totals	2,843,151,000	11,704	665																						

What we're measuring	How we'll measure	2018/2019 target	2017/2018 measure	2018/2019 measure	Notes
Our response times to reported faults	<p>Median response times to faults or unplanned interruptions: (Where contaminated sites are discovered or identified through site investigations response times will be longer if consents are required to remove and dispose of material)</p> <ul style="list-style-type: none"> Attendance time for urgent call-outs (from notification) Resolution time for urgent call-outs (from notification) Attendance time for non-urgent call-out Resolution time for non-urgent call-outs 	1 hour	1.19 hours	50 minutes	Contractor has met the required response timeframes under the maintenance contract.
		5 hours	6.17 hours	2.13 hours	
		1.5 working days	1.17 hours	4.31 hours	
		5 working days	21.34 hours	4.27 hours	
Water is sourced from a sustainable resource	Maximum number of resource consent infringements	Nil	Nil	Nil	No infringements received in 2018/2019.

4 Activity funding impact statement

	2018 LTP Year 3 \$000	2018 Actual \$000	2019 LTP Year 1 \$000	2019 Actual \$000
[A] SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	2,304	2,212	2,323	2,224
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	-	4	-	8
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	-	-
Total operating funding [A]	2,304	2,216	2,323	2,232
[B] APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	1,153	980	1,059	935
Finance costs	403	282	364	376
Internal charges and overheads applied	115	304	155	332
Other operating funding applications	-	-	-	-
Total applications of operating funding [B]	1,671	1,566	1,578	1,643
Surplus (deficit) of operating funding [A - B]	633	650	745	589
[C] SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	5	-	-
Increase (decrease) in debt	(117)	(130)	364	(142)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding [C]	(117)	(125)	364	(142)
[D] APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
—to meet additional demand	-	-	-	-
—to improve the level of service	-	215	4	778
—to replace existing assets	540	380	1,131	1,328
Increase (decrease) in reserves	(24)	(24)	(26)	(26)
Increase (decrease) of investments	-	(46)	-	(1,633)
Total applications of capital funding [D]	516	525	1,109	447
Surplus (deficit) of capital funding [C - D]	(633)	(650)	(745)	(589)
Funding balance: [A - B] + [C - D]	-	-	-	-

5 Activity revenue and expense statement

	2018 LTP Year 3 \$000	2018 Actual \$000	2019 LTP Year 1 \$000	2019 Actual \$000
REVENUE				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates (including targeted rates for water supply)	2,304	2,212	2,323	2,224
Subsidies and grants (operating and capital)	-	-	-	-
User charges & regulatory revenue (consent fees, infringements etc)	-	4	-	8
Internal charges and overheads recovered	-	-	-	-
Other revenue	14	5	14	-
Total revenue	2,318	2,221	2,337	2,232
EXPENDITURE				
Staff costs	-	-	-	-
Operating & maintenance costs	1,153	980	1,059	935
Finance costs	403	282	364	376
Internal charges and overheads applied	115	304	155	332
Other expenses	-	-	-	-
Depreciation	649	549	549	549
Total expenditure	2,320	2,115	2,127	2,192
Surplus (deficit) of activities	(2)	106	210	40

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

	2018 LTP Year 3 \$000	2018 Actual \$000	2019 LTP Year 1 \$000	2019 Actual \$000
General renewals & miscellaneous new capital	540	393	585	1,355
Greymouth water supply upgrades	-	-	-	-
Runanga Water Supply - Plant upgrade	-	202	-	739
Dobson/Taylorville - connect to Greymouth	-	-	-	-
Stillwater - connect to Greymouth	-	-	-	-
Replacement reservoir - Greymouth supply	-	-	550	12
Total capital expenditure	540	595	1,135	2,106

7 Variations from budget

1. Payments to staff and suppliers less than budget by \$124,000 due to some works being deferred due to a priority being given to other activities, notably wastewater.
2. Internal charges and overheads applied higher than budget by \$127,000. Per previous years the actual time of staff input has been higher than aimed for with the budgets. This has included responding to issues.
3. Capital expenditure to improve the level of service is \$774,000 greater than budget due to projects being carried forward from prior years, notably the Runanga supply upgrade (work in progress).

4. Capital expenditure to replace existing assets is \$197,000 more than budget due to unbudgeted expenditure on Arnott Heights projects and Boundary Street.
5. Increase (decrease) of investments is less than budget by \$1,599,000. This line represents the overall difference between the sources of funds and the funds applied for this activity. Council represents this as either an increase or decrease in bank/investment balances. As Council budgets to apply (spend) the same amount of funds as it sources (raises), this line is normally nil for budgets. The reality is that there are issues that delay receiving funds as well as spending the funds that result in differences in the actual result.

8 Identified effects of these activities on the community

- There have been on-going problems associated with the protection of the Runanga water supply. The risk of contamination is increased after flood events, and contamination has previously occurred. The community has expressed a clear preference to remain on a non-chlorinated supply. Council has worked with the community in explaining the on-going risks of having a non-chlorinated supply, including there is no residual protection in the network from the chlorine being present. Council is upgrading the water source and treatment plant to protect and treat the water at the source, however per the above there will be no network protection. In the event of any transgression being identified the water will immediately be chlorinated and various methods used to communicate the risk to the community.

5 Solid waste (refuse and recycling)

1 Activities included in this group

Waste management involves:

- Refuse collection
- Recovery of recyclable materials
- Management of Landfill and Clean fill-Resource Recovery Centres
- Management of minor quantities of hazardous waste
- Litter Bin management
- Waste minimisation
- Environmental monitoring, also of closed refuse facilities

Litter control is a Regulatory function and is covered under a separate Activity Management Plan.

2 Why we are involved in this activity/these activities

Solid waste management is necessary for the health and quality of life of the community, the local economy and the environment.

3 Performance measurement

What we're measuring	How we'll measure	2018/2019 target	2017/2018 measure	2018/2019 measure	Notes
The provision of a reliable, efficient and convenient service	% of residents are satisfied facilities (litter bins, recycling stations, recycling centre) are kept clean and tidy	75%	74%	74%	The Resident's Satisfaction Survey was conducted between mid-October and December 2018. Full report available on Council's website.
	% of residents are satisfied with overall service	90%	82%	84%	The Resident's Satisfaction Survey was conducted between mid-October and December 2018. Full report available on Council's website.
	% of waste collected is recycled ²	15%	12%	20%	Recycling has been challenging since the collapse of the Chinese recycling market. There is no indication that other markets are becoming available which will further restrict sale of product moving forward.
	% of residents are satisfied that waste and recyclables are collected on time (where services are provided)	90%	94%	91%	The Resident's Satisfaction Survey was conducted between mid-October and December 2018. Full report available on Council's website.
Facilities and services are managed without adversely affecting the receiving environment	% capacity remaining in landfill cell (100% - annual volume of waste to landfill divided by actual built capacity) <i>NOTE: Construction of Cell 3A commenced in early 2018 and has an estimated life of seven years. * Estimate only.</i>	95%	1%*	99%**	**The new cell (cell 3A) commenced receiving a small amount of waste from 1 June 2019. The amount of available space used during this short period is deemed negligible in terms of the overall cell capacity.
	Maximum number of resource consent infringements	Nil	Nil	Nil	No infringements received in 2018/2019.

² Where Council provides a recycling service.

4 Activity funding impact statement

	2018 LTP Year 3 \$000	2018 Actual \$000	2019 LTP Year 1 \$000	2019 Actual \$000
[A]				
] SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	236	261	225	235
Targeted rates	1,328	1,369	1,374	1,412
Subsidies and grants for operating purposes	47	55	46	54
Fees and charges	754	724	570	963
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	-	-
Total operating funding [A]	2,365	2,409	2,215	2,664
[B]				
] APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	1,702	1,725	1,603	1,676
Finance costs	355	38	152	169
Internal charges and overheads applied	117	117	107	124
Other operating funding applications	-	228	-	282
Total applications of operating funding [B]	2,174	2,108	1,862	2,251
Surplus (deficit) of operating funding [A - B]	191	301	353	413
[C]				
] SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	120
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(154)	(50)	(287)	(287)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding [C]	(154)	(50)	(287)	(167)
[D]				
] APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
—to meet additional demand	-	-	-	-
—to improve the level of service	27	791	28	631
—to replace existing assets	-	1,118	29	291
Increase (decrease) in reserves	10	10	10	(1,359)
Increase (decrease) of investments	-	(1,668)	-	683
Total applications of capital funding [D]	37	251	66	246
Surplus (deficit) of capital funding [C - D]	(191)	(301)	(353)	(413)
Funding balance: [A - B] + [C - D]	-	-	-	-

5 Activity revenue and expense statement

	2018 LTP Year 3 \$000	2018 Actual \$000	2019 LTP Year 1 \$000	2019 Actual \$000
REVENUE				
General rates, uniform annual general charges, rates penalties	236	261	225	235
Targeted rates (including targeted rates for water supply)	1,328	1,369	1,374	1,412
Subsidies and grants (operating and capital)	47	55	46	174
User charges & regulatory revenue (consent fees, infringements etc)	754	724	570	963
Internal charges and overheads recovered	-	-	-	-
Other revenue	-	-	-	-
Total revenue	2,365	2,409	2,215	2,784
EXPENDITURE				
Staff costs	-	-	-	-
Operating & maintenance costs	1,702	1,725	1,603	1,676
Finance costs	355	38	152	169
Internal charges and overheads applied	117	117	107	124
Other expenses	-	228	-	369
Depreciation	122	57	159	58
Total expenditure	2,296	2,165	2,021	2,396
Surplus (deficit) of activities	69	244	194	388

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

	2018 LTP Year 3 \$000	2018 Actual \$000	2019 LTP Year 1 \$000	2019 Actual \$000
Miscellaneous renewals & new capital	27	(152)	27	121
Expand dry storage capacity at McLeans landfill/recycling facility	-	-	-	-
Establish cleanfill site at McLeans landfill	-	-	-	-
New landfill cell design and construction (cell 3)	-	748	-	531
Sea wall construction - closed Cobden landfill	-	1,270	-	170
Old Cobden landfill - reinstatement of area	-	43	29	13
Total capital expenditure	27	1,909	56	835

7 Variations from budget

1. Fees and charges are more than budget by \$393,000 due to higher waste volumes entering the landfill.
2. Council received an unbudgeted grant from the Tourism Infrastructure Fund to fund additional recycling stations.

3. Capital expenditure to improve the level of service is greater than budget by \$516,000 due to the expansion of McLeans Landfill in this financial year. This is a carry over from the 2017/2018 financial year.
4. Capital expenditure being completed to replace existing assets is higher than budget by \$262,000. This is associated with the unplanned expenditure required to rectify the sea intrusion at the now closed Cobden Landfill.
5. Increase (decrease) of investments is more than budget by \$879,000. This line represents the overall difference between the sources of funds and the funds applied for this activity. Council represents this as wither an increase or decrease in bank/investment balances. As Council budgets to apply (spend) the same amount of funds as it sources (raises), this line is normally nil for budgets. The reality is that there are issues that delay receiving funds as well as spending the funds that result in differences in the actual result.
6. Depreciation is less than budget by \$101,000 due to the anticipated depreciation of the new landfill cell not eventuating in the 2017/2018 year due to that project being completed in the current financial year.

8 Identified effects of these activities on the community

- The introduction of kerbside recycling to the 'greater Greymouth' area has resulted in a reduction in the volume of waste being dumped in the landfill. This has a long term positive impact as the landfill facility can offer a longer useful life.
- The 'bring to' recycling facility at McLeans landfill has also been successful in providing a service for those who do not have the kerbside recycling service.
- The provision of environmentally compliant solid waste management services comes at a relatively high cost. Whilst this is accepted by most, a minority choose to dispose of refuse illegally. The cost of illegal dumping is wherever possible recovered from the offending party.

6 Emergency management

1 Activities included in this group

Emergency management includes:

- Civil Defence and Emergency Management, including:
 - Developing, implementing and monitoring District-wide emergency management plans.
 - Promoting community preparedness for emergencies.
 - Working with other authorities, both locally and in the Region, to plan for and respond to hazards, risks and emergencies.
 - Mobilising and responding in the event of an emergency.

2 Why we are involved in this activity/these activities

It is most important to make sure that our District is prepared for emergencies. The District is not only in a high rainfall area and, therefore subject to flooding, but inundation, cyclones and tornados have in the past caused problems. Most importantly, the District is a high risk earthquake area.

Council subscribes to the principles of “reduce, readiness, response, recovery”.

3 Performance measurement

What we're measuring	How we'll measure	2018/2019 target	2017/2018 measure	2018/2019 measure	Notes
Training and preparation of our emergency management personnel in the event of an emergency	Minimum number of in-house/national training exercises participated in annually	2	0	24	24 training sessions were held in 2018/2019.
	Minimum % of personnel trained in the operations of an emergency operations centre (EOC) <i>(Note: measure changed from trained to CIMS 4 standard to EOC operations in 2017/2018)</i>	70%	20%	22%	<p>22% of Grey DC Staff employed are trained in EOC Operations.</p> <p>This lower than target figure is due to:</p> <ul style="list-style-type: none"> • Turnover of trainers – the Emergency Management Officer (EMO) was deployed to a different role part way through the year and recruitment for a replacement took some time. • Turnover of Council staff – staff previously trained in EOC Operations left Council employment during the year, which had an impact on the overall percentage. • Staff workload – high workload meant not as many staff as expected were able to undertake the training which occurred during their working hours. <p>Going forward, there is increased focus on the delivery of more programmes which can be offered to staff not currently trained.</p>

What we're measuring	How we'll measure	2018/2019 target	2017/2018 measure	2018/2019 measure	Notes
Greater public awareness and participation from the public to be better prepared for emergency situations	Minimum % of schools and pre-school organisations visited annually to deliver Civil Defence messages <i>(Note: measure changed from "be better prepared" to Civil Defence messages)</i>	80%	0%	35%	35% of schools visited. This figure does not include pre-schools. It is noted that the focus in the 2018/2019 year was on working with schools via a variety of communication methods (some physical visits were included) to participate in the National 2018 Shakeout Event. The redeployment of the EMO during the year and delay in getting a replacement also impacted on this measure.
	Relevant details are posted on Council's website, including Civil Defence notifications, preparedness reminders etc.	<i>Achieved</i>	Achieved	Achieved	Civil Defence notifications and preparedness reminders are posted to Council website and Facebook page.

4 Activity funding impact statement

	2018 LTP Year 3 \$000	2018 Actual \$000	2019 LTP Year 1 \$000	2019 Actual \$000
[A] SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	223	129	92	95
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	6	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	-	-
Total operating funding [A]	229	129	92	95
[B] APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	130	35	12	22
Finance costs	18	12	15	4
Internal charges and overheads applied	61	52	61	53
Other operating funding applications	-	-	-	-
Total applications of operating funding [B]	209	99	87	79
Surplus (deficit) of operating funding [A - B]	20	30	5	16
[C] SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(5)	(35)	(5)	(5)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding [C]	(5)	(35)	(5)	(5)
[D] APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
—to meet additional demand	-	-	-	-
—to improve the level of service	15	-	-	-
—to replace existing assets	-	1	-	-
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) of investments	-	(6)	-	11
Total applications of capital funding [D]	15	(5)	-	11
Surplus (deficit) of capital funding [C - D]	(20)	(30)	(5)	(16)
Funding balance: [A - B] + [C - D]	-	-	-	-

5 Activity revenue and expense statement

	2018 LTP Year 3 \$000	2018 Actual \$000	2019 LTP Year 1 \$000	2019 Actual \$000
REVENUE				
General rates, uniform annual general charges, rates penalties	223	129	92	95
Targeted rates (including targeted rates for water supply)	-	-	-	-
Subsidies and grants (operating and capital)	-	-	-	-
User charges & regulatory revenue (consent fees, infringements etc)	6	-	-	-
Internal charges and overheads recovered	-	-	-	-
Other revenue	-	-	-	-
Total revenue	229	129	92	95
EXPENDITURE				
Staff costs	45	11	-	-
Operating & maintenance costs	85	24	12	22
Finance costs	18	12	15	4
Internal charges and overheads applied	61	52	61	53
Other expenses	-	-	-	-
Depreciation	12	5	5	4
Total expenditure	221	104	92	83
Surplus (deficit) of activities	8	25	0	12

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

	2018 LTP Year 3 \$000	2018 Actual \$000	2019 LTP Year 1 \$000	2019 Actual \$000
Miscellaneous renewals & new capital	15	1	-	-
New rural fire equipment	-	-	-	-
Total capital expenditure	15	1	-	-

7 Variations from budget

1. No significant variance.

8 Identified effects of these activities on the community

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

7 Environmental services

1 Activities included in this group

Environmental services include:

District Planning

- District Plan
- Policy
- Resource Management (land use)
- Monitoring

Building Control

As a **Building Consent Authority (BCA)** Council carries out the following tasks:

- Processes building consent applications
- Grants and issues building consents
- Undertakes building inspections
- Issues Notices to Fix
- Issues Code Compliance Certificates
- Investigation of complaints relating to building work and illegal buildings
- Issues compliance schedules
- Any other functions and duties specified in the Building Act 2004

As a **Territorial Authority (TA)** Council carries out the following tasks:

- Performs functions relating to our Dangerous, Earthquake-Prone and Insanitary Buildings Policy
- Administration and audit of building warrants of fitness (BWOFF)
- Investigation of building work related complaints where consents have not been applied for or issued
- Issues project information memorandum (PIM)
- Issues building consent discretionary exemptions under Schedule 1(2)
- Processes and Issues Certificates of Acceptance (CoA)
- Issues and amends compliance schedules
- Decides the extent to which buildings must comply with the building code when they're altered, are subject to a change of use, or their specified intended life changes
- Carries out any other functions and duties specified in the Building Act

Other Regulation

- Council bylaws
- District Plan, Building Act and freedom camping compliance

Health Regulation

- Inspection and licensing of food premises under the Food Hygiene Regulations 1974 and the Food Act 2004
- Annual registration of offensive trades, camping grounds, hairdressers, funeral directors, mortuaries and mobile shops, together with other duties under the Health Act 1956
- Responding, investigating and reporting on noise complaints and other duties under the Resource Management Act 1991 and the District Plan
- Ensuring appropriate steps are in place to limit the impact of commercial or industrial noise and ensure compliance within the noise provisions of the District Plan
- Inspection of liquor premises (participation in stakeholder compliance visits), licensing of liquor premises, reporting to the Alcohol Regulatory and Licensing Authority (ARLA) and the Grey District Licensing Committee (DLA) and administering new applications or renewals of managers certificates

Dog/Stock Control

- Investigation of complaints about dogs including barking, wandering, menacing and dangerous dogs
- Enforcing legislation and Council's bylaws which govern where dogs are permitted, control of dogs on a leash and fencing of dogs within a property boundary
- Impounding wandering dogs and taking steps to identify the owner of the dog
- Maintaining a register of dogs generally and for those classified as menacing or dangerous
- Responding to wandering stock complaints

Local Government legislation requires that Council, where possible, maintain a clear division between its operational and regulatory functions. Local authorities, as facilitators of development and growth, also have to comply with statutory requirements and administer legislative powers in a fair and objective manner and avoid conflicts of interest. It is for this reason that these activities are in the same grouping.

2 Why we are involved in this activity/these activities

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

- The district planning service ensures the District is able to promote development to support a prosperous community without compromising rights of residents and the District's physical and natural assets/resources. It achieves this aim by appropriate application of the Resource Management Act, through the review and implementation of the District Plan and its resource consent and monitoring functions.
- Council's building control services ensures that the District's buildings and other associated structures (such as swimming pools) are safe, habitable and meet National legislative requirements. Of particular importance is Council's role in advising on and, where necessary, enforcing the statutory provisions relating to earthquake prone buildings.
- Other regulation 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.
- Health regulation services aim to protect our community from infectious and notifiable diseases by promoting food safety practices in food establishments. This activity also aims to ensure that hairdressing businesses, gaming machines, camping grounds and those selling liquor conform to appropriate standards.
- The dog and stock control service aims to provide a safer District by reducing dog-related offences through ensuring the registration of dogs, the education of their owners and the investigation of complaints. In addition, this service seeks to support safer road and rail corridors by responding to complaints about wandering stock and working with landowners to maintain stock proof fencing. Council undertakes this activity in accordance with its obligations under the Dog Control Act 1996 and Impounding Act 1955.

3 Performance measurement

What we're measuring	How we'll measure	2018/2019 target	2017/2018 measure	2018/2019 measure	Notes
Council is efficiently processing information requests and consent applications within statutory time limits	% of Land Information Memoranda (LIMs) issued within 10 working days of application	100%	91%	94%	285 of 304 LIMs were issued within 10 working days in 2018/2019. The LIM process is currently undergoing a process change to improve this figure.
	% of non-notified land use consents processed within 20 working days	100%	68%	90%	56 of 62 non-notified consents were processed within 20 days in 2018/2019 and 6 consents took over 20 days to process. Not enough staff to process consents within the timeframe contributed to this and the excess work is now contracted out to ensure all consents are processed within 20 working days.
	% of building consent applications issued with statutory time limits	100%	98.68%	97.3%	432 of 444 building consent applications issued within statutory time limits. Consents had been contracted out however they have now been brought back in house. Targets are now consistently improving.
	% of Code of Compliance Certificates issued with statutory time limits	100%	95.8%	93.5%	402 of 430 CCC issued within statutory timeframes and 28 being outside the statutory time limit. This decrease was due to staff vacancies, which have now been filled.
	% of building inspection undertaken at agreed times	95%	100%	100%	Staff are confident that all appointments were undertaken at agreed times during 2018/2019. No

What we're measuring	How we'll measure	2018/2019 target	2017/2018 measure	2018/2019 measure	Notes
					complaints were reported regarding missed appointments. Better communications with consent holders have enabled bookings to be kept. A diary process is being used and is proving successful. Greater knowledge of the process by builders enabled the 100% result.
We are ensuring that buildings within the District are safe and meet national quality standards	Required % of owners of earthquake prone buildings in the District aware of their obligations to strengthen their buildings to the required standard	100%	100%	100%	During 2018/2019, a letter was sent to all potential priority building owners (117 letters sent), updated information put on our website and communicated via newspaper articles.
	Grey District Council maintains accreditation as a building consent authority	Achieved	Achieved	Achieved	BCA Accreditation has been maintained. Next assessment is March 2020.
A safer District is being provided for by promoting responsible dog ownership and monitoring food and liquor premises	% of known dogs registered by August each year	90%	85.7%	85.2%	2,287 of 2,684 dogs are registered. Council again had a prize draw for those who registered on or before the due date, which helped towards achieving a good result of a majority of dogs registered on time.
	Time taken to respond to food premises complaints	5 days	New measure	100%	All complaints are responded to within 24 hours.
	% of premises requesting new and renewed liquor licenses that are inspected	100%	100%	86%	There are a total of 50 licensed premises in the Grey District. During 2018/2019, 43 of these premises were visited when either requesting a new or renewed liquor license or as part of monthly inspections. 7 were not visited due to operating outside of the inspector's working hours - this is the reason for target being underachieved.
We are responding to service requests in a timely manner	% of after-hours noise complaints responded to within two hours	95%	100%	97%	Council contracts a security company to provide this service. Reports of complaints are monitored and checked by our staff daily.
	% of after-hours animal control complaints responded to within two hours	95%	100%	100%	All 97 complaints received were responded to within one hour.

What we're measuring	How we'll measure	2018/2019 target	2017/2018 measure	2018/2019 measure	Notes
	% of complaints about breaches of bylaws and District Plan rules are responded to within five working days	95%	100%	100%	Only a small number of complaints were received, and these were dealt with within the required timeframe. Where a resource consent was required, this is within the required consent timeframes.
Our District Plan is effective in developing and maintaining sustainable development and a satisfactory environment	% of land use consents issued since 2005 are monitored for compliance with conditions	25%	19%	2.6%	25 out of 973 consents issued since 2005 have been recorded as being monitored in 2018/2019. It is noted that more consents were monitored than the measure indicates but as the details were not recorded at the time, unfortunately we have not been able to include them in the calculation. Also impacting on low levels of monitoring were changes in staff during this period.
	% of residents satisfied with Council's regulation of land use throughout the District	60%	46%	52%	The Resident's Satisfaction Survey was conducted between mid-October and December 2018. Full report available on Council's website.
<i>Iwi</i> are consulted on all new policies, bylaws, District Plan changes and notified resource consents	New policies, bylaws, DP changes and notified resource consents have involved <i>Iwi</i> consultation as required	<i>Achieved</i>	<i>Achieved</i>	<i>Achieved</i>	For all publicly notified consents, notice is served on both Ngai Tahu and Ngati Waewae (note: this is DP specific only). Ongoing communication will continue with <i>iwi</i> for future projects.

4 Activity funding impact statement

	2018 LTP Year 3 \$000	2018 Actual \$000	2019 LTP Year 1 \$000	2019 Actual \$000
[A] SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	852	895	975	1,019
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	1,008	983	1,038	938
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	67	123	126	135
Total operating funding [A]	1,927	2,001	2,139	2,092
[B] APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	337	574	417	689
Finance costs	-	-	-	-
Internal charges and overheads applied	1,555	1,671	1,703	1,722
Other operating funding applications	-	-	-	-
Total applications of operating funding [B]	1,892	2,245	2,119	2,411
Surplus (deficit) of operating funding [A - B]	35	(244)	20	(319)
[C] SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	47	69	26	75
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding [C]	47	69	26	75
[D] APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
—to meet additional demand	-	-	-	-
—to improve the level of service	-	-	15	-
—to replace existing assets	118	4	4	47
Increase (decrease) in reserves	(36)	54	26	59
Increase (decrease) of investments	-	(233)	-	(350)
Total applications of capital funding [D]	82	(175)	46	(244)
Surplus (deficit) of capital funding [C - D]	(35)	244	(20)	319
Funding balance: [A - B] + [C - D]	-	-	-	-

5 Activity revenue and expense statement

	2018 LTP Year 3 \$000	2018 Actual \$000	2019 LTP Year 1 \$000	2019 Actual \$000
REVENUE				
General rates, uniform annual general charges, rates penalties	852	895	975	1,019
Targeted rates (including targeted rates for water supply)	-	-	-	-
Subsidies and grants (operating and capital)	-	-	-	-
User charges & regulatory revenue (consent fees, infringements etc)	1,008	983	1,038	938
Internal charges and overheads recovered	-	-	-	-
Other revenue	114	192	152	214
Total revenue	1,974	2,070	2,165	2,171
EXPENDITURE				
Staff costs	11	5	21	6
Operating & maintenance costs	326	569	396	683
Finance costs	-	-	-	-
Internal charges and overheads applied	1,555	1,671	1,703	1,722
Other expenses	-	-	-	-
Depreciation	42	3	3	3
Total expenditure	1,934	2,248	2,122	2,414
Surplus (deficit) of activities	40	(178)	43	(243)

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

	2018 LTP Year 3 \$000	2018 Actual \$000	2019 LTP Year 1 \$000	2019 Actual \$000
Replacement of operational vehicles	112	-	-	43
Miscellaneous renewals & new capital	6	4	19	4
Total capital expenditure	118	4	19	47

7 Variations from budget

1. Payments to staff and suppliers higher than budget by \$266,000. This is largely due to additional costs being incurred to support Council's continuing accreditation as a Building Consent Authority, and costs associated with the outsourcing building consent processing.
2. Increase (decrease) of investments is less than budget by \$318,000. This line represents the overall difference between the sources of funds and the funds applied for this activity. Council represents this as either an increase or decrease in bank/investment balances. As Council budgets to apply (spend) the same amount of funds as it sources (raises), this line is normally nil for budgets. The reality is that there are issues that delay receiving funds as well as spending the funds that result in differences in the actual result.

8 Identified effects of these activities on the community

- During the year Council continued to enforce its Earthquake-Prone Buildings (EQPB) Policy. In developing this policy, the Grey District Council must balance the need to protect public health and safety against the economic implications of requiring significant remedial building work and the community's desire to protect historic structures and the West Coast heritage. Council has continued to proactively engage with the community and building owners concerning their obligations under the policy.

8 Other transport

1 Activities included in this group

Other transport includes:

Greymouth Aerodrome

- The aerodrome, including the runway, taxi area, grass runway for use by microlight aircraft as well as navigation lights.
- The Greymouth Aero Club as service provider to incoming and departing aircraft.
- Management of the land portfolio in the form of land leases and rights to occupy.

Parking

- The provision of parking.
- Regulating the use of parking.

Port of Greymouth

- Managing the port, the breakwaters, wharves and the slipway.
- Managing the navigation safety function.
- Managing the land holding portfolio.

2 Why we are involved in this activity/these activities

Council provides these services as part of a much wider array of services aimed at improving the health, safety, enjoyment and connectedness of our community. Each component contributes as follows:

- The aerodrome is an important strategic asset. It not only provides the opportunity for use by smaller commercial and private aircraft but also provides a convenient transport option for Grey Base Hospital for the transfer of patients and staff as well for emergency air rescue services. In addition it is an important training venue for related activities and defensive driver training. St John's Ambulance and Land Search & Rescue both have headquarters located on the aerodrome site.
- The Parking function is an integral component of a vibrant and growing CBD and important access to other key services in the District. It provides for safety and convenient access to commercial, educational and service industries and venues.
- The ownership of the Port was transferred to Council as part of the 1989 Local Government Reorganisation. Port of Greymouth is an important fishing asset as it is located closest to the lucrative Hokitika Trench fishing grounds. It provides safe berthage to a local and, from time to time, visiting fishing fleet as well. It is home to the fish handling and processing activities of two firms.

3 Performance measurement

Aerodrome

What we're measuring	How we'll measure	2018/2019 target	2017/2018 measure	2018/2019 measure	Notes
The provision of a safe service	Meet Civil Aviation Authority requirements for the aerodrome	<i>Achieved</i>	Achieved	Achieved	Significant upgrades were completed in order to meet CAA requirements, which will shortly be certified.
Customer satisfaction	% of residents satisfied that the aerodrome provides essential emergency air services (<i>New measure from 2018/2019</i>)	70%	New measure	72%	The Resident's Satisfaction Survey was conducted between mid-October and December 2018. Full report available on Council's website.

Parking

What we're measuring	How we'll measure	2018/2019 target	2017/2018 measure	2018/2019 measure	Notes
The maintenance, safety, convenience & accessibility of parking in the CBD	Off road car parks are inspected regularly for deterioration in surface seal, markings and signage Information on remedial action will be made publicly available via the monthly meeting agenda	<i>Achieved</i>	Achieved	Achieved	Inspections are undertaken weekly by the Parking Enforcement Officer and on request. Any matters for attention are brought to the attention of the Department Manager.
Customer satisfaction	% of residents are satisfied with the availability of public parking	80%	74%	75%	The Resident's Satisfaction Survey was conducted between mid-October and December 2018. Full report available on Council's website.
Sustainability of the service for the future	Implementation of a parking strategy for the CBD and environs with key stakeholders – Strategy to be reviewed every three years	<i>Implementation in progress</i>	Achieved	Achieved	Adjustments to Parking Strategy made during 2018/2019. A new study is scheduled for the coming year as part of the CBD Redevelopment Plan.

Port of Greymouth

What we're measuring	How we'll measure	2018/2019 target	2017/2018 measure	2018/2019 measure	Notes
Confidence of users	Annual survey of Port users completed in August, measuring satisfaction	65%	New measure	92%	23 questionnaires were sent out and four responses received back. The satisfaction rating is based on the responses received regarding facilities (including berths and slipways) and service provided by staff. Negative comments received were that the cost of use is too high.
Provision of a safe and reliable service	Number of incidents recorded per year in Incident Register	< 2	New measure	2	2 incidents of vessels being aground in the lagoon were recorded.
Communication with users	At least four (4) informal discussions with Westfleet and Talley's management and two minuted meetings per year	<i>2 meetings</i>	New measure	2 meetings minuted and informal meetings >5 with Westfleet and Talleys	Two minuted meetings were held, on 1 November 2018 and 28 May 2019. Regular informal meetings with Westfleet & Talley's in excess of five with each company (dates not recorded).

4 Activity funding impact statement

	2018 LTP Year 3 \$000	2018 Actual \$000	2019 LTP Year 1 \$000	2019 Actual \$000
[A] SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	398	390	415	433
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	515	425	435	523
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	33	74	56	47
Total operating funding [A]	946	889	906	1,003
[B] APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	631	553	811	1,430
Finance costs	182	118	114	143
Internal charges and overheads applied	253	260	244	297
Other operating funding applications	-	-	-	-
Total applications of operating funding [B]	1,066	931	1,168	1,870
Surplus (deficit) of operating funding [A - B]	(120)	(42)	(262)	(867)
[C] SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	750
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	432	153	327	204
Gross proceeds from sale of assets	20	23	-	54
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	1,200
Total sources of capital funding [C]	452	176	327	2,208
[D] APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
—to meet additional demand	-	-	-	-
—to improve the level of service	-	84	-	84
—to replace existing assets	269	(52)	3	1,740
Increase (decrease) in reserves	63	(24)	62	(459)
Increase (decrease) of investments	-	126	-	(24)
Total applications of capital funding [D]	332	134	65	1,341
Surplus (deficit) of capital funding [C - D]	120	42	262	867
Funding balance: [A - B] + [C - D]	-	-	-	-

5 Activity revenue and expense statement

	2018 LTP Year 3 \$000	2018 Actual \$000	2019 LTP Year 1 \$000	2019 Actual \$000
REVENUE				
General rates, uniform annual general charges, rates penalties	398	390	415	433
Targeted rates (including targeted rates for water supply)	-	-	-	-
Subsidies and grants (operating and capital)	-	-	-	750
User charges & regulatory revenue (consent fees, infringements etc)	515	425	435	523
Internal charges and overheads recovered	-	-	-	-
Other revenue	53	74	56	1,247
Total revenue	966	889	906	2,953
EXPENDITURE				
Staff costs	215	203	282	228
Operating & maintenance costs	416	350	529	1,202
Finance costs	182	118	114	143
Internal charges and overheads applied	253	260	244	297
Other expenses	-	41	-	-
Depreciation	296	194	469	238
Total expenditure	1,362	1,166	1,637	2,108
Surplus (deficit) of activities	(396)	(277)	(731)	845

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

	2018 LTP Year 3 \$000	2018 Actual \$000	2019 LTP Year 1 \$000	2019 Actual \$000
Miscellaneous renewals & new capital	3	3	3	50
Dredging - Port of Greymouth	-	29	-	-
Breakwater repairs	-	-	-	1,774
Berth renewals	266	-	-	-
Port Beacon/Light Replacement	-	-	-	-
Total capital expenditure	269	32	3	1,824

7 Variations from budget

1. Subsidies and grants are \$750,000 more than budget. This is due to the receipt of funds from the Provincial Growth Fund for the dredging of the Port.
2. Other revenue is \$1,191,000 more than budget due to the receipt of insurance proceeds for the storm damage to the Cobden Breakwater.
3. Fees and charges are \$88,000 more than budget due to contributions from Port users for the port dredging.

4. Payments to staff and supplies is \$619,000 more than budget due to the additional costs associated in dredging the port.
5. Capital expenditure to replace existing assets is \$1,737,000 more than budget due to the unbudgeted cost to repair the Cobden Breakwater.
6. Increase (decrease) in reserves is less than budget by \$521,000. This relates to more funds being transferred from the Harbour Land Sales Reserve to fund port deficits.

8 Identified effects of these activities on the community

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

9 Property and housing

1 Activities included in this group

This includes:

Retirement Housing

- Maintaining and managing occupation of 118 units.
- Pro-active provision of further retirement housing units.

Property

- A land leasehold portfolio consisting of 54 residential leases and 35 commercial leases.
- A building portfolio involving three leased buildings and the buildings supporting Council's administrative function (Tainui St and Runanga Service Centre).
- Other buildings enabling the delivery of community services, e.g. Westland Recreation Centre, History House, Women's Centre and Left Bank Art Gallery.
- Unused Council land consisting of various titles across the District.
- Management of leases with Mawhera Incorporation regarding land leased by Council.

2 Why we are involved in this activity/these activities

Council is proud of its provision of quality pensioner housing. Council is also committed to managing its property portfolio responsibly so as to maximize revenue for the benefit of all residents.

3 Performance measurement

Retirement Housing

What we're measuring	How we'll measure	2018/2019 target	2017/2018 measure	2018/2019 measure	Notes
An affordable, well maintained and efficient retirement housing service is provided	Achievement of minimum percentage of occupancy rates	95%	97%	98%	All units are effectively let. Council takes the opportunity between tenants to undertake any necessary renewal works.
	Retention of the 0800 24 hours contact service for emergency repairs and maintenance (e.g. water breaks etc.)	<i>Achieved</i>	Achieved	Achieved	Council continues to provide the 0800 number which is directed to a local service provider. All residents are advised of this service.
	Rent levels set annually below market rates	<i>Achieved</i>	Achieved	Achieved	Based on anecdotal evidence available from the Ministry of Business Innovation and Employment (MBIE) rentals are approximately 60% of market rentals.
	Flats are inspected at least once per year	<i>Achieved</i>	New measure	Achieved	The Property Officer carried out interior flat inspections during +. Building Control Officers and contractors carried out an exterior general maintenance condition assessment during 2018/2019. The information from this will form part of our ongoing maintenance programme.
Customer satisfaction	% tenants satisfied with the service (annual survey of tenants)	90%	New measure	97.4%	An annual survey was carried out in May 2019. The measure reported here is the score for overall satisfaction.

4 Activity funding impact statement

	2018 LTP Year 3 \$000	2018 Actual \$000	2019 LTP Year 1 \$000	2019 Actual \$000
[A] SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	200	-	-
Fees and charges	854	767	812	805
Internal charges and overheads recovered	274	255	452	247
Local authorities fuel tax, fines, infringement fees, & other receipts	-	9	-	-
Total operating funding [A]	1,128	1,231	1,264	1,052
[B] APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	711	560	795	639
Finance costs	55	59	93	70
Internal charges and overheads applied	181	189	175	216
Other operating funding applications	-	284	-	-
Total applications of operating funding [B]	947	1,092	1,063	925
Surplus (deficit) of operating funding [A - B]	181	139	201	127
[C] SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(85)	(71)	(57)	228
Gross proceeds from sale of assets	100	112	-	19
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding [C]	15	41	(57)	247
[D] APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
—to meet additional demand	-	-	-	-
—to improve the level of service	-	45	-	370
—to replace existing assets	57	54	87	187
Increase (decrease) in reserves	139	1	57	49
Increase (decrease) of investments	-	80	-	(232)
Total applications of capital funding [D]	196	180	144	374
Surplus (deficit) of capital funding [C - D]	(181)	(139)	(201)	(127)
Funding balance: [A - B] + [C - D]	-	-	-	-

5 Activity revenue and expense statement

	2018 LTP Year 3 \$000	2018 Actual \$000	2019 LTP Year 1 \$000	2019 Actual \$000
REVENUE				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates (including targeted rates for water supply)	-	-	-	-
Subsidies and grants (operating and capital)	-	200	-	-
User charges & regulatory revenue (consent fees, infringements etc)	854	767	812	805
Internal charges and overheads recovered	274	255	452	247
Other revenue	100	113	65	44
Total revenue	1,228	1,335	1,329	1,096
EXPENDITURE				
Staff costs	-	-	-	-
Operating & maintenance costs	711	560	795	639
Finance costs	55	59	93	70
Internal charges and overheads applied	181	189	175	216
Other expenses	-	289	-	-
Depreciation	398	406	406	420
Total expenditure	1,345	1,503	1,469	1,345
Surplus (deficit) of activities	(117)	(168)	(140)	(249)

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

	2018 LTP Year 3 \$000	2018 Actual \$000	2019 LTP Year 1 \$000	2019 Actual \$000
Miscellaneous renewals & new capital	57	9	87	46
Council main offices - waterproofing and miscellaneous renewal	-	-	-	-
Left Bank Art Gallery - Earthquake strengthening	-	45	-	370
Retirement Housing - wastewater connections	-	-	-	-
Increase file and yard storage capacity	-	-	-	-
Retirement Housing insulation upgrades	-	-	-	-
Retirement Housing renewals	-	45	-	141
Total capital expenditure	57	99	87	557

7 Variations from budget

1. Internal charges and overheads recovered less than budget by \$205,000 as the amount recovered reflects the amount spent which was less than budget across the board for 2018/2019.
2. Payments to staff and suppliers less than budget by \$156,000 due to a number of expenditure savings across the board and some property maintenance being deferred due to other activity priorities.

3. Capital expenditure to improve levels of service is \$370,000 more than budget. This relates to the strengthening of the Left Bank Art Gallery building which was budgeted in the 2017/2018 year and carried forward into the 2018/2019 year.
4. Capital expenditure to replace existing assets is \$100,000 more than budget. This is due to additional costs incurred to continue to meet healthy homes legislation on retirement housing.
5. Increase (decrease) of investments is greater than budget by \$232,000. This line represents the overall difference between the sources of funds and the funds applied for this activity. Council represents this as either an increase or decrease in bank/investment balances. As Council budgets to apply (spend) the same amount of funds as it sources (raises), this line is normally nil for budgets. The reality is that there are issues that delay receiving funds as well as spending the funds that result in differences in the actual result.

8 Identified effects of these activities on the community

- Council continues to offer quality retirement housing at below market rental rates. This has a positive impact on those in need, as evidenced by the continuing popularity.

10 Community facilities & events

1 Activities included in this group

Community facilities include:

Libraries

- Greymouth Library (including Pioneer Library)
- Runanga Library

Swimming Pools

- Westland Recreation Centre
- Spring Creek Pool, Runanga

Museum

- History House Museum

Heritage, Arts & Culture

- Financial support to other Arts, Culture and Heritage bodies

Indoor Sport Centres

- Westland Recreation Centre

Cemeteries

- Karoro Cemetery
- Gladstone Cemetery
- Stillwater Cemetery
- Barrytown Cemetery
- Blackball Cemetery
- Ahaura Cemetery
- Nelson Creek Cemetery (Ngahere)
- Moonlight Cemetery (not maintained)
- Maori Gully
- Cobden Cemetery
- Greenstone Cemetery
- Dungaville Cemetery (not maintained)
- Notown Cemetery
- Napoleon's Hill Cemetery (not maintained)

Parks and Tracks

- Parks
- Playgrounds
- Walking tracks
- Other open areas accessible to the public.

Council's In-house task force

Public restrooms

- Ten public toilets some with other facilities

2 Why we are involved in this activity/these activities

It is a requirement for any community to have access to a wide range of services that makes living in that area and visiting that area attractive and enjoyable. It is often described as services and activities that make any community "whole". These services often "define" a community and give the community identity and a sense of belonging.

Services can be in the form of active and passive recreation and enjoyment.

3 Performance measurement

Libraries

What we're measuring	How we'll measure	2018/2019 target	2017/2018 measure	2018/2019 measure	Notes
Customer satisfaction	% of residents are satisfied with service	80%	79%	84%	The Resident's Satisfaction Survey was conducted between mid-October and December 2018. Full report available on Council's website.
Community participation and engagement with the service	Number of outreach literacy learning and educational programmes delivered annually e.g. story-time, Summer Reading Challenge, housebound deliveries, adult education programmes	240	221	248	The Library averages 21 events per month, providing a range of activities to all sectors of the Grey District community.
	% of residents who are members of the Library	77%	80.6%	84%	11,228 enrolled borrowers as a percentage of 13,371 population of the Grey District.
Availability, accessibility and quality of the library service	The Grey District Library is open at least one late night per week and on Saturday mornings	<i>Achieved</i>	Achieved	Achieved	The Library in Greymouth is open every Saturday morning except at Easter and is open every Wednesday evening except on public holidays and the week between Christmas and New Year.
	An on-line service is provided to allow members to browse the library catalogue (both printed and electronic) and make collection reservations	<i>Achieved</i>	Achieved	Achieved	Access to the online service is available via Council's website or directly via the URL https://ent.kotui.org.nz/client/en_AU/grey
	% of material less than ten years old (note: excludes the Pioneer Library)	85%	69.34%	67.5%	22,320 of 33,083 items in the collection are less than ten years old as at 30 June 2019. During the reporting period, the Library accepted donations of some older material.
	Retain free public internet access for New Zealand citizens	<i>Achieved</i>	Achieved	Achieved	The Library continues to provide free public internet access via membership of the Aotearoa People's Network Kahoroa (APNK).
	Increased number of WIFI connections annually within Grey District Library and vicinity	24,000	19,550	19,778	This is the usage for nine months from October 2018 to June 2019. Due to the change in WIFI provider, the National Library was unable to provide usage statistics from June to September 2018. Available from http://www.aotearoapeoplesnetwork.org/content/wifi-statistics-download
	Increased Facebook likes and reach	403	New measure	571	As at 18 July 2019, the Library Facebook page had 571 likes.

What we're measuring	How we'll measure	2018/2019 target	2017/2018 measure	2018/2019 measure	Notes
Developing the library collection and building our local identity	% of new items acquired each year – New Zealand material or written by New Zealand authors	5%	6.5%	6.3%	211 of the 3,371 new items added to the library collection were New Zealand material or written by New Zealand authors in 2018-19. GY New Items added – NZ author or topic July 18 – June 19

Swimming Pools

What we're measuring	How we'll measure	2018/2019 target	2017/2018 measure	2018/2019 measure	Notes
A safe service is provided	% compliance with the NZ Water Quality Standards	100%	100%	100%	External water tests are completed monthly. Internal tests are done three hourly. Pool Safe accreditation received 2019.
	Lifeguards are trained to the NZ national standard	Achieved	Achieved	Achieved	Only certified lifeguards are on duty. Uncertified lifeguards are identified as trainees until certified. Meeting all national standards as per Pool safe regulations
Customer satisfaction	% of residents are satisfied with service	75%	61%	85%	The Resident's Satisfaction Survey was conducted between mid-October and December 2018. Full report available on Council's website.
Availability, accessibility and quality of the service	Number of users annually – Greymouth	90,000	92,133	90,831	Note: At present the number of users counted includes gym, pool and swim school member visits at the Westland Recreation Centre (WRC). The number of pool users has been estimated using a percentage of the total number of membership card swipes and over the counter payments. We are looking to make changes to our data collection to more accurately report this number in the future.
	Number of users annually – Runanga	1,000	4,189	2,347	There is a decrease from last year due to the WRC being back in full operation (last year the WRC was closed over summer, which saw an increase in Runanga numbers).
	Service availability: <ul style="list-style-type: none"> Greymouth: seven days a week Runanga: seven days a week during the swim season 	Achieved	Achieved	Achieved	The WRC pool is open seven days a week and most public holidays. Spring Creek Pool in Runanga was open seven days a week during the summer season.
	Number of Swim School registrations per term	380	335	534	This include pre-school numbers and private lessons.

What we're measuring	How we'll measure	2018/2019 target	2017/2018 measure	2018/2019 measure	Notes
	Minimum total swims per capita (national per capita swim averages are 5.5)	6.5	7.2	7.0	Calculated by adding users at the WRC and Spring Creek pools (93,178) and dividing by population (13,371).
Management of potential adverse effects on the environment	No Resource Consent infringements for the coal fired boiler	<i>Achieved</i>	Achieved	Achieved	Emissions reports showed no infringements on our Resource Consent conditions.

History House Museum

What we're measuring	How we'll measure	2018/2019 target	2017/2018 measure	2018/2019 measure	Notes
Customer satisfaction	% of users that are satisfied with the service	70%	Not measured	Not measured	The History House Museum building was closed in February 2017 due to earthquake prone building concerns. A temporary pop-up exhibition was held in an alternative location from December 2017 to July 2018. Customer satisfaction was not measured in the last Resident Satisfaction Survey due to this closure.
Availability, accessibility and quality of the service	Increased social media (i.e. Facebook and Instagram) likes and reach	10	New measure	105	As at 18 July 2019, the History House Museum Facebook page had 105 likes.
	New displays prepared each year	2	13	0	Nil due to the closure of the History House Museum building and no temporary exhibition since July 2018.
	Informative rack cards and flyers are provided and distributed to tourist locations annually as required	<i>Achieved</i>	Achieved	Not achieved	Nil due to the closure of the History House Museum building and no temporary exhibition since July 2018.
	Contribute relevant material to external authors of publications and/or promotion articles, locally or nationally <i>(Clarified that Museum staff provide material for externally written articles/publications)</i>	<i>4 articles per year</i>	1	Not achieved	Nil due to the closure of the History House Museum building and no temporary exhibition since July 2018.
	Increased number of visitors (per annum)	2,000	New measure	547	Note the temporary exhibition closed on 15 July 2018.

Westland Recreation Centre

What we're measuring	How we'll measure	2018/2019 target	2017/2018 measure	2018/2019 measure	Notes
Customer satisfaction	% of residents satisfied with the service	75%	74%	79%	The Resident's Satisfaction Survey was conducted between mid-October and December 2018. Full report available on Council's website.
	% of residents satisfied with sports stadiums	75%	73%	80%	The Resident's Satisfaction Survey was conducted between mid-October and December 2018. Full report available on Council's website.
	% of residents satisfied with fitness centres/gyms	70%	68%	73%	The Resident's Satisfaction Survey was conducted between mid-October and December 2018. Full report available on Council's website.
Availability, accessibility and quality of the service	The Westland Recreation Centre will be available for use seven days a week	<i>Achieved</i>	Achieved	Achieved	All agreement standards achieved.

Cemeteries

What we're measuring	How we'll measure	2018/2019 target	2017/2018 measure	2018/2019 measure	Notes
Customer satisfaction	% of residents satisfied with the standard of cemetery facilities (<i>New measure from 2018/2019</i>)	90%	New measure	89%	The Resident's Satisfaction Survey was conducted between mid-October and December 2018. Full report available on Council's website.
Availability of on-line cemetery records	On-line register updated with each new interment	<i>All sites available online except Karoro</i>	Not achieved	Not achieved	Data is nearing completion and discussions with consultant to migrate the information to online service has commenced.
Environmental effects	Maximum number of resource consent breaches to show the facilities are managed without adversely affecting the receiving environment	<i>Nil</i>	Nil	Nil	None received for this financial year.

Parks and Tracks

What we're measuring	How we'll measure	2018/2019 target	2017/2018 measure	2018/2019 measure	Notes
Customer satisfaction	% of residents are satisfied with the service	85%	92%	90%	The Resident's Satisfaction Survey was conducted between mid-October and December 2018. Full report available on Council's website.

Public Toilets

What we're measuring	How we'll measure	2018/2019 target	2017/2018 measure	2018/2019 measure	Notes
Customer satisfaction	% of residents are satisfied with the service	70%	68%	70%	The Resident's Satisfaction Survey was conducted between mid-October and December 2018. Full report available on Council's website.

4 Activity funding impact statement

	2018 LTP Year 3 \$000	2018 Actual \$000	2019 LTP Year 1 \$000	2019 Actual \$000
[A] SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	2,920	3,112	3,129	3,265
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	32	30	30	104
Fees and charges	1,352	774	1,318	1,132
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	-	1	-	2
Total operating funding [A]	4,304	3,917	4,477	4,503
[B] APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	3,284	3,546	3,381	4,118
Finance costs	406	252	278	296
Internal charges and overheads applied	547	542	612	591
Other operating funding applications	-	(229)	-	16
Total applications of operating funding [B]	4,237	4,111	4,271	5,021
Surplus (deficit) of operating funding [A - B]	67	(194)	206	(518)
[C] SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	400	926	400	680
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(334)	(456)	(436)	(506)
Gross proceeds from sale of assets	-	2	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding [C]	66	472	(36)	174
[D] APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
—to meet additional demand	-	-	-	-
—to improve the level of service	7	2,382	108	645
—to replace existing assets	148	325	204	248
Increase (decrease) in reserves	(22)	(1,040)	(143)	(115)
Increase (decrease) of investments	-	(1,389)	-	(1,122)
Total applications of capital funding [D]	133	278	170	(344)
Surplus (deficit) of capital funding [C - D]	(67)	194	(206)	518
Funding balance: [A - B] + [C - D]	-	-	-	-

5 Activity revenue and expense statement

	2018 LTP Year 3 \$000	2018 Actual \$000	2019 LTP Year 1 \$000	2019 Actual \$000
REVENUE				
General rates, uniform annual general charges, rates penalties	2,920	3,112	3,129	3,265
Targeted rates (including targeted rates for water supply)	-	-	-	-
Subsidies and grants (operating and capital)	432	956	430	784
User charges & regulatory revenue (consent fees, infringements etc)	1,352	774	1,318	1,132
Internal charges and overheads recovered	-	-	-	-
Other revenue	-	3	-	2
Total revenue	4,704	4,845	4,877	5,183
EXPENDITURE				
Staff costs	1,349	1,582	1,341	1,669
Operating & maintenance costs	1,935	1,964	2,040	2,449
Finance costs	406	252	278	296
Internal charges and overheads applied	547	542	612	591
Other expenses	-	(229)	-	16
Depreciation	886	1,485	1,488	1,681
Total expenditure	5,123	5,596	5,759	6,702
Surplus (deficit) of activities	(419)	(751)	(882)	(1,519)

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

	2018 LTP Year 3 \$000	2018 Actual \$000	2019 LTP Year 1 \$000	2019 Actual \$000
Miscellaneous renewals & new capital	155	205	84	379
Vehicle/plant replacement	-	-	-	-
New Toilet - Northern Breakwater/Cobden Eco-sanctuary	-	10	-	-
New Toilet - Blackball	-	-	-	200
New Toilet - Anzac Park	-	-	92	-
Westland Recreation Centre	-	-	-	5
Library collection purchases	-	56	66	70
Grey Aquatic Centre - roof remediation	-	1,094	-	-
Grey Aquatic Centre - tile remediation	-	95	-	-
CBD Renewal Projects	-	1,247	-	239
History House upgrade	-	-	70	-
Total capital expenditure	155	2,707	312	893

7 Variations from budget

1. Fees and charges less than budget by \$186,000 mainly due to revenue received at the Westland Recreation Centre being less than budget. This is because only five months of data was available on which to build the 2018/2019 budgets due to the closure of the Westland Recreation Centre pool for roof repairs for seven months during 2017/2018. This has resulted in a more difficult target to be achieved.
2. Subsidies and grants are \$580,000 more than budget due to receipt of funds for the roof repairs at the Westland Recreation Centre pool offset by lower than anticipated funds received from Development West Coast for the operations of the centre.
3. Payments to staff and suppliers \$737,000 higher than budget, for various reasons, including additional staff costs at the Westland Recreation Centre compared to that forecast in the Annual Plan budget.
4. Capital expenditure overall is \$581,000 higher than budget. This includes the CBD renewal works, the completion of which has been delayed and carried forward from prior year budgets. As well as this it includes the roof remediation at the Grey Aquatic Centre, which was not included in the Annual Plan budget as originally anticipated to be completed prior to 2018/2019.
5. Increase (decrease) of investments is less than budget by \$712,000. This line represents the overall difference between the sources of funds and the funds applied for this activity. Council represents this as either an increase or decrease in bank/investment balances. As Council budgets to apply (spend) the same amount of funds as it sources (raises), this line is normally nil for budgets. The reality is that there are issues that delay receiving funds as well as spending the funds that result in differences in the actual result.
6. Depreciation is \$84,000 greater than budget, due to a higher depreciation expense on the Westland Recreation Centre (including Aquatic facilities) and Libraries. This is an outcome of the revaluation of these assets as at 30 June 2017 that wasn't totally factored into the budget.

8 Identified effects of these activities on the community

- Council continues to offer high quality community facilities that form an integral part of making the Grey District an attractive place to live, work, and invest. It is recognised that these facilities require a high level of general ratepayer input, and there is not always a direct link between those who pay and those who benefit. Council strives to deliver the services in the most cost effective manner possible.

11 Democracy and administration

1 Activities included in this group

Democracy and Administration includes:

- Council
- Public consultation
- Council's Administration
- Economic development

2 Council's involvement

A healthy community requires its elected Council to show strong leadership, but, at the same time, to conduct its business in an open, transparent manner. An important part of this is for it to actively and constructively seek the involvement of the community in matters that affect them or are dear to them. A vital component of this is a Council Administration that executes Council's policies in a professional, objective and fair manner and, in doing so, respects the needs and circumstances of individual residents.

Council is involved with economic development to ensure a strategic and grassroots approach has been developed to increase the number of businesses and create jobs, by increasing our population and visitors to the District.

The Community Economic Development Strategy focusses on the idea that 'jobs follow people' and has projects and actions that are aimed at improving the quality of life in the District. The Strategy has goals related to visitor numbers, new jobs and business units, but also measures population, pride of place and if the Grey District is a great place to live.

The Strategy allows Council to focus on the issues of concern that the community can control, while keeping a watchful eye on those issues of concern which are not within its control. It also provides opportunities for the elected representatives and members of the wider community to take the lead and use their skills and talents to make difference within a strategic context, and not work in isolation.

3 Performance measurement

What we're measuring	How we'll measure	2018/2019 target	2017/2018 measure	2018/2019 measure	Notes
Customer satisfaction	% of residents are satisfied with the service they received when they have contacted Council offices	80%	88%	81%	The Resident's Satisfaction Survey was conducted between mid-October and December 2018. Full report available on Council's website.
	% of residents are satisfied with the information they receive from Council	75%	81%	79%	The Resident's Satisfaction Survey was conducted between mid-October and December 2018. Full report available on Council's website.
	% of residents are satisfied with the performance of Mayor and Councillors	75%	77%	76%	The Resident's Satisfaction Survey was conducted between mid-October and December 2018. Full report available on Council's website.
	% of residents are satisfied with overall performance of Grey District Council	75%	New measure	74%	The Resident's Satisfaction Survey was conducted between mid-October and December 2018. Full report available on Council's website.
Transparency, accountability and accessibility to the public	Full opportunity for public participation in Council meetings through availability of speaking rights and the public forum	Achieved	Achieved	Achieved	A public forum has been available before every ordinary meeting of Council.

What we're measuring	How we'll measure	2018/2019 target	2017/2018 measure	2018/2019 measure	Notes
	Minimum % of Council business conducted in open	>80%	83%	89%	Those items not included in the open agenda relate mainly to commercially sensitive issues.
	% of residents are satisfied that Council consults with them residents on important issues	75%	60%	58%	The Resident's Satisfaction Survey was conducted between mid-October and December 2018. Full report available on Council's website.
Co-operation with other agencies	Full participation in West Coast Mayors/Chairs and CEO meetings	100%	100%	100%	The Mayor and/or the CEO attended all meetings in the 2018/2019 year.
	Full participation in Grey DC/DOC liaison quarterly meetings	100%	100%	100%	Staff attended all liaison meetings.
Engagement with our partners and the wider community	Review the Community Economic Development Strategy on an annual basis	<i>Achieved</i>	Not achieved	Not achieved	The Community Economic Development Strategy was not reviewed in 2018/2019 due to other priorities and lack of staff available to do so. It is hoped this will be done during 2019/2020.
	Monitor the goals outlined in the Community Economic Development Strategy on an annual basis	<i>Achieved</i>	Not achieved	Not achieved	The Community Economic Development Strategy was not reviewed in 2018/2019 due to other priorities and lack of staff available to do so. It is hoped this will be done during 2019/2020.
Availability of service	Increase in number of online payments (percentage)	>5%	New measure	5%	The number of on-line payments received in 2018/2019 was 32,539, an increase of 5% from the 2017/2018 year (30,964).

4 Activity funding impact statement

	2018 LTP Year 3	2018 Actual	2019 LTP Year 1	2019 Actual
	\$000	\$000	\$000	\$000
[A] SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	1,325	1,388	1,351	1,432
Targeted rates	280	365	350	376
Subsidies and grants for operating purposes	-	38	-	2
Fees and charges	76	107	77	73
Internal charges and overheads recovered	5,638	5,559	6,037	5,903
Local authorities fuel tax, fines, infringement fees, & other receipts	676	518	579	372
Total operating funding [A]	7,995	7,975	8,394	8,158
[B] APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	5,545	5,430	5,916	5,863
Finance costs	-	-	2	1
Internal charges and overheads applied	1,767	1,681	2,016	1,821
Other operating funding applications	-	-	-	-
Total applications of operating funding [B]	7,312	7,111	7,934	7,685
Surplus (deficit) of operating funding [A - B]	683	864	460	473
[C] SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(4)	(21)	(3)	(3)
Gross proceeds from sale of assets	1	1	-	21
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding [C]	(3)	(20)	(3)	18
[D] APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
—to meet additional demand	-	-	-	-
—to improve the level of service	3	55	105	10
—to replace existing assets	257	90	301	214
Increase (decrease) in reserves	420	441	51	180
Increase (decrease) of investments	-	258	-	87
Total applications of capital funding [D]	680	844	457	491
Surplus (deficit) of capital funding [C - D]	(683)	(864)	(460)	(473)
Funding balance: [A - B] + [C - D]	-	-	-	-

5 Activity revenue and expense statement

	2018 LTP Year 3 \$000	2018 Actual \$000	2019 LTP Year 1 \$000	2019 Actual \$000
REVENUE				
General rates, uniform annual general charges, rates penalties	1,325	1,388	1,351	1,432
Targeted rates (including targeted rates for water supply)	280	365	350	376
Subsidies and grants (operating and capital)	-	38	-	2
User charges & regulatory revenue (consent fees, infringements etc)	76	107	77	73
Internal charges and overheads recovered	5,638	5,559	6,037	5,903
Other revenue	677	518	579	393
Total revenue	7,996	7,975	8,394	8,179
EXPENDITURE				
Staff costs	3,604	3,521	3,846	3,578
Operating & maintenance costs	1,941	1,909	2,070	2,285
Finance costs	-	-	2	1
Internal charges and overheads applied	1,767	1,681	2,016	1,821
Other expenses	-	1	-	-
Depreciation	229	262	262	220
Total expenditure	7,541	7,374	8,196	7,905
Surplus (deficit) of activities	455	601	198	274

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

	2018 LTP Year 3 \$000	2018 Actual \$000	2019 LTP Year 1 \$000	2019 Actual \$000
Miscellaneous renewals & new capital	24	11	23	120
Vehicle and plant item replacements	120	38	170	87
New events area establishment	-	49	100	-
Office equipment (including IT)	116	47	113	17
Total capital expenditure	260	145	406	224

7 Variations from budget

1. Internal charges and overheads recovered less than budget by \$134,000 as the amount recovered reflects the amount spent which was less than budget across the board for 2018/2019, notably staff costs.
2. Local authorities fuel tax, fines, infringement fees, & other receipts is less than budget by \$207,000 due to an overall lower return on Council investments than forecast in the budget. These funds are not used for any direct operational requirements and therefore there is no immediate impact on Council operations through a lower return.
3. Staff costs are lower than budget by \$269,000 due to a higher number of staff vacancies than budgeted for in the Annual Plan.
4. Capital expenditure is lower than budget by \$182,000 due to vehicle replacements being deferred as not deemed necessary in 2017/2018 and the establishment of the new outdoor events area incurring less capital expenditure (but greater operational expenditure).
5. Increase (decrease) of investments is greater than budget by \$431,000. This line represents the overall difference between the sources of funds and the funds applied for this activity. Council represents this as either an increase or decrease in bank/investment balances. As Council budgets to apply (spend) the same amount of funds as it sources (raises), this line is normally nil for budgets. The reality is that there are issues that delay receiving funds as well as spending the funds that result in differences in the actual result.

8 Identified effects of these activities on the community

- Back in October 2012, key stakeholders identified from a cross section of organisations within the district were invited to be part of the Economic Development Liaison Group (EDLG) to help draft an Economic Development Strategy. Chaired by the Mayor, this group was responsible for overseeing and guiding the development of the Grey District Council's Economic Development Strategy, a ten-year plan to help foster economic growth within the district. A draft Economic Development Strategy was put out to the community for feedback in May and on 11 July 2013, the EDLG met to hear and consider submissions on the draft plan. Following this, a final strategy was developed and subsequently adopted by Council on 12 August 2013. This strategy continues to act as the basis for subsequent Council projects, such as the CBD renewal.

PART E: Consultation with Maori

Through a specific activity, "Efficient and Open Consultation", Council has set specific performance targets relating to the establishment and maintenance of processes in providing opportunities for Maori to contribute to the decision making processes of the Grey District Council.

At their meeting on 8 April 2019, Grey District Council confirmed the Memorandum of Understanding between Council and Te Rūnanga O Ngāti Waewae, paving the way for greater acknowledgement of the important role of Māori in our District, both historically and into the future.

The Memorandum will be officially signed at the Council meeting on 13 May 2019, at which time the Rūnanga Chairperson, Mr Francois Tumahai, will take a seat at the Council table as part of an informal arrangement pending formalisation at the next Electoral Representation Review.

PART F: Council controlled organisations

1 Tourism West Coast

The above organisation is a Council Controlled Organisations by virtue of the fact that over 50% of the votes are under control of local authorities. Council has not set any specific policies or objectives in the long term plan with regard to control of this organisation, nor any specific key performance targets or other measures.

It does however fall under the following group of activities as reported on earlier in this report:

- Tourism West Coast: [d][11] Democracy and administration, page 138.

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

Note: Tourism West Coast ceased to exist as a separate entity from 1 April 2019 and these functions are being carried out by Development West Coast. The previous board members of Tourism West Coast are currently acting as an advisory committee under the umbrella of Development West Coast in the interim until final arrangements are made.

2 West Coast Amateur Sports Trust

The above organisation is a Council Controlled Organisation by virtue of the fact that the Mayors of the three West Coast local authorities have nominated the respective District representatives on the Trust. This has happened 'informally' and there has been no formal Council involvement and no set policies or objectives with regard to control of this organisation or specific key performance targets or other measures have been put in place. The CCO status of the Trust has only recently come to Council's attention and steps are in place to change the Trust Deed to remove the right of local authorities to control the votes on the Trust.