

# Annual Report

## for year ended 30 June 2013





# Grey District Council

# Annual Report

For the year  
01 July 2012 – 30 June 2013



ISSN: 1171-2252

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# [a] Introduction

# [1] Foreword from His Worship the Mayor and the Chief Executive Officer

Welcome to the 2012/2013 Annual Report and thank you for taking the time to read it. It represents Council's report on the achievements during the period 1 July 2012 to 30 June 2013 and, as such, is an important aspect of Council's accountability to you, its constituents.

The report outlines in detail Council's financial performance as well as non-financial measures. It is made up of the following sections:

- Financial Statements and notes to these statements. This outlines Council's overall financial result and position as at 30 June 2013.
- Group Activity Statements. These statements report on financial performance and other non-financial performance at an activity level. Council is responsible for a wide range of activities and this report groups activities with a similar output together. This is not only practical, but also is a statutory requirement.

Other matters including:

- Report on Council's consultation with Maori
- Report on Council-Controlled-Organisations (CCOs)

The reporting herein is comprehensive and, as a result, comprises in excess of 120 pages. A summary of this report highlighting the more important aspects thereof is available upon request.

It is fair to say that 2012/2013 has been a very difficult year for our District. The combined impact of the closure of the Spring Creek Mine, the worldwide economic downturn and the Christchurch earthquakes has been most significant, providing our District with a negative growth rate for the first time in some years. Notwithstanding, we are able to budget for a modest positive growth for 2013/2014.

This modest growth has forced Council to be particularly responsible in how it manages our District's finances. The strict financial control measures that had been in place over the past decade have had to be further intensified. This not only put Council in a position to implement a smaller than average rate increase, but also allowed us to post a year-end surplus, which was due to our successful application for subsidy to fund our new sewerage schemes. The latter is a big achievement as Council has had to deal with a number of unexpected financial expenditures. This includes the financial support package given to the West Coast Theatre Trust in respect of Regent Theatre where Council has made provision for repayment of loans held by the West Coast Theatre Trust. This has impacted our bottom line, reducing it by \$1.231 million (refer to Note 21 – Provisions).

Council has also impaired (or reduced) the value of the Grey District Aquatic Centre (refer to Note 15 – Property, plant and

equipment under 'Impairment'). This is to reflect the on-going issues with the roof deflection (sagging).

We continue to successfully develop the Greymouth to Ross Cycleway and are working with our neighbouring council, Westland, to open the trail on 23 November 2013. We also completed the viewing platform on the Southern Breakwater, which has enhanced that area for residents and visitors alike. On the Northern Breakwater, progress is continuing with Council, the Department of Conservation and the wider community partnering in ecological restoration and beautification of the area. The Miners' Memorial was also completed and is a stunning feat of engineering that commemorates all coal miners who have lost their lives.

Council also continues to renew and build our infrastructure for future generations. This includes but is not limited to:

- Replacement of Nelson Quay stormwater pump and structural repairs of Johnson Street
- Greymouth Sewerage Scheme upgrade
- Dobson/Kaiata/Taylorville Scheme
- Lifelines project – Replacement of the Greymouth Reservoir
- Implementation of Council's new computer system

These are strategic projects that will ensure that Council can keep on serving the community now and in the years to come.

Whilst we have every confidence in the future of the District, it is fair to say that the next two to three years may prove challenging. Council remains committed to leading our District.

Special words of thanks goes to elected members and staff for their on-going inputs in making our District a great place to work, live, play and invest.



AF KOKSHOORN

Mayor



PG PRETORIUS

Chief Executive Officer

## [2] Councillors and their portfolios

### [a] Council

Council for the period of 01 July 2012 – 30 June 2013

Position	Name	Ward	Portfolio Responsibilities
Mayor	Tony Kokshoorn		<ul style="list-style-type: none"> <li>▪ Finance</li> <li>▪ Economic Development</li> <li>▪ Port</li> <li>▪ Youth Advocacy</li> <li>▪ Public Relations</li> </ul>
Deputy Mayor	Doug Truman QSM	Central	<ul style="list-style-type: none"> <li>▪ Legal</li> <li>▪ Water</li> <li>▪ Stormwater</li> <li>▪ Sewerage</li> <li>▪ Maori Affairs</li> </ul>
Councillors	Paul Berry	Eastern	<ul style="list-style-type: none"> <li>▪ Resource Management</li> <li>▪ Regulatory Functions</li> <li>▪ Staff</li> <li>▪ Dog and Stock Control</li> </ul>
	Kevin Brown	Central	<ul style="list-style-type: none"> <li>▪ Health and Disability</li> <li>▪ Library</li> <li>▪ Safety and Security</li> </ul>
	Tony Coll	Central	<ul style="list-style-type: none"> <li>▪ Property</li> <li>▪ Liquor Licensing</li> <li>▪ Airport</li> </ul>
	Peter Haddock	Southern	<ul style="list-style-type: none"> <li>▪ Land Transport</li> <li>▪ Parks and Reserves</li> <li>▪ Forestry</li> </ul>
	Karen Hamilton	Central	<ul style="list-style-type: none"> <li>▪ Arts and Culture</li> <li>▪ Heritage</li> <li>▪ Tourism</li> </ul>
	Anna Osborne	Eastern	<ul style="list-style-type: none"> <li>▪ Civil Defence</li> <li>▪ Waste Management</li> </ul>
	Cliff Sandrey	Northern	<ul style="list-style-type: none"> <li>▪ Sport and Recreation</li> <li>▪ Cemeteries</li> <li>▪ Pensioner Housing</li> <li>▪ Welfare</li> </ul>

### [b] 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 miscellaneous details

### [a] Management

<b>Chief Executive Officer</b>	Paul Pretorius
<b>Corporate Services Manager</b>	Ian Young
<b>Manager Corporate Planning and Community</b>	Quecha Horning
<b>Environmental Services Manager</b>	Ian Davidson-Watts (to 5 June 2013) Steven May (from 29 July 2013)
<b>Assets Manager</b>	Mel Sutherland

### [b] Various details

<b>Postal Address:</b>	Grey District Council P O Box 382 Greymouth
<i>Locations:</i>	
<b>Main Office</b>	105 Tainui Street Greymouth Tel: +64 3 769 8600 email: info@greydc.govt.nz Web: www.greydc.govt.nz
<b>Corporate Services – Administration</b>	Fax: +64 3 769 8603 email: info@greydc.govt.nz
<b>Corporate Services – Finance</b>	Fax: +64 3 769 8613 email: finance@greydc.govt.nz
<b>Assets and Engineering</b>	Fax: +64 3 769 8610 email: infrastructure@greydc.govt.nz
<b>Environmental Services</b>	Fax: +64 3 769 8610 email: environmental.services@greydc.govt.nz
<b>Runanga Service Centre</b>	25 Carroll Street Runanga Tel: +64 3 762 7813
<b>Grey District Library</b>	Albert Mall Greymouth Tel: +64 3 768 5597 Email: library@greydc.govt.nz
<b>Runanga Library</b>	25 Carroll Street Runanga Tel: +64 3 762 7813
<b>History House</b>	Gresson St Greymouth Tel: +64 3 768 4028 Email: history-house@greydc.govt.nz

# [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 2013

The Auditor-General is the auditor of Grey District Council (the District Council). The Auditor-General has appointed me, Ian Lothian, using the staff and resources of Audit New Zealand to audit:

- the financial statements of the District Council that comprise:
  - the balance sheet as at 30 June 2013 on page 30;
  - the statement of comprehensive income, statement of movements in equity and statement of cash flows for the year ending 30 June 2013 on pages 28 to 29 and page 31; and
  - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 17 to 65;
- the statement of service provision of each group of activities carried out by the District Council on pages 68 to 123;
- the funding impact statements in relation to each group of activities of the District Council on pages 71 to 121;
- the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 71 to 122; and
- the funding impact statement of the District Council on pages 66 to 67.

In addition, the Auditor-General has appointed me to report on whether the District Council's annual report complies with the *Other Requirements* of schedule 10 of the Local Government Act 2002, where applicable, by including:

- information about:
  - reserve funds on pages 49 to 53;
  - remuneration paid to the elected members and certain employees of the District Council on page 59;
  - employee staffing levels and remuneration on page 60; and
  - severance payments on page 60;

- a report on the activities undertaken by the District Council to establish and maintain processes to provide opportunities for Maori to contribute to the Council's decision-making processes on page 124; and
- a statement of compliance signed by the mayor of the Council, and by the District Council's chief executive on page 16.

## Opinion

### Audited information

In our opinion:

- the financial statements of the District Council on pages 17 to 65:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect:
    - the District Council's financial position as at 30 June 2013; and
    - the results of its operations and cash flows for the year ended on that date.
- the performance measurement statements of the District Council on pages 68 to 123:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect the District Council's levels of service for the year ended 30 June 2013, including:
    - the levels of service as measured against the intended levels of service adopted in the long-term plan; and
    - the reasons for any significant variances between the actual service and the expected service.
- the funding impact statements in relation to each group of activities of the District Council on pages 71 to 121, fairly reflects by each group of activities, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan.
- the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 71 to 122, fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan.
- the funding impact statement of the District Council on pages 66 to 67, fairly reflects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan.

## **Compliance with the other requirements of schedule 10**

In our opinion, which is not an audit opinion, the District Council's annual report complies with the *Other Requirements* of schedule 10 that are applicable to the annual report.

Our audit was completed on 30 October 2013. This is the date at which our opinion is expressed.

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

## **Basis of opinion**

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

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

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the District Council's preparation of the information we audited that fairly reflect the matters to which they relate. We consider internal control in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of all disclosures in the information we audited;
- determining the appropriateness of the reported performance measurement statements within the District Council's framework for reporting performance; and
- the overall presentation of the information we audited.

We did not examine every transaction, nor do we guarantee complete accuracy of the information we audited.

When reporting on whether the annual report complies with the *Other Requirements* of schedule 10 of the Local Government Act 2002, our procedures were limited to making sure the information required by schedule 10 was included in the annual report, where relevant, and identifying material inconsistencies, if any, with the information we audited. This work was

carried out in accordance with International Standard on Auditing (New Zealand) 720; *The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements*. As a result we do not express an audit opinion on the District Council's compliance with the requirements of schedule 10.

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

### **Responsibilities of the Council**

The Council is responsible for preparing:

- financial statements and performance measurement statements that:
  - comply with generally accepted accounting practice in New Zealand;
  - fairly reflect the District Council's financial position, financial performance and cash flows;
  - fairly reflect its service performance, including achievements compared to forecast;
- funding impact statements in relation to each group of activities that fairly reflects by each group of activities the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan;
- statements about budgeted and actual capital expenditure in relation to each group of activities that fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan; and
- a funding impact statement that fairly reflects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- the other information in accordance with the requirements of schedule 10 of the Local Government Act 2002.

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

The Council's responsibilities arise under the Local Government Act 2002.

### **Responsibilities of the Auditor**

We are responsible for expressing an independent opinion on, the information we are required to audit, and whether the Council has complied with the *Other Requirements* of schedule 10, and reporting that opinion to you. Our responsibility arises under section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

## Independence

When carrying out this audit, which includes our report on the *Other Requirements*, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. Other than this audit and the audit of West Coast Recreation Trust, which includes our report on the *Other Requirements*, we have no relationship with, or interests, in the District Council.



Ian Lothian  
Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand

# [c] Financial statements and notes

# [1] Statement of compliance and responsibility

## [a] 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 have been complied with which includes the requirement to comply with generally accepted accounting practice.

## [b] 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 2013 fairly reflect the financial position and operations of Grey District Council.



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A F Kokshoorn  
**MAYOR**



---

P G Pretorius  
**CHIEF EXECUTIVE OFFICER**

Dated this 30<sup>th</sup> day of October 2013

## [2] Statement of accounting policies

### [a] Reporting entity

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

Council has three associates: West Coast Recreation Trust (100% controlled); Tourism West Coast (25% controlled); and West Coast Rural Fire Authority (20% controlled).

All associates are incorporated in New Zealand.

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

The financial statements of Council are for the year ended 30 June 2013. The financial statements were authorised for issue by Council on 30 October 2013.

### [b] 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 NZ GAAP. They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

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

The financial statements have been prepared on a historical cost basis, 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.

### [c] 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.

### [d] Joint ventures

Joint ventures are those entities, assets or operations over which the Council has joint control, established by contractual agreement. The consolidated financial statements include the Council's proportionate share of the joint venture entities' assets, liabilities, revenue and expenses with items of a similar nature on a line by line basis, from the date joint control ceases.

## [e] Accounting policies

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

### 1 Revenue

Rates Revenue is recognised by Council as being income on the due date of each instalment.

Water billing revenue is recognised on an accrual basis.

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

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

Interest income is recognised using the effective interest method.

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

Vested asset revenue is recognised 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.

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.

### 2 Borrowing costs

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

### 3 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/income through the surplus/deficit.

### 4 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.

### 5 Income tax

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

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

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

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

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

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

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

## 6 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 balance sheet 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.

## 7 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 balance sheet.

## 8 Financial assets

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

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

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

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

The four categories of financial assets are:

- **Loans and receivables**

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

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

- **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 income 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 income except for impairment losses, which are recognised in the surplus/deficit. In the event of impairment, any cumulative losses previously recognised in other comprehensive income 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 income is reclassified from equity to the surplus or deficit.

#### **Impairment of financial assets**

At each balance sheet 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.

### **9 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.

### **10 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.

### **11 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.

### **12 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.

Certain items of property, plant and equipment that had been revalued to fair value on or prior to 1 July 2005, the date of transition to NZ IFRS are measured on the basis of deemed cost, being the revalued amount at the date of transition.

### 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 at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

### Disposals

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

### Subsequent costs

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

### Depreciation

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

Asset Class	Depreciation Method	Life (years)	%
Buildings			
- Structure	Straight line	40 - 50	2.0 – 2.5
- Fit Out	Straight line	15	6.67
- Services	Straight line	15 - 30	3.33 – 6.67
- Sundry (e.g. car parking)	Straight line	10	10
Aerodrome	Straight line	10 - 75	1.33 - 10
Plant and machinery	Straight line	3 - 30	3 - 33
Furniture and fittings	Straight line	10	10
Computer equipment	Straight line	3 - 8	12.5 - 33
Library stocks	Straight line	8	12.5
Breakwaters and wharves	Straight line	40 - 50	2 - 2.5
Reserve board assets	Not depreciated		
Landfill sites	Straight line	10 - 50	2 - 10
Landfill capitalised aftercare costs	Straight line	8	12.5
Water supply systems			
- Pipe network	Straight line	50 - 80	1.25 - 2
- Pumps and electrical	Straight line	10 - 60	1.67 - 10
- Reservoirs	Straight line	60 - 80	1.25 - 1.67
Drainage and sewerage			
- Pipe network	Straight line	50 - 80	1.25 - 2
- Pumps and electrical	Straight line	10 - 80	1.25 - 10
- Ponds	Straight line	60	1.67
Heritage assets	Straight line	40	2.5
Roading networks			
- Formation	Not depreciated		
- Pavement structure – sealed	Straight line	40 - 50	2 - 2.5
- Pavement structure – unsealed	Straight line	3 - 22	4.5 - 33
- Pavement surfacing	Straight line	8 - 16	6.25 - 12.5
- Kerb and channelling	Straight line	50 - 150	0.67 - 2
- Bridges	Straight line	15 - 100	1 - 6.67
- Footpaths	Straight line	15 - 50	2 - 6.67
- Drainage: surface water channels	Straight line	10 - 80	1.25 - 10

Asset Class	Depreciation Method	Life (years)	%
- Drainage: culverts and catch pits	Straight line	50 – 150	0.67 – 2
- Traffic signs and pavement marking	Straight line	5 – 15	6.67 – 20
Flood protection scheme	Straight line	100	1
Parking developments	Straight line	50	2
Sports fields and parks (improvements)	Straight line	5 – 100	1 – 20
Work in progress	Not depreciated	-	-

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

### Revaluation

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

### Valuation

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

Fixed assets	Valuation basis
General land	Fair value
Other land	Historical cost
Buildings	Fair value
Plant and machinery	Depreciated historical cost
Furniture and fittings	Depreciated historical cost
Computer equipment	Depreciated historical cost
Library stocks	Depreciated historical cost
Breakwater and wharves	Depreciated historical cost
Aerodrome	Fair value
Parking developments	Depreciated historical cost
Reserve Board Assets	Fair value
Sports fields and parks	Deemed cost
Heritage assets	Deemed cost

### Accounting for revaluations:

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

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

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

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.

## 13 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.

## 14 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.

## 15 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 asset's 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.

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

If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve 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.

## 16 Trade and other payables

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

## 17 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.

## 18 Provisions

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

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

### Landfill post closure costs

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

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including new legal requirements and known improvements in technology. The provision includes all costs associated with landfill post closure. The discount rate applied is 6%.

### 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.

## 19 Borrowings

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

## 20 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.

## 21 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 balance sheet.

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.

## 22 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.

## 23 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.

## 24 Critical accounting estimates and assumptions

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

### Grey District Aquatic Centre

Note 15 and 30 disclose an analysis of the exposure of Council in relation to the estimates and uncertainties surrounding the Grey District Aquatic Centre.

### Landfill aftercare provision

Note 21 discloses an analysis of the exposure of Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision.

### Financial guarantees

Note 29 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 2013:

#### 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 "non-current assets held for sale". This is due to the fact that Council is actively encouraging the sale of these properties at a reasonable price and they are available for immediate sale. Council remains committed to selling these properties even if it takes more than a year and it is probable that they will be sold.

## 25 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.

## 26 Statement of cashflows

The following are the definitions of terms used in the statement of cashflows:

"Operating Activities" include cash received from all income 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.

## 27 New standards and interpretations issued and not yet adopted

The following Accounting Standards, issued or amended which are applicable to the Council (but not yet effective) have not been adopted for the annual report ended 30 June 2013. Standards, amendments, and interpretations issued (but not yet effective) that have not been early adopted, and which are relevant to the Council, are:

- NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following three main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 on the classification and measurement of financial assets has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39.

The approach in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The financial liability requirements are the same as those of NZ IAS 39, except for when an entity elects to designate a financial liability at fair value through the surplus/(deficit). The new standard is required to be adopted for the year ended 30 June 2016. However, as a new Accounting Standards Framework will apply before this date, there is no certainty when an equivalent standard to NZ IFRS 9 will be applied by public benefit entities.

- The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, the Council is classified as a Tier 2 reporting entity and it will be required to apply Public Benefit Entity Accounting Standards (PAS) with specific exemptions. These standards are being developed by the XRB based on current International Public Sector Accounting Standards. The effective date for the new standards for public sector entities is expected to be for reporting periods beginning on or after 1 July 2014. This means the Council expects to transition to the new standards in preparing its 30 June 2015 financial statements. As the PAS are still under development, the Council is unable to assess the implications of the new Accounting Standards Framework at this time.

- Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standard Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

# [3] Statement of comprehensive income

For the year ended 30 June 2013

	Note	Actual 2013 \$000	Budget 2013 \$000	Actual 2012 \$000
<b>INCOME</b>				
Rates, excluding targeted water supply rates	1	11,967	11,633	11,046
Fees, charges, and targeted rates for water supply		5,565	5,553	5,419
Development and financial contributions		227	56	33
Subsidies and grants	2	9,604	9,158	6,902
Finance income		403	695	502
Other revenue	3	419	378	358
Other gains/(losses)	4	111	152	276
<b>Total income</b>	<b>5</b>	<b>28,296</b>	<b>27,625</b>	<b>24,536</b>
<b>EXPENDITURE</b>				
Employee expenses	8	(4,450)	(4,471)	(4,261)
Depreciation and amortisation expense	17	(7,715)	(8,035)	(7,695)
Other expenses	7	(12,570)	(10,476)	(10,910)
Finance costs	9	(542)	(1,251)	(1,650)
<b>Total operating expenditure</b>	<b>6</b>	<b>(25,277)</b>	<b>(24,233)</b>	<b>(24,516)</b>
<b>Net surplus/(loss) before tax</b>		<b>3,019</b>	<b>3,392</b>	<b>20</b>
Income tax expense	10	-	-	-
<b>Surplus/(deficit) after tax attributable to Grey District Council</b>		<b>3,019</b>	<b>3,392</b>	<b>20</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
Movement in asset revaluation reserve		(2,439)	-	-
<b>Total comprehensive income</b>		<b>580</b>	<b>3,392</b>	<b>20</b>

The accompanying notes form part of these financial statements.

## [4] Statement of movements in equity

For the year ended 30 June 2013

	Actual 2013 \$000	Budget 2013 \$000	Actual 2012 \$000
<b>Balance at 01 July</b>	<b>309,439</b>	<b>310,934</b>	<b>309,419</b>
Total comprehensive income	580	3,392	20
<b>Balance at 30 June</b>	<b>310,019</b>	<b>314,326</b>	<b>309,439</b>

*The accompanying notes form part of these financial statements.*

# [5] Balance sheet

As at 30 June 2013

	Note	Actual 2013 \$000	Budget 2013 \$000	Actual 2012 \$000
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	11	20,140	5,627	7,765
Trade and other receivables	12	6,746	3,540	5,551
Short-Term investments	18	-	4,632	4,260
Inventory	13	509	625	509
Non-current assets held for sale	14	810	639	815
		<b>28,205</b>	<b>15,063</b>	<b>18,900</b>
<b>Non Current Assets</b>				
Trade and other receivables	12	253	-	221
Property, plant and equipment	15	318,182	335,251	309,914
Intangible Assets	16	351	-	-
Term investments	18	795	1,075	615
		<b>319,581</b>	<b>336,326</b>	<b>310,750</b>
<b>TOTAL ASSETS</b>		<b>347,786</b>	<b>351,389</b>	<b>329,650</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Bank overdraft		-	-	-
Trade and other payables	19	4,547	3,482	3,881
Employee benefit liabilities	20	492	680	659
Deferred income		242	114	81
Borrowings	22	3,500	17,329	4,688
Derivative financial instruments	23	-	120	-
		<b>8,781</b>	<b>21,725</b>	<b>9,309</b>
<b>Non Current Liabilities</b>				
Provisions	21	2,117	833	835
Employee benefit liabilities	20	445	162	210
Borrowings	22	25,705	14,343	8,693
Derivative financial instruments	23	719	-	1,164
		<b>28,986</b>	<b>15,338</b>	<b>10,902</b>
<b>TOTAL LIABILITIES</b>		<b>37,767</b>	<b>37,063</b>	<b>20,211</b>
<b>EQUITY</b>				
Retained earnings	24	209,673	219,951	210,146
Special Funds	24	17,375	8,952	13,887
Trusts Bequests and Other Reserves	24	502	515	498
Revaluation reserve	24	82,469	84,908	84,908
<b>Total equity attributable to the Council</b>		<b>310,019</b>	<b>314,326</b>	<b>309,439</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>347,786</b>	<b>351,389</b>	<b>329,650</b>

The accompanying notes form part of these financial statements.

## [6] Statement of cashflows

For the year ended 30 June 2013

	Note	Actual 2013 \$000	Budget 2013 \$000	Actual 2012 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from rates revenue		13,724	13,427	12,751
Interest received		403	646	630
Dividends received		-	-	-
Receipts from other revenue		13,119	13,413	8,586
Payments to suppliers and employees		(15,808)	(15,051)	(14,638)
Interest paid		(844)	(1,251)	(922)
Income tax paid (refund)		-	-	-
Goods and services tax (net)		53	723	(136)
<b>Net cash from operating activities</b>	25	<b>10,647</b>	<b>11,907</b>	<b>6,271</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from sale of property, plant and equipment		245	180	289
Proceeds from investments		31,814	17,107	47,416
Purchase of property, plant and equipment		(18,359)	(30,628)	(9,323)
Acquisition of investments		(27,796)	(17,456)	(44,533)
<b>Net cash from investing activities</b>		<b>(14,096)</b>	<b>(30,797)</b>	<b>(6,151)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from borrowings		15,875	17,667	38
Repayment of borrowings		(51)	(357)	(126)
<b>Net cash from financing activities</b>		<b>15,824</b>	<b>17,310</b>	<b>(88)</b>
<b>Net (decrease)/increase in cash, cash equivalents and bank overdrafts</b>		<b>12,375</b>	<b>(1,580)</b>	<b>32</b>
Cash, cash equivalents and bank overdrafts at the beginning of the year		7,765	7,207	7,733
<b>Cash, cash equivalents and bank overdrafts at the end of the year</b>	11	<b>20,140</b>	<b>5,627</b>	<b>7,765</b>

The accompanying notes form part of these financial statements.

# [7] Notes to the financial statements

## 1 Rates, excluding targeted water supply rates

	Actual 2013 \$000	Budget 2013 \$000	Actual 2012 \$000
<b>GENERAL RATES</b>			
General Rate	5,545	5,543	5,562
Uniform Annual General Charge	2,659	2,616	2,465
<b>Total general rates</b>	<b>8,204</b>	<b>8,159</b>	<b>8,027</b>
<b>TARGETED RATES ATTRIBUTABLE TO ACTIVITIES:</b>			
District Promotion	234	224	228
Refuse Collection	1,184	1,100	926
Sewerage Collection	2,107	2,012	1,684
<b>PENALTIES</b>			
Rate Penalties	238	138	181
<b>Total rates, excluding targeted water supply rates</b>	<b>11,967</b>	<b>11,633</b>	<b>11,046</b>

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 2013 \$000	Budget 2013 \$000	Actual 2012 \$000
Rates, excluding targeted water supply rates	11,967	11,633	11,046
Water Supplies	1,571	1,506	1,524
Water Meter Rates	257	338	300
Lump sum contributions	-	-	-
<b>Total annual rates income</b>	<b>13,795</b>	<b>13,477</b>	<b>12,870</b>

### 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 2013 \$000	Budget 2013 \$000	Actual 2012 \$000
Rates on land where GDC is the ratepayer	317	315	298
Rate discounts	26	38	32
Rates remitted per Council policy	45	30	60

### 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.

**2 Subsidies and grants**

	Actual 2013 \$000	Budget 2013 \$000	Actual 2012 \$000
New Zealand Transport Agency subsidies	3,255	3,953	3,656
Other grants and subsidies	6,349	5,205	3,246
<b>Total subsidies and grants</b>	<b>9,604</b>	<b>9,158</b>	<b>6,902</b>

There are no unfulfilled conditions and other contingencies attached to subsidies and grants recognised (2012 nil)

**3 Other revenue**

	Actual 2013 \$000	Budget 2013 \$000	Actual 2012 \$000
Traffic and parking infringements	73	67	78
Petrol tax	203	195	180
Dividends	-	-	-
Lump sum contributions	-	-	-
Other	143	116	100
<b>Total other revenue</b>	<b>419</b>	<b>378</b>	<b>358</b>

**4 Other gains and losses**

	Actual 2013 \$000	Budget 2013 \$000	Actual 2012 \$000
Net gain (loss) of non current assets held for sale	46	10	172
Net gain (loss) on sale of property plant & equipment	65	56	104
Vested assets	-	86	-
<b>Total other gains and losses</b>	<b>111</b>	<b>152</b>	<b>276</b>

**5 Income by activities**

	Actual 2013 \$000	Budget 2013 \$000	Actual 2012 \$000
Land transport	6,956	7,070	6,384
Stormwater	817	804	658
Wastewater	6,261	4,898	3,132
Water Supply	1,854	1,857	1,822
Solid waste management	2,015	2,002	1,806
Emergency management	179	194	193
Environmental services	1,940	2,061	1,896
Other transport	847	990	893
Property and housing	1,075	1,059	981
Community facilities and events	4,484	4,765	4,597
Democracy and administration	7,341	7,400	7,127
<b>Total activity income</b>	<b>33,769</b>	<b>33,100</b>	<b>29,489</b>
Less internal recoveries	(5,473)	(5,475)	(4,953)
<b>Total Income</b>	<b>28,296</b>	<b>27,625</b>	<b>24,536</b>

## 6 Expenditure by activities

	Actual 2013 \$000	Budget 2013 \$000	Actual 2012 \$000
Land transport	6,895	7,117	7,438
Stormwater	1,104	1,173	1,106
Wastewater	1,544	1,742	1,457
Water Supply	1,676	1,905	1,988
Solid waste management	1,941	1,975	1,761
Emergency management	145	192	164
Environmental services	1,909	2,089	1,938
Other transport	1,440	1,159	1,427
Property and housing	1,104	1,284	1,316
Community facilities and events	6,134	4,070	4,485
Democracy and administration	6,858	7,002	6,389
<b>Total activity income</b>	<b>30,750</b>	<b>29,708</b>	<b>29,469</b>
Less internal recoveries	(5,473)	(5,475)	(4,953)
<b>Total Income</b>	<b>25,277</b>	<b>24,233</b>	<b>24,516</b>

## 7 Other expenses

	Note	Actual 2013 \$000	Budget 2013 \$000	Actual 2012 \$000
<b>Fees to principal auditor</b>				
Audit of financial statements		89	84	82
Long Term Plan (LTP) audit		-	-	65
Audit fee paid on behalf of West Coast Recreation Trust		2	-	-
Assets written off		-	-	-
Bad debt expense		39	-	2
Grants & Donations		1,038	353	646
Movement in impairment of receivables	12	82	-	-
Movement in provision for financial guarantee		1,231	-	-
Insurance expenses		475	552	620
Loss on sale of property, plant and equipment		-	-	-
Remuneration of elected members	32	234	242	231
Minimum lease payments under operating leases		290	311	332
Other operating expenses		9,090	8,934	8,932
<b>Total other expenses</b>		<b>12,570</b>	<b>10,476</b>	<b>10,910</b>

## 8 Employee expenses

	Actual 2013 \$000	Budget 2013 \$000	Actual 2012 \$000
Wages and salaries	4,220	4,290	4,209
Contributions to defined contribution plans	162	208	168
Increase/(decrease) in employee benefit liabilities	68	(27)	(116)
<b>Total employee expenses</b>	<b>4,450</b>	<b>4,471</b>	<b>4,261</b>

**9 Finance costs**

	Actual 2013 \$000	Budget 2013 \$000	Actual 2012 \$000
<b>INTEREST EXPENSE</b>			
Interest on bank borrowings	987	1,251	924
<b>FAIR VALUE (GAINS)/LOSSES ON DERIVATIVES</b>			
Interest rate swaps: (fair value hedges)	(445)	-	726
<b>Total finance costs</b>	<b>542</b>	<b>1,251</b>	<b>1,650</b>

**10 Income tax expense in the statement of comprehensive income**

	Actual 2013 \$000	Actual 2012 \$000
Net Surplus/(Loss) before Tax	3,019	20
Tax at 28%	845	6
<b>Plus (less) tax effect of:</b>		
Non-deductible expenditure		
Non-taxable income	(907)	(181)
Tax losses not recognised	62	175
Tax losses utilised	-	-
<b>Tax expense</b>	<b>-</b>	<b>-</b>
Current tax	-	-
Deferred tax	-	-
<b>Tax expense</b>	<b>-</b>	<b>-</b>

A deferred tax asset has not been recognised in relation to unused tax losses of \$11,236,555 (2012: \$11,174,555). Utilisation of these tax losses is dependent upon earning future assessable income. Future taxation benefits attributable to timing differences or losses carried forward are not recognised in the financial statements because they do not meet the probability test that future taxable profit will be available against which the deductible timing differences or tax losses can be utilised.

## 11 Cash and cash equivalents

	Actual 2013 \$000	Actual 2012 \$000
Cash at bank and in hand	121	359
Call deposits	20,019	3,378
Short term deposits	-	4,028
<b>Total cash and cash equivalents</b>	<b>20,140</b>	<b>7,765</b>

The carrying value of deposits approximates their fair value.

The effective interest rate on deposits in 2013 was 3.4 percent (2012: 4.2 percent). The deposits had an average maturity of 53 days (2012: 68 days).

Cash, cash equivalents and bank overdrafts include the following for the purposes of the statement of cash flows:

	Actual 2013 \$000	Actual 2012 \$000
Cash at bank and in hand	121	359
Call deposits	20,019	3,378
Short term deposits	-	4,028
Bank overdrafts	-	-
<b>Total cash and cash equivalents</b>	<b>20,140</b>	<b>7,765</b>

## 12 Trade and other receivables

	Actual 2013 \$000	Actual 2012 \$000
Rates receivables	972	851
Water rate receivables	88	128
New Zealand Transport Agency receivable	448	911
Sundry debtors	5,628	3,934
GST receivable	-	-
Community loans	60	63
Prepayments	-	-
Loans to related parties	-	-
	<b>7,196</b>	<b>5,887</b>
Less provision for impairment of receivables	(197)	(115)
<b>Total trade and receivables</b>	<b>6,999</b>	<b>5,772</b>
Current	6,746	5,551
Non-current	253	221
<b>Total trade and receivables</b>	<b>6,999</b>	<b>5,772</b>

	Actual 2013 \$000	Actual 2012 \$000
Current	5,061	3,933
1 to 3 months	244	402
> 3 months	1,694	1,437
<b>Carrying amount</b>	<b>6,999</b>	<b>5,772</b>

Movement in the provision for impairment of receivables is as follows:

	Actual 2013 \$000	Actual 2012 \$000
At 1 July	115	115
Provisions reversed during the year	-	(2)
Additional provisions made during the year	43	2
Receivables written off during period	39	-
<b>At 30 June</b>	<b>197</b>	<b>115</b>

The carrying value of trade and other receivables approximate their fair value.

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

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. Ratepayers can apply for payment plan options in special circumstances. Where such payment plans are in place, debts are discounted to the present value of future repayments.

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

The age of rates receivable overdue, whose payment terms have been renegotiated, but not impaired are as follows:

	Actual 2013 \$000	Actual 2012 \$000
0 to 12 months	520	566
> 12 months	452	285
<b>At 30 June</b>	<b>972</b>	<b>851</b>

As of 30 June 2013 and 2012, all overdue receivables, except for rates receivable, have been assessed for impairment and appropriate provisions applied. Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

The impairment provision has been calculated based on expected losses for Council's pool of debtors. Expected losses have been determined based on an analysis of Council's losses in previous periods, and review of specific debtors.

## 13 Inventory

	Actual 2013 \$000	Actual 2012 \$000
Land being developed for sale	509	509
<b>Total inventory</b>	<b>509</b>	<b>509</b>

The land relates to surplus port land (commonly referred to as the *Koromiko* Block) that Council is in the processing of subdividing. Council expects to sell the majority of lots over the next 2 – 3 years.

## 14 Assets held for sale

	Actual 2013 \$000	Actual 2012 \$000
Buildings	141	141
Land	669	674
<b>Total non-current asset held for sale</b>	<b>810</b>	<b>815</b>

The buildings relate to the value of improvements held on the Lord St site, which is currently being actively marketed.

The land relates to:

- Land identified by Council to be disposed of, as is not required for operational and/or strategic purposes. This land is being marketed and therefore is likely to be sold in the next 12 months; and
- Land where Council is the leaseholder, where sale is being actively encouraged through Council policy.

15 Property, plant and equipment

Council 2013

	Cost/ revaluation 01-Jul-12	Accumulated depreciation and impairment charges 01-Jul-12	Carrying amount 01-Jul-12	Current year additions	Current year disposals at cost	accumulated depreciation on disposals	Current year impairment charges	Current year depreciation	Revaluation surplus / (deficit)	Cost/ revaluation 30-Jun-13	Accumulated depreciation and impairment charges 30-Jun-13	Carrying amount 30-Jun-13
<b>INFRASTRUCTURAL ASSETS</b>												
Roading Network	137,543	( 4,357 )	<b>133,186</b>	3,817	-	-	-	( 4,351 )	-	<b>141,360</b>	( 8,708 )	<b>132,652</b>
Land Under Roads	68,727	-	<b>68,727</b>	-	-	-	-	-	-	<b>68,727</b>	-	<b>68,727</b>
Stormwater	19,005	( 580 )	<b>18,425</b>	320	-	-	-	( 549 )	-	<b>19,325</b>	( 1,129 )	<b>18,196</b>
Flood Protection System	8,596	( 1,232 )	<b>7,364</b>	-	-	-	-	( 86 )	-	<b>8,596</b>	( 1,318 )	<b>7,278</b>
Sewerage	28,291	( 594 )	<b>27,697</b>	3,683	-	-	-	( 737 )	-	<b>31,974</b>	( 1,331 )	<b>30,643</b>
Water Supply Systems	13,907	( 501 )	<b>13,406</b>	760	-	-	-	( 396 )	-	<b>14,667</b>	( 897 )	<b>13,770</b>
Landfill Site	3,278	( 2,152 )	<b>1,126</b>	62	-	-	-	( 202 )	-	<b>3,340</b>	( 2,354 )	<b>986</b>
Work in progress	-	-	-	9,114	-	-	-	-	-	<b>9,114</b>	-	<b>9,114</b>
	<b>279,347</b>	<b>( 9,416 )</b>	<b>269,931</b>	<b>17,756</b>	-	-	-	<b>( 6,321 )</b>	-	<b>297,103</b>	<b>( 15,737 )</b>	<b>281,366</b>
<b>OTHER FIXED ASSETS</b>												
General Land	6,420	-	<b>6,420</b>	-	-	-	-	-	-	<b>6,420</b>	-	<b>6,420</b>
Other Land	2,767	-	<b>2,767</b>	-	( 1 )	-	-	-	-	<b>2,766</b>	-	<b>2,766</b>
Buildings	23,268	( 801 )	<b>22,467</b>	14	-	-	( 2,439 )	( 817 )	-	<b>23,282</b>	( 4,057 )	<b>19,225</b>
Plant & Machinery	1,003	( 758 )	<b>245</b>	87	( 35 )	18	-	( 81 )	-	<b>1,055</b>	( 821 )	<b>234</b>
Furniture & Fittings	394	( 367 )	<b>27</b>	8	-	-	-	( 11 )	-	<b>402</b>	( 378 )	<b>24</b>
Computer Equipment	1,399	( 1,239 )	<b>160</b>	27	( 10 )	10	-	( 65 )	-	<b>1,416</b>	( 1,294 )	<b>122</b>
Library Stocks	1,747	( 1,605 )	<b>142</b>	56	-	-	-	( 49 )	-	<b>1,803</b>	( 1,654 )	<b>149</b>
Breakwaters & Wharves	4,802	( 2,853 )	<b>1,949</b>	37	-	-	-	( 190 )	-	<b>4,839</b>	( 3,043 )	<b>1,796</b>
Aerodrome	2,378	( 55 )	<b>2,323</b>	-	-	-	-	( 46 )	-	<b>2,378</b>	( 101 )	<b>2,277</b>
Parking Developments	441	( 105 )	<b>336</b>	-	-	-	-	( 10 )	-	<b>441</b>	( 115 )	<b>326</b>
Reserve Board Assets	290	-	<b>290</b>	-	-	-	-	-	-	<b>290</b>	-	<b>290</b>
Sports fields and Parks	1,629	( 288 )	<b>1,341</b>	413	-	-	-	( 80 )	-	<b>2,042</b>	( 368 )	<b>1,674</b>
Heritage Assets	1,052	( 180 )	<b>872</b>	-	-	-	-	( 20 )	-	<b>1,052</b>	( 200 )	<b>852</b>
Work in progress	644	-	<b>644</b>	311	( 294 )	-	-	-	-	<b>661</b>	-	<b>661</b>
	<b>48,234</b>	<b>( 8,251 )</b>	<b>39,983</b>	<b>953</b>	<b>( 340 )</b>	<b>28</b>	<b>( 2,439 )</b>	<b>( 1,369 )</b>	-	<b>48,847</b>	<b>( 12,031 )</b>	<b>36,816</b>
	<b>327,581</b>	<b>( 17,667 )</b>	<b>309,914</b>	<b>18,709</b>	<b>( 340 )</b>	<b>28</b>	<b>( 2,439 )</b>	<b>( 7,690 )</b>	-	<b>345,950</b>	<b>( 27,768 )</b>	<b>318,182</b>

## Council 2012

	Cost/ revaluation 01-Jul-11	Accumulated depreciation and impairment charges 01-Jul-11	Carrying amount 01-Jul-11	Current year additions	Current year disposals at cost	accumulated depreciation on disposals	Current year impairment charges	Current year depreciation	Revaluation surplus / (deficit)	Cost/ revaluation 30-Jun-12	Accumulated depreciation and impairment charges 30-Jun-12	Carrying amount 30-Jun-12
<b>INFRASTRUCTURAL ASSETS</b>												
Roading Network	133,855	-	<b>133,855</b>	3,688	-	-	-	(4,357)	-	<b>137,543</b>	(4,357)	<b>133,186</b>
Land Under Roads	68,727	-	<b>68,727</b>	-	-	-	-	-	-	<b>68,727</b>	-	<b>68,727</b>
Stormwater	17,996	-	<b>17,996</b>	1,009	-	-	-	(580)	-	<b>19,005</b>	(580)	<b>18,425</b>
Flood Protection System	8,596	(1,146)	<b>7,450</b>	-	-	-	-	(86)	-	<b>8,596</b>	(1,232)	<b>7,364</b>
Sewerage	25,642	-	<b>25,642</b>	2,649	-	-	-	(594)	-	<b>28,291</b>	(594)	<b>27,697</b>
Water Supply Systems	13,346	-	<b>13,346</b>	561	-	-	-	(501)	-	<b>13,907</b>	(501)	<b>13,406</b>
Landfill Site	3,047	(1,954)	<b>1,093</b>	231	-	-	-	(198)	-	<b>3,278</b>	(2,152)	<b>1,126</b>
Work in progress	1,927	-	<b>1,927</b>	-	(1,927)	-	-	-	-	-	-	-
	<b>273,136</b>	<b>(3,100)</b>	<b>270,036</b>	<b>8,138</b>	<b>(1,927)</b>	-	-	<b>(6,316)</b>	-	<b>279,347</b>	<b>(9,416)</b>	<b>269,931</b>
<b>OTHER FIXED ASSETS</b>												
General Land	6,420	-	<b>6,420</b>	-	-	-	-	-	-	<b>6,420</b>	-	<b>6,420</b>
Other Land	2,767	-	<b>2,767</b>	-	-	-	-	-	-	<b>2,767</b>	-	<b>2,767</b>
Buildings	21,902	-	<b>21,902</b>	1,366	-	-	-	(801)	-	<b>23,268</b>	(801)	<b>22,467</b>
Plant & Machinery	884	(663)	<b>221</b>	132	(13)	-	-	(95)	-	<b>1,003</b>	(758)	<b>245</b>
Furniture & Fittings	386	(355)	<b>31</b>	8	-	-	-	(12)	-	<b>394</b>	(367)	<b>27</b>
Computer Equipment	1,292	(1,170)	<b>122</b>	107	-	-	-	(69)	-	<b>1,399</b>	(1,239)	<b>160</b>
Library Stocks	1,689	(1,553)	<b>136</b>	58	-	-	-	(52)	-	<b>1,747</b>	(1,605)	<b>142</b>
Breakwaters & Wharves	4,758	(2,662)	<b>2,096</b>	44	-	-	-	(191)	-	<b>4,802</b>	(2,853)	<b>1,949</b>
Aerodrome	2,073	-	<b>2,073</b>	305	-	-	-	(55)	-	<b>2,378</b>	(55)	<b>2,323</b>
Parking Developments	441	(95)	<b>346</b>	-	-	-	-	(10)	-	<b>441</b>	(105)	<b>336</b>
Reserve Board Assets	290	-	<b>290</b>	-	-	-	-	-	-	<b>290</b>	-	<b>290</b>
Sports fields and Parks	1,161	(214)	<b>947</b>	468	-	-	-	(74)	-	<b>1,629</b>	(288)	<b>1,341</b>
Heritage Assets	1,052	(160)	<b>892</b>	-	-	-	-	(20)	-	<b>1,052</b>	(180)	<b>872</b>
Work in progress	-	-	-	644	-	-	-	-	-	<b>644</b>	-	<b>644</b>
	<b>45,115</b>	<b>(6,872)</b>	<b>38,243</b>	<b>3,132</b>	<b>(13)</b>	-	-	<b>(1,379)</b>	-	<b>48,234</b>	<b>(8,251)</b>	<b>39,983</b>
	<b>318,251</b>	<b>(9,972)</b>	<b>308,279</b>	<b>11,270</b>	<b>(1,940)</b>	-	-	<b>(7,695)</b>	-	<b>327,581</b>	<b>(17,667)</b>	<b>309,914</b>

## Valuation

### *Other fixed assets: - general land and buildings*

At fair value as determined from market-based evidence where possible and optimised depreciated replacement cost by an independent valuer. The most recent valuation was performed by Peter J Hines BCom (VPM), ANZIV, Registered Valuer of CVL (Coast Valuations Limited), and the valuation is effective as at 30 June 2011.

### *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 and independently reviewed by John Vessey (Partner), Technical Principal, Economic Assessment & Asset Valuation, Opus International Consultants Limited. The valuation is effective as at 30 June 2011.

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 CVL (Coast Valuations Limited), and the valuation is effective as at 30 June 2011.

### *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 and independently reviewed by John Vessey (Partner), Technical Principal, Economic Assessment & Asset Valuation, Opus International Consultants Limited. The valuation is effective as at 30 June 2011.

### *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. On transition to NZ IFRS Grey DC elected to use the fair value of land under roads as at 30 June 2005 as deemed cost. Land under roads is no longer revalued.

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

	Council 2011 \$000
MD Sutherland, Grey DC	260,539
P J Hines, Coast Valuations	29,422

## Impairment

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

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

The Port assets and Council's earthquake prone buildings were all assessed on the above criteria and were not determined to either be not impaired or already appropriately considered in the carrying values. Council has carried out initial EQ assessments on the public buildings it is responsible for and is currently completing detailed assessments on the buildings. The buildings have been assessed for impairment and it has been determined that any necessary impairments were appropriately considered and reflected in the market valuations applied as at 30 June 2011 when the asset class was revalued.

The Grey Aquatic Centre has been assessed for impairment due to the 'roof deflection' issue, or sagging beams supporting the roof. Whilst the cost of any eventual remedy has not been quantified, Council has applied an impairment based on an assessment of the replacement cost of the roof.

## 16 Intangible Assets

	Council Computer software \$000
<b>COST</b>	
Balance at 1 July 2012	-
Additions	<b>376</b>
Disposals	-
<b>Balance at 30 June 2013</b>	<b>376</b>
Balance at 1 July 2011	-
Additions	-
Disposals	-
Balance at 30 June 2012	-
<b>ACCUMULATED AMORTISATION AND IMPAIRMENT</b>	
Balance at 1 July 2012	-
Amortisation charge	<b>( 25 )</b>
Disposals	-
<b>Balance at 30 June 2013</b>	<b>(25)</b>
Balance at 1 July 2011	-
Amortisation charge	-
Disposals	-
Balance at 30 June 2012	-
<b>CARRYING AMOUNTS</b>	
Balance at 1 July 2011	-
Balance at 30 June and 1 July 2012	-
<b>Balance at 30 June 2013</b>	<b>351</b>

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

## 17 Depreciation and amortisation expense by group of activity

	Actual 2013 \$000	Budget 2013 \$000	Actual 2012 \$000
Land transport	4,351	4,353	4,357
Stormwater	635	663	666
Wastewater	738	784	594
Water Supply	396	541	501
Solid waste management	212	111	204
Emergency management	4	7	5
Environmental services	23	37	32
Other transport	263	276	272
Property and housing	200	208	198
Community facilities and events	715	749	729
Democracy and administration	178	306	137
<b>Total finance costs</b>	<b>7,715</b>	<b>8,035</b>	<b>7,695</b>

## 18 Investments

	Actual 2013 \$000	Actual 2012 \$000
<b>NON-CURRENT INVESTMENTS</b>		
Held to maturity investments	755	513
Available-for-sale financial assets	40	102
<b>Total non-current investments</b>	<b>795</b>	<b>615</b>
<b>CURRENT INVESTMENTS</b>		
Held to maturity investments	-	959
Short term investments > 3 -12 months	-	3,301
<b>Total current investments</b>	<b>-</b>	<b>4,260</b>

The fair value approximates the carrying value for investments.

## 19 Trade and other payables

	Actual 2013 \$000	Actual 2012 \$000
Trade payables and accrued expenses	2,976	3,176
GST Payable	378	212
Sundry Creditors	1,044	488
Amounts due to related parties	26	6
Interest Payable	143	-
<b>Total trade and other payables</b>	<b>4,547</b>	<b>3,881</b>

## 20 Employee benefit liabilities

	Actual 2013 \$000	Actual 2012 \$000
Accrued pay	128	133
Annual leave	536	471
Long service leave	54	60
Retirement gratuities	219	205
	<b>937</b>	<b>869</b>
<b>COMPRISING:</b>		
Current	492	659
Non-current	445	210
<b>Total employee benefit liabilities</b>	<b>937</b>	<b>869</b>

## 21 Provisions

	Actual 2013 \$000	Actual 2012 \$000
Landfill aftercare provision	886	835
Financial guarantees	1,231	-
<b>Total provisions</b>	<b>2,117</b>	<b>835</b>

Movements for each class of provision are as follows:

### Landfill aftercare provision

	Actual 2013 \$000	Actual 2012 \$000
Balance 01 July	835	814
Additional provisions made in the year	74	172
Amounts used in the year	(23)	(9)
Unused amounts reversed	-	(142)
<b>Balance at 30 June</b>	<b>886</b>	<b>835</b>

### Landcare 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 2013 and 2047. The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and is discounted using a discount rate of 6% (2012 6%).

**Financial guarantees**

	Actual 2013 \$000	Actual 2012 \$000
Balance 01 July	-	-
Additional provisions made in the year	1,231	-
Amounts used in the year	-	-
Unused amounts reversed	-	-
<b>Balance at 30 June</b>	<b>1,231</b>	<b>-</b>

**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:

	<b>Loan 1</b>	<b>Loan 2</b>
<b>Lender</b>	Nelson Building Society	Development West Coast
<b>Total</b>	\$693,150	\$537,403
<b>Term</b>	25 years	10 years
<b>Expiry</b>	May 2035	September 2021

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

Council is not satisfied that the West Coast Theatre Trust has the financial stability to meet all its obligations under the loans, and in the 2013/2014 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.

## 22 Borrowings

	Actual 2013 \$000	Actual 2012 \$000
<b>CURRENT</b>		
Secured loans	3,500	4,688
<b>Total current borrowings</b>	<b>3,500</b>	<b>4,688</b>
<b>NON-CURRENT</b>		
Secured loans	25,705	8,693
<b>Total non-current borrowings</b>	<b>25,705</b>	<b>8,693</b>
<b>Total borrowings</b>	<b>29,205</b>	<b>13,381</b>

external borrowings	Maturity date	Interest rate (as at 30 June 2013)	Balance at 01 Jul 2012	loans uplifted	loans repaid	Balance at 30 Jun 2013
<b>LOAN NAME</b>						
BNZ Cash Advance Loan 2	19 Aug 13	3.41%	2,008,701	-	( 8,701 )	2,000,000
BNZ Cash Advance Loan 3	01 Jul 13	3.39%	1,512,982	-	( 12,982 )	1,500,000
Westpac Multi Option Cash Loan	22 Sep 15	3.80%	1,265,790	-	( 790 )	1,265,000
Westpac Multi Option Cash Loan	22 Sep 15	3.15%	275,047	-	( 47 )	275,000
Westpac Multi Option Cash Loan	22 Sep 15	4.00%	4,511,342	-	( 11,342 )	4,500,000
Westpac Multi Option Cash Loan	22 Sep 15	4.00%	2,915,740	-	( 5,740 )	2,910,000
Westpac Multi Option Cash Loan	22 Sep 15	0.00%	700,486	-	( 9,275 )	691,211
Westpac Multi Option Cash Loan	22 Sep 15	3.99%	190,864	-	( 1,946 )	188,918
Local Government Funding Agency	15 Mar 19	3.99%	-	3,000,000	-	3,000,000
Local Government Funding Agency	15 Mar 19	4.34%	-	2,073,483	-	2,073,483
Local Government Funding Agency	15 May 21	4.67%	-	5,439,379	-	5,439,379
Local Government Funding Agency	15 May 21	4.96%	-	5,362,343	-	5,362,343
			-	-	-	-
			<b>13,380,952</b>	<b>15,875,205</b>	<b>( 50,823 )</b>	<b>29,205,334</b>
Portion of Term Debt repayable within One year			4,688,080			3,500,000
Portion of Term Debt repayable in One to Two years			1,265,790			9,830,129
Portion of Term Debt repayable in Two to Five years			7,427,082			-
Portion of Term Debt repayable in Five years or more			-			15,875,205
<b>Total Term Debt repayable</b>			<b>13,380,952</b>			<b>29,205,334</b>

All loans are secured by way of a separate rate in the dollar on the land value of the district.

Carrying values are approximately equal to fair value.

**23 Derivative financial instruments**

	Actual 2013 \$000	Actual 2012 \$000
Interest rate swaps - fair value	719	1,164
	<b>719</b>	<b>1,164</b>
<b>COMPRISING:</b>		
Current	-	-
Non-current	719	1,164
<b>Total derivative financial instruments</b>	<b>719</b>	<b>1,164</b>

The notional principal amounts of the outstanding interest rate swap contracts for the Council were \$12,500,000 (2012 \$12,500,000). At 30 June 2013, the fixed interest rates of cash flow interest rate swaps vary from 4.44% to 7.71% (2012 4.44% to 7.71%).

## 24 Equity

	Actual 2013 \$000	Actual 2012 \$000
<b>RATEPAYERS EQUITY</b>		
Opening balance	210,146	209,167
Plus net surplus/(deficit) for the year	3,019	20
Net transfer from/(to) Special Funds	(3,488)	952
Net transfer from/(to) Trusts & Bequests	(4)	7
Net Transfer from revaluation reserves on disposal	-	-
<b>Closing balance</b>	<b>209,673</b>	<b>210,146</b>
<b>SPECIAL FUNDS</b>		
Opening balance	13,887	14,839
Plus interest (transfer from ratepayer equity)	395	517
Other transfers from ratepayers equity	3,922	1,424
Transfer to ratepayers equity	(829)	(2,893)
<b>Closing balance</b>	<b>17,375</b>	<b>13,887</b>
<b>TRUSTS, BEQUESTS &amp; OTHER RESERVES</b>		
Opening balance	498	505
Transfer from ratepayers equity	4	6
Transfer to ratepayers equity	-	(13)
<b>Closing balance</b>	<b>502</b>	<b>498</b>
<b>REVALUATION RESERVES*</b>		
Opening balance	84,908	84,908
Reclassification to surplus or deficit on disposal	-	-
Net revaluation gains / (losses)	-	-
Impairment losses recognised in the revaluation reserve	(2,439)	-
<b>Closing balance</b>	<b>82,469</b>	<b>84,908</b>
<b>TOTAL EQUITY</b>	<b>310,019</b>	<b>309,439</b>
<b>*REVALUATION RESERVES ARE MADE UP OF THE FOLLOWING</b>		
Land & Building Revaluation Reserve	12,856	15,295
Aerodrome revaluation reserve	409	409
Roading Revaluation Reserve	49,277	49,277
Water Revaluation Reserve	2,041	2,041
Investment Revaluation Reserve	52	52
Drainage & Sewerage Revaluation Reserve	17,834	17,834
	<b>82,469</b>	<b>84,908</b>

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

## 2013: Special Funds

Reserve	Activities to which the reserve relates	Balance 01 July \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance 30 June \$000
<b>Special funds</b>					
Greymouth Sewerage Fund	Wastewater	4,694	3,434	-	8,128
Te Kinga Infra Upgrade Reserve	All activities	75	2	-	77
Rural Sewerage Capital Works Reserve	Wastewater	231	6	-	237
Cobden Stormwater Mitigation Reserve	Stormwater	42	1	-	43
Barrytown Area Infra Reserve	All activities	88	2	(3)	87
Atarau Area Infra Reserve	All activities	4	-	-	4
Ahaura Area Infra Reserve	All activities	208	4	(61)	151
Haupiri Area Infra Reserve	All activities	151	4	-	155
Nelson Creek Area Infra Reserve	All activities	227	-	(227)	-
Nelson Creek Infrastructure Reserve	All activities	-	70	-	70
Ngahere Infrastructure Reserve	All activities	-	163	-	163
Blackball Area Infra Reserve	All activities	(4)	-	-	(4)
Runanga Area Infra Reserve	All activities	510	13	-	523
Kaiata Stillwater Area Infra Reserve	All activities	660	17	-	677
Karoro/Gladstone Area Infra Reserve	All activities	1,163	-	(1,163)	-
Karoro Infrastructure Development Reserve	All activities	-	529	(3)	526
South Beach/Paroa Infrastructure Reserve	All activities	-	350	-	350
Camerons Infrastructure Reserve	All activities	-	105	-	105
Gladstone Infrastructure Reserve	All activities	-	209	-	209
Arnold Valley Area Infra Reserve	All activities	85	2	-	87
Lake Brunner Area Infra Reserve	All activities	170	5	-	175
Hohonu Area Infra Reserve	All activities	39	1	-	40
Infra Renewal Reserve	All activities	108	2	(67)	43
Moana Water Supply	Water supply	7	-	-	7
Flood Protection Reserve	Stormwater/Flood protection	95	3	-	98
Cemetery Extension Reserve	Cemeteries	40	1	-	41
Cemetery Maintenance Reserve	Cemeteries	278	7	-	285
Footpath Reserve	Land transport	51	1	-	52
Roading Reserve - Exp Committed	Land transport	203	5	-	208
Land Fill Reserve	Solid waste management	140	16	-	156
Airport Maintenance Reserve	Airport	37	58	-	95
Disaster Recovery Reserve	All activities	1,694	43	-	1,737
Civil Defence Reserve	Emergency management	28	1	-	29
Rural Fire Authority Reserve	Rural fire authority	97	3	-	100
Economic Development Reserve	All activities	405	8	(160)	253
Harbour Endowment LS Reserves	Port	-	54	(276)	(222)
Land Sale Reserve	All activities	(190)	48	(92)	(234)
Reserves Subdivision Contributions	Community facilities and parks	(51)	82	(31)	-
Maori Land Compensation Reserve	Council property	201	5	-	206
TDS Reserve	Economic development	51	1	-	52
Town Clock Reserve	Community facilities and parks	18	1	-	19
Gas Management Plan Reserve	Council property	14	1	-	15
District Planning Reserve	District planning	52	1	-	53
Plant and Machinery Reserve	All activities	713	170	(77)	806
Building & Property Gen Reserve	Council property	(15)	65	-	50
Corp Equip and Furniture Reserve	Council administration	422	85	-	507
Staff Costs Reserve	Council administration	10	-	(1)	9
Sunshine Coach Reserve	Council administration	6	-	-	6
Rental Housing Reserve	Retirement housing	4	109	-	113
Miners Rec Centre Reserve	Proposed Miners' Rec Centre	769	19	(57)	731
Library Reserve	Libraries	35	-	-	35
SPECIAL FUNDS - Committed Expenditure	All activities	322	-	-	322
<b>Total special funds</b>		<b>13,887</b>	<b>5,706</b>	<b>(2,218)</b>	<b>17,375</b>

**2013: 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
<b>Trusts and bequests</b>					
McGlashan Trust	Community facilities and parks	9	-	-	9
E White Bequest	Community facilities and parks	33	1	-	34
Mayoral Flood Relief Fund	Democracy	6	1	-	7
Grey United Tennis Resurfacing Reserve	Community facilities and parks	-	-	-	-
Citizens Emergency Relief Fund	Democracy	56	2	-	58
Perotti Bequest	Community facilities and parks	11	1	-	12
Peters Bequest - Talking Books	Libraries	22	1	(2)	21
Vera Corbett Bequest	Libraries	27	-	-	27
Reserve Board Equity	Community facilities and parks	334	-	-	334
<b>Total trusts and bequests</b>		<b>498</b>	<b>6</b>	<b>(2)</b>	<b>502</b>

## 2012: Special Funds

Reserve	Activities to which the reserve relates	Balance 01 July \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance 30 June \$000
<b>Special funds</b>					
Greymouth Sewerage Fund	Wastewater	4,980	182	(468)	4,694
Te Kinga Infra Upgrade Reserve	All activities	72	3		75
Rural Sewerage Capital Works Reserve	Wastewater	222	9		231
Cobden Stormwater Mitigation Reserve	Stormwater	41	1		42
Barrytown Area Infra Reserve	All activities	87	3	(2)	88
Atarau Area Infra Reserve	All activities	3	1		4
Ahaura Area Infra Reserve	All activities	263	9	(64)	208
Haupiri Area Infra Reserve	All activities	146	5		151
Nelson Creek Area Infra Reserve	All activities	223	8	(4)	227
Nelson Creek Infrastructure Reserve	All activities	-	-		-
Ngahere Infrastructure Reserve	All activities	-	-		-
Blackball Area Infra Reserve	All activities	(4)	-		(4)
Runanga Area Infra Reserve	All activities	474	36		510
Kaiata Stillwater Area Infra Reserve	All activities	636	24		660
Karoro/Gladstone Area Infra Reserve	All activities	1,464	49	(350)	1,163
Karoro Infrastructure Development Reserve	All activities	-	-		-
South Beach/Paroa Infrastructure Reserve	All activities	-	-		-
Camerons Infrastructure Reserve	All activities	-	-		-
Gladstone Infrastructure Reserve	All activities	-	-		-
Arnold Valley Area Infra Reserve	All activities	82	3		85
Lake Brunner Area Infra Reserve	All activities	164	6		170
Hohonu Area Infra Reserve	All activities	38	1		39
Infra Renewal Reserve	All activities	46	127	(65)	108
Moana Water Supply	Water supply	7	-		7
Flood Protection Reserve	Stormwater/Flood protection	92	3		95
Cemetery Extension Reserve	Cemeteries	39	1		40
Cemetery Maintenance Reserve	Cemeteries	268	10		278
Footpath Reserve	Land transport	-	51		51
Roading Reserve - Exp Committed	Land transport	185	18		203
Land Fill Reserve	Solid waste management	53	87		140
Airport Maintenance Reserve	Airport	36	1		37
Airport Runway resealing reserve	Airport	158	-	(158)	-
Disaster Recovery Reserve	All activities	1,721	99	(126)	1,694
Civil Defence Reserve	Emergency management	27	1		28
Rural Fire Authority Reserve	Rural fire authority	94	3		97
Economic Development Reserve	All activities	448	16	(59)	405
Harbour Endowment LS Reserves	Port	-	182	(182)	-
Land Sale Reserve	All activities	399	43	(632)	(190)
Reserves Subdivision Contributions	Community facilities and parks	44	189	(284)	(51)
Maori Land Compensation Reserve	Council property	196	7	(2)	201
TDS Reserve	Economic development	-	51		51
Town Clock Reserve	Community facilities and parks	18	-		18
Gas Management Plan Reserve	Council property	14	-		14
District Planning Reserve	District planning	70	2	(20)	52
Plant and Machinery Reserve	All activities	707	166	(160)	713
Building & Property Gen Reserve	Council property	-	-	(15)	(15)
Corp Equip and Furniture Reserve	Council administration	474	146	(198)	422
Staff Costs Reserve	Council administration	14	36	(40)	10
Sunshine Coach Reserve	Council administration	5	1		6
Rental Housing Reserve	Retirement housing	4	-		4
Miners Rec Centre Reserve	Proposed Miners' Rec Centre	79	690		769
Library Reserve	Libraries	35	2	(2)	35
SPECIAL FUNDS - Committed Expenditure	All activities	509	-	(187)	322
Port Plant Renewal	Port	131	-	(131)	-
CWS Ltd Share Sale Reserve	All activities	77	-	(77)	-
<b>Total special funds</b>		<b>14,841</b>	<b>2,272</b>	<b>(3,226)</b>	<b>13,887</b>

## 2012: 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
<b>Trusts and bequests</b>					
McGlashan Trust	Community facilities and parks	8	1		9
E White Bequest	Community facilities and parks	32	1		33
Mayoral Flood Relief Fund	Democracy	6	-		6
Grey United Tennis Resurfacing Reserve	Community facilities and parks	3	-	(3)	-
Citizens Emergency Relief Fund	Democracy	54	2		56
Perotti Bequest	Community facilities and parks	11	-		11
Peters Bequest - Talking Books	Libraries	31	1	(10)	22
Vera Corbett Bequest	Libraries	26	1		27
Reserve Board Equity	Community facilities and parks	334	-		334
<b>Total trusts and bequests</b>		<b>505</b>	<b>6</b>	<b>(13)</b>	<b>498</b>

## Purpose of each reserve fund

Special funds	
<b>Greymouth Sewerage Fund</b>	To fund the wider Greymouth Area Sewerage Scheme.
<b>Te Kinga Infra Upgrade Reserve</b>	To fund land transport, water, and/or wastewater infrastructure upgrades required in the Te Kinga area.
<b>Rural Sewerage Capital Works Reserve</b>	To fund enhancement and development sewerage schemes other than the Greymouth Area scheme.
<b>Cobden Stormwater Mitigation Reserve</b>	To fund enhancement of stormwater management in Cobden.
<b>Barrytown Area Infra Reserve</b>	To develop/improve infrastructure in the respective areas per the preference of people in the area.
<b>Atarau Area Infra Reserve</b>	To develop/improve infrastructure in the respective areas per the preference of people in the area.
<b>Ahaura Area Infra Reserve</b>	To develop/improve infrastructure in the respective areas per the preference of people in the area.
<b>Haupiri Area Infra Reserve</b>	To develop/improve infrastructure in the respective areas per the preference of people in the area.
<b>Nelson Creek Area Infra Reserve</b>	To develop/improve infrastructure in the respective areas per the preference of people in the area.
<b>Nelson Creek Infrastructure Reserve</b>	To develop/improve infrastructure in the respective areas per the preference of people in the area.
<b>Ngahere Infrastructure Reserve</b>	To develop/improve infrastructure in the respective areas per the preference of people in the area.
<b>Blackball Area Infra Reserve</b>	To develop/improve infrastructure in the respective areas per the preference of people in the area.
<b>Runanga Area Infra Reserve</b>	To develop/improve infrastructure in the respective areas per the preference of people in the area.
<b>Kaiata Stillwater Area Infra Reserve</b>	To develop/improve infrastructure in the respective areas per the preference of people in the area.
<b>Karoro/Gladstone Area Infra Reserve</b>	To develop/improve infrastructure in the respective areas per the preference of people in the area.
<b>Karoro Infrastructure Development Reserve</b>	To develop/improve infrastructure in the respective areas per the preference of people in the area.
<b>South Beach/Paroa Infrastructure Reserve</b>	To develop/improve infrastructure in the respective areas per the preference of people in the area.
<b>Camerons Infrastructure Reserve</b>	To develop/improve infrastructure in the respective areas per the preference of people in the area.
<b>Gladstone Infrastructure Reserve</b>	To develop/improve infrastructure in the respective areas per the preference of people in the area.
<b>Arnold Valley Area Infra Reserve</b>	To develop/improve infrastructure in the respective areas per the preference of people in the area.
<b>Lake Brunner Area Infra Reserve</b>	To develop/improve infrastructure in the respective areas per the preference of people in the area.
<b>Hohonu Area Infra Reserve</b>	To develop/improve infrastructure in the respective areas per the preference of people in the area.
<b>Infra Renewal Reserve</b>	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
<b>Moana Water Supply</b>	To fund any design options for a reticulated water supply servicing Moana (not signalled in this plan).
<b>Flood Protection Reserve</b>	To fund capital works to enhance flood protection measures in the District for which Council is responsible for.

Special funds	
<b>Cemetery Extension Reserve</b>	To fund additional capacity, renewal and maintenance of cemeteries.
<b>Cemetery Maintenance Reserve</b>	To fund additional capacity, renewal and maintenance of cemeteries.
<b>Footpath Reserve</b>	To fund the development or renewal of footpaths in the District (land transport activity).
<b>Roading Reserve - Expenditure Committed</b>	To spread funding of key roading (land transport) renewal projects, given that they do not have an equal funding requirement year to year.
<b>Land Fill Reserve</b>	to fund capital works required for solid waste management
<b>Airport Maintenance Reserve</b>	To fund the periodic re-seal of airport runway and other significant maintenance.
<b>Airport Runway resealing reserve</b>	To fund the periodic re-seal of airport runway and other significant maintenance.
<b>Disaster Recovery Reserve</b>	To fund Council's excess on the loss of Council assets in the event of a major disaster (all activities).
<b>Civil Defence Reserve</b>	To fund any extraordinary expenditure associated with providing Council's emergency management function.
<b>Rural Fire Authority Reserve</b>	To fund the expenditure associated with major rural fires and any significant renewals capital expenditure required for the rural fire activity.
<b>Economic Development Reserve</b>	To fund economic development, including a share of land transport, wastewater, water supply, and stormwater development expenditure incurred via subdivision.
<b>Harbour Endowment LS Reserves</b>	To fund any operating deficits of port related activities
<b>Land Sale Reserve</b>	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.
<b>Reserves Subdivision Contributions</b>	To fund the creation of new recreational areas/reserves.
<b>Maori Land Compensation Reserve</b>	To fund part of the rent increases on land leased from the Mawhera Incorporation (all activities with associated leases).
<b>TDS Reserve</b>	To fund a portion of any projects that may arise as a result of the Town Development Strategy.
<b>Town Clock Reserve</b>	To fund renewal/major maintenance of town clock.
<b>Gas Management Plan Reserve</b>	To fund a portion of any associated costs of identifying and mitigating effects of any land associated with historic gasworks.
<b>District Planning Reserve</b>	To fund any large costs arising from District Plan reviews or one-off projects associated with planning and regulations.
<b>Plant and Machinery Reserve</b>	To replace existing plant (vehicles), or effect major maintenance to existing plant.
<b>Building &amp; Property Gen Reserve</b>	To fund major maintenance and renewal of Council buildings and associated facilities excluding dedicated reserves (property activity).
<b>Corp Equip and Furniture Reserve</b>	To fund the upgrade and renewal of office equipment and furniture; and to fund new office equipment and investment in new technology
<b>Staff Costs Reserve</b>	To fund the cost of recruiting and replacing staff (all activities)
<b>Sunshine Coach Reserve</b>	To fund any renewal and significant maintenance cost associated with the 'Sunshine Coach'
<b>Rental Housing Reserve</b>	To maintain in perpetuity, Council's retirement housing stock.
<b>Miners Rec Centre Reserve</b>	To fund the proposed Miners' Recreation Centre
<b>Library Reserve</b>	To fund any key maintenance work or equipment upgrades required at Council's District library.
<b>Special Funds - Committed Expenditure</b>	Holds amounts already committed by Council from other Special Funds, but not yet spent
<b>Port Plant Renewal</b>	To replace existing port operational plant or effect major maintenance to existing port operational plant.
<b>CWS Ltd Share Sale Reserve</b>	General purpose reserve available for use in any Council activities.

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

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

	Actual 2013 \$000	Actual 2012 \$000
Surplus from operations	3,019	20
<b>ADD/(LESS) NON CASH ITEMS</b>		
Depreciation	7,715	7,695
Impairment in value of Available for sale financial assets	62	-
Vested assets	-	-
Unrealised landfill aftercare costs	51	21
Movement in provision for financial guarantee	1,231	-
Movement in employee entitlements (non current)	235	-
Debt forgiven	-	-
Assets written off	-	-
	<b>9,294</b>	<b>7,716</b>
<b>MOVEMENTS IN WORKING CAPITAL</b>		
(Increase)/decrease in accounts receivable	(1,227)	(2,687)
(Increase)/decrease in interest receivable	-	128
(Increase)/decrease in inventory	-	(34)
Increase/(decrease) in accounts payable	(20)	823
Increase/(decrease) in interest payable	143	2
Increase/(decrease) in income in advance	161	(31)
Increase/(decrease) in employee entitlements	(167)	(116)
	<b>(1,110)</b>	<b>(1,915)</b>
<b>LESS ITEM CLASSIFIED AS INVESTING ACTIVITY</b>		
net gain(loss) on sale of property, plant & equipment and non-current assets held for sale	(111)	(276)
Change in fair value of interest swap	(445)	726
	<b>(556)</b>	<b>450</b>
<b>Net cash flow from operations</b>	<b>10,647</b>	<b>6,271</b>

## 26 Related party transactions

### Council members

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

Councillor	Business in which an interest is held	transaction type	Amount paid to the business 2013 (incl. GST)	Amount payable 2013 (incl. GST)	Amount paid to the business 2012 (incl. GST)	Amount payable 2012 (incl. GST)
			\$	\$	\$	\$
Haddock	P.R. Westland Engineering	Engineering Services	3,782	-	364	-
Haddock	P.R. E-Quip Engineering	Engineering Services	13,223	-	7,761	-
Kokshoorn	A.F. Greymouth Car Centre	Vehicle repairs	250	-	-	-
Kokshoorn	A.F. Greymouth Evening Star	Printing and advertising	43,483	5,531	47,974	3,781
Sandrey	C.R. Cliff Sandrey Contracting	General Contracting	4,940	-	-	-
Truman	D.J. Central Paper Plus	Office supplies	4,241	345	5,246	1,162
			<b>69,919</b>	<b>5,876</b>	<b>61,345</b>	<b>4,943</b>

**Tourism West Coast**

Amounts paid to the organisation 2013 (excl. GST)	Amount payable 30-Jun-13 (excl. GST)	Amounts paid to the organisation 2012 (excl. GST)	Amount payable 30-Jun-12 (excl. GST)
\$	\$	\$	\$
87,374	-	83,200	-

Grey District Council has the ability to appoint Trustees to Tourism West Coast Incorporated. The trustees appointed by Grey District Council have between 20% and 50% of the voting rights to the entity. Grey District Council does make a contribution to Tourism West Coast (\$83,200 annually) for operational purposes but does not have any rights to any distributions from that entity. Therefore no income, expenses or assets are recognised in respect of these investments.

**West Coast Rural Fire Authority**

Amounts paid to the organisation 2013 (excl. GST)	Amount payable 30-Jun-13 (excl. GST)	Amounts paid to the organisation 2012 (excl. GST)	Amount payable 30-Jun-12 (excl. GST)
\$	\$	\$	\$
13,480	-	14,130	-

Grey District Council makes one appointment to the West Coast Rural Fire Authority. The board member appointed by Grey District Council has 20% of the voting rights to the entity. Grey District Council does make a contribution to West Coast Rural Fire Authority for operational purposes but does not have any rights to any distributions from that entity. Therefore no income, expenses or assets are recognised in respect of these investments.

**West Coast Theatre Trust**

Amounts paid to the organisation 2013 (excl. GST)	Amount payable 30-Jun-13 (excl. GST)	Amounts paid to the organisation 2012 (excl. GST)	Amount payable 30-Jun-12 (excl. GST)
\$	\$	\$	\$
675,313	-	143,750	-

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 income, expenses or assets are recognised in respect of these investments.

### 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).

During the year Council engaged Totara Valley Landscape And Tile Limited, a landscaping and tiling firm in which Quecha Horning, Manager Corporate Planning and Community is a Shareholder, and in which her partner is Director and Shareholder. The firm was engaged to replace damaged pool tiles and investigate other tiling issues at the Grey Aquatic Centre. These services cost \$567.43 (2012 nil) and were supplied on normal commercial terms. There was a nil balance outstanding for unpaid invoices at year end (2012 nil).

No debts involving a related party have been written off or forgiven during the year. (2012 – 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

	Total 2013 \$	Last Year \$
Salaries and other short term employee benefits	958,506	920,056
Employer superannuation contributions	28,918	28,986
Post employment benefits	-	100,000
<b>Total compensation</b>	<b>987,424</b>	<b>1,049,042</b>

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

## 27 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 income in 'Other gains/ (losses)'. The value was also added to the appropriate asset category in Property Plant and Equipment.

## 28 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 7 years for land and 4 years for office equipment. The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

#### Non-cancellable operating leases as lessee

	Actual 2013 \$000	Actual 2012 \$000
<b>OFFICE EQUIPMENT</b>		
Not later than one year	46	43
Later than one year and not later than two years	24	37
Later than two years but not later than five years	16	33
Later than five years	-	-
	<b>86</b>	<b>113</b>
<b>LAND LEASES</b>		
Not later than one year	282	270
Later than one year and not later than two years	279	269
Later than two years but not later than five years	461	614
Later than five years	641	723
	<b>1,663</b>	<b>1,876</b>
<b>Total non-cancellable operating leases</b>	<b>1,749</b>	<b>1,989</b>

### 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 <sup>th</sup> September 2017.
Utilities Maintenance (incl. Maintenance and Operation of the Greymouth Flood Scheme)	To 31 August 2014
Roading Maintenance Works	To 30 June 2016

#### Subloos New Zealand Limited

Solid Waste Operation Contract	To 30 June 2020
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#### Provision of Services for Civil Defence

Tied in to Contracts

Operating and Maintenance contracts include fixed price and unit rate provisions, which makes estimating the value of the future commitment difficult. For this reason no value has been included for these contracts.

### Capital commitments approved and contracted

During its annual planning process for the 2013/2014 financial year, Council approved \$20,138,000 to be spent on Capital Works (2012/2013 - \$33,146,000) associated with Council's various assets and functions. A detail of the works to be carried out is included in the 2014 Annual Plan which was adopted by Council on 27 June 2013 and released to the public.

Council has also approved budget carry-forwards for work not completed during 2012/2013 of \$14,830,250.

## 29 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 31). Similarly, if a number of employers ceased to participate in the scheme, the Council could be responsible for an increased share of the deficit. The Council estimates that during the next financial year the Council's contribution to the scheme will be nil (2012: Nil).

## 30 Contingent assets

### Financial contributions – resource consents

Council has entered into a number of bonding arrangements with various subdividers, 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 2013, the payments to be made to Council in the future totalled \$155,417 (2012 \$195,831).

### Grey District Aquatic Centre

Council is currently working to resolve the issue commonly known as the 'roof deflection' of the Grey District Aquatic Centre (Aquatic Centre). The 'roof deflection' has been caused by the sagging of the beams which support the roof. There is a question of liability and there are several parties involved in the litigation. All parties have been collecting information regarding the case and as this information has come to light, Council's case has become stronger. Council considers a growing likelihood that it will be successful in finding a solution and that any cost to Council will be minimal. However, due to the complexity of the case, and uncertainty about how exactly it will be resolved, it is difficult to assess the value of the contingent asset. Council will continue to assess the likelihood of a contingent asset in the future, once the cost and nature of the remedial work is known.

## 31 Defined benefit superannuation scheme

As outlined in note 0, 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 2013, as 108% (116% as at 31 March 2012). 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 2013.

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. Based on the latest review, completed as at 31 March 2012, the Actuary recommended the employer contributions to the Scheme be suspended with effect from 1 April 2012.

### 32 Elected members remuneration

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

		Honorarium \$	Meeting Fees \$	Travel Allowance \$	Total 2013 \$	Total 2012 \$
<b>MAYOR</b>						
Kokshoorn	A.F	69,708	n/a	-	69,708	67,500
<b>COUNCILLOR</b>						
Berry	P.F	16,886	3,335	665	20,886	20,492
Brown	K.R	16,886	2,175	-	19,061	20,026
Coll	A.P	16,886	2,465	-	19,351	16,135
Haddock	P.R	16,886	3,480	-	20,366	20,026
Hamilton	K.F	16,886	3,045	-	19,931	20,460
Osborne	A.E	16,886	1,885	147	18,918	19,819
Sandrey	C.R	16,886	2,175	-	19,061	19,736
Truman	D.J	23,096	3,335	-	26,431	26,456
<b>Total elected members remuneration</b>		<b>211,006</b>	<b>21,895</b>	<b>812</b>	<b>233,712</b>	<b>230,650</b>

### 33 Chief Executive Officer's remuneration

	Total 2013 \$	Last Year \$
Salary	182,431	180,179
Employer Superannuation Contributions	9,619	9,619
Telephone rental	638	638
Car - Full Use	8,914	8,807
Professional Allowances/Fees	512	261
<b>Total Chief Executive Officer's remuneration</b>	<b>202,114</b>	<b>199,504</b>

### 34 Council employees

	Actual 2013 \$000	Actual 2012 \$000
<\$60,000	59	62
\$60,000 - \$79,999	22	19
\$80,000 - \$119,999	7	7
\$120,000 - \$199,999	4	5
<b>Total employees</b>	<b>92</b>	<b>93</b>

Total remuneration includes non-financial benefits provided to employees.

At balance date, the Council employed 47 (2012 50) full-time employees, with the balance of staff representing 15 (2012 15) full-time equivalent employees. A full-time employee is determined on the basis of a 40-hour working week.

### 35 Reserve boards

As part of the re-organisation of Local Government on 01 November 1989, eight reserve boards were vested to the Grey District Council. As part of the accountability process, Council is required to incorporate these reserve boards into the Annual Report.

The balance sheet includes all assets and liabilities relating to these reserve boards. The cost of service statement for 'community facilities and events' includes revenue and expenditure relating to these reserve boards. The amounts included are:

	Actual 2013 \$000	Actual 2012 \$000
Income	16	22
Expenditure	(139)	(20)
<b>Net surplus (deficit) for the year</b>	<b>(123)</b>	<b>2</b>

### 36 Bonds receivable and bonds payable

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

### 37 Severance payments

There was one severance payment during the 2012/2013 year that meets the definition of a severance payment as in clause 33 of schedule 10 of the Local Government Act 2002. The total amount of the payment was \$1,252 (2012 nil).

### 38 Setting of rates

23(2)(b) of the Local Government (Rating) Act 2002 requires Council to set its rates in accordance with the relevant provisions of Council's long-term plan and funding impact statement for that financial year. In the process of setting rates for the 2012/13 financial year, Council has not fully complied with this requirement with respect to its Uniform Annual General Charges and Targeted Rates for Refuse Collection. The wording used as a basis for these rates in Council's annual Rates Resolution, passed on 28 June 2012, was inadvertently at variance with that used in its funding impact statement for the 2012/13 financial year. Despite this Council considers that there is no material impact on ratepayers, and that the risk of challenge or potential liability arising is very low.

### 39 Events subsequent to balance date

No subsequent events.

## 40 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 2013 \$000	Actual 2012 \$000
<b>FINANCIAL ASSETS</b>		
<b>Loans and receivables</b>		
Cash and cash equivalents (net)	20,140	7,765
Short term investments > 3 -12 months	-	3,301
Trade and other receivables	6,999	5,772
	<b>27,139</b>	<b>16,838</b>
<b>Held to maturity investments</b>		
Term investments	-	-
Borrower notes (Local Government Funding Agency)	240	-
Local authority stock	515	1,472
	<b>755</b>	<b>1,472</b>
<b>Available for sale</b>		
Unlisted shares (Civic Assurance)	40	102
	<b>40</b>	<b>102</b>
<b>FINANCIAL LIABILITIES</b>		
<b>Financial liabilities at amortised cost</b>		
Trade and other payables	4,547	3,881
Secured loans	29,205	13,381
	<b>33,752</b>	<b>17,262</b>
<b>Fair value through statement of comprehensive income</b>		
Derivative financial instruments (interest rate swap)	719	1,164
	<b>719</b>	<b>1,164</b>

### 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 11 and on Council's borrowings in note 22.

#### 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, short term investments and held to maturity investments at 30 June 2013 had fluctuated by plus or minus 0.5%, the effect would have been to decrease/increase the surplus/deficit by \$105,000 (2012:\$62,690).

Based on financial instrument disclosures at the balance date and with other variables held constant; if interest rates on borrowings at 30 June 2013 had fluctuated by plus or minus 0.5%, the effect would have been to decrease/increase the surplus after tax by \$146,000 (2012: \$66,904) 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 Council Community Plan.

Council has a maximum amount that can be drawn down against its overdraft facility of \$10,000,000 (2012: \$10,000,000) plus available credit on a credit line facility with Westpac of \$170,000 (2012 \$1,050,000). There are no restrictions on the use of this facility.

The maturity profiles of Council's interest bearing investments and borrowings are disclosed in notes 18 and 22 respectively.

## 41 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.

## 42 Explanation of major variances against budget

Explanations for major variations from Council's estimated figures in the 2012/2013 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 income	actual variance to budget	greater or less than budget
	\$000	
<b>Other expenses</b>	<b>2,094</b>	<b>greater</b>
<p>The main difference to budget is in "Community facilities and events" where overall expenditure is \$2,064,000 higher than budget. The main items of expenditure that weren't budgeted for were:</p> <ol style="list-style-type: none"> <li>1. Provision recognised this year for a financial guarantee that Council believes it is likely it will need to meet, which has increased expenditure by \$1,231,000, not budgeted for. More detail on the nature of the financial guarantee is provided in note 21 (provisions)</li> <li>2. An additional \$680,000 was distributed in grants above what was included in the budget. These include funds distributed under the Development West Coast Major District Initiative (MDI) and Extraordinary Distribution Fund (EDF). These amounts are funded from Development West Coast.</li> </ol>		
<b>Finance costs</b>	<b>(709)</b>	<b>less</b>
<p>The finance costs as reported are lower than budget as they include the movement in the fair value of its interest rate swaps as at balance date. These have decreased in this financial year by \$445,000. This fair value recognises the cost to Council should they exit these agreements as at balance date. Council does not intend to exist these agreements as they have been arranged to provide a longer term fixed interest cost for their borrowing.</p> <p>In addition to this the actual interest costs incurred are lower than budgeted due to more favourable interest rates as well as new loans being uplifted later in the year than originally budgeted.</p>		

statement of movements in equity	actual variance to budget	greater or less than budget
	\$000	
<b>Total recognised income/(expense) for the year ended 30 June</b>	<b>(2,812)</b>	<b>less</b>
<p>Reflects variances as noted above and the decrease in the revaluation reserve which is related Council recognising an impairment in the value of the Aquatic Centre. The total value of this impairment is \$2,439,000. This impairment has been made relating to the on going issues surrounding the roof deflection.</p>		

balance sheet	actual variance to budget  \$000	greater or less than budget
<b>ASSETS</b>		
<b>Cash and cash equivalents</b>	<b>14,513</b>	<b>greater</b>
<p>Overall Council holds more; Cash and cash equivalents, Short-Term investments, and Term investments than budgeted for (\$9,601,000 higher). This is due largely to significant capital expenditure (such as Greymouth Sewerage scheme and Taylorville, Dobson, Kaiata Sewerage Scheme) being delayed as compared to budget. The result is that funds set aside and raised specifically for the purpose have not yet been utilised.</p> <p>The difference in classification of term of investment between actual and budget is related to Council choosing to keep funds on short terms to meet contract payments as required.</p>		
<b>Trade and other receivables (current and non current)</b>	<b>3,459</b>	<b>greater</b>
<p>A number of large receivables were billed as at 30 June 2013 for work relating to 2012/2013. These include:</p> <ul style="list-style-type: none"> <li>- NZ Transport Agency: \$0.45m</li> <li>- Ministry of Health (Greymouth sewerage subsidy and Taylorville, Dobson, Kaiata sewerage subsidy) \$2.3m</li> <li>- Development West Coast grants for Major District Initiatives and Extraordinary Distribution Funds - \$1.4m</li> </ul>		
<b>Short-Term investments</b>	<b>(4,632)</b>	<b>less</b>
refer above comments for "Cash and cash equivalents"		
<b>Property, plant and equipment</b>	<b>(17,069)</b>	<b>less</b>
<p>Key capital projects have not progressed as far as anticipated, such as the Greymouth Sewerage scheme and the Taylorville, Dobson, Kaiata Sewerage scheme. These projects will be completed in the 2013/2014 year.</p>		
<b>Intangible Assets</b>	<b>351</b>	<b>greater</b>
<p>Council's budgeted spend on replacing its core computer system was included in the budget as 'Property plant and equipment'.</p>		
<b>LIABILITIES</b>		
<b>Trade and other payables</b>	<b>1,065</b>	<b>greater</b>
<p>A number of larger projects were completed in June, or had significant progress payments due in June. This meant the money wasn't paid until July, and the balance is therefore reflected as a payable.</p>		
<b>Borrowings (Current and Non Current)</b>	<b>(2,467)</b>	<b>less</b>
<p>Due to not all capital projects not yet proceeding/completed, not all the borrowing required to fund these is not yet required. Council has set up facilities that allow it to draw down funds at short notice.</p>		
<b>Provisions</b>	<b>1,284</b>	<b>greater</b>
<p>Council has recognised its likely obligation as the guarantor to two West Coast Theatre Trust Loans. The loans have a total value of \$1,231,000, and Council has made a provision for the entire amount, which was not budgeted for. More detail on the nature of the financial guarantee is provided in note 21 (provisions)</p>		
<b>Derivative financial instruments (Current and Non Current)</b>	<b>599</b>	<b>greater</b>
<p>Council didn't include in the budgets a forecast for the fair value of derivatives (i.e. interest rate swaps). Council has no intention to exit these agreements as they relate to funding of long term capital projects.</p>		
<b>EQUITY</b>		
<p>Variations as noted above (balance sheet and statement of comprehensive income) are reflected in equity</p>		
<b>Special Funds</b>	<b>8,423</b>	<b>greater</b>
<p>A number of projects that have special funds set aside have not progressed per the anticipated budget schedule. Most notably the Greymouth Sewerage scheme, which has a dedicated special fund balance of \$8.1m as at 30 June 2013 These special funds will be fully utilised in the 2013/2014 year as the scheme progresses to completion.</p>		

## [8] Funding impact statement for whole of Council

	2013 Actual \$000	2013 Annual Plan \$000	2012 Actual \$000	2012 Annual Plan \$000
<b>[A] SOURCES OF OPERATING FUNDING</b>				
General rates, uniform annual general charges, rates penalties	8,441	8,297	8,208	8,097
Targeted rates (other than a metered rate for water supply)	5,096	4,842	4,362	4,325
Subsidies and grants for operating purposes	2,412	1,803	2,003	1,887
Fees, charges, and metered rates for water supply	3,996	4,047	4,087	3,767
Interest and dividends from investments	403	695	502	429
Local authorities fuel tax, fines, infringement fees, & other receipts	419	378	244	375
<b>Total operating funding [A]</b>	<b>20,767</b>	<b>20,062</b>	<b>19,406</b>	<b>18,880</b>
<b>[B] APPLICATIONS OF OPERATING FUNDING</b>				
Payments to staff and suppliers	15,709	14,947	15,171	14,086
Finance costs	542	1,251	1,650	842
Other operating funding applications	1,283	-	-	-
<b>Total applications of operating funding [B]</b>	<b>17,534</b>	<b>16,198</b>	<b>16,821</b>	<b>14,928</b>
<b>Surplus (deficit) of operating funding [A - B]</b>	<b>3,233</b>	<b>3,864</b>	<b>2,585</b>	<b>3,952</b>
<b>[C] SOURCES OF CAPITAL FUNDING</b>				
Subsidies and grants for capital expenditure	7,201	7,355	4,904	8,499
Development and financial contributions	216	56	14	85
Increase (decrease) in debt	13,774	17,310	499	897
Gross proceeds from sale of assets	237	180	289	-
Lump sum contributions	-	-	-	-
<b>Total sources of capital funding [C]</b>	<b>21,428</b>	<b>24,901</b>	<b>5,706</b>	<b>9,481</b>
<b>[D] APPLICATIONS OF CAPITAL FUNDING</b>				
Capital expenditure				
—to meet additional demand	130	1,000	-	-
—to improve the level of service	14,325	26,787	5,590	9,683
—to replace existing assets	4,365	5,359	3,786	5,177
Increase (decrease) in reserves	3,493	( 4,374)	( 855)	( 1,422)
Increase (decrease) of investments	-	( 7)	231	( 5)
<b>Total applications of capital funding [D]</b>	<b>22,313</b>	<b>28,765</b>	<b>8,752</b>	<b>13,433</b>
<b>Surplus (deficit) of capital funding [C - D]</b>	<b>( 885)</b>	<b>( 3,864)</b>	<b>( 3,046)</b>	<b>( 3,952)</b>
<b>Funding balance: [A - B] + [C - D]</b>	<b>2,348</b>	<b>-</b>	<b>( 461)</b>	<b>-</b>

Reconciliation of Operating Funding to statement of Comprehensive Income

	2013 Actual \$000	2013 Annual Plan \$000	2012 Actual \$000	2012 Annual Plan \$000
<b>Surplus (deficit) of operating funding</b>	<b>3,233</b>	<b>3,864</b>	<b>2,585</b>	<b>3,952</b>
add sources of capital funding recognised as revenue in Statement of Comprehensive Income				
Subsidies and grants for capital expenditure	7,201	7,355	4,904	8,499
Development and financial contributions	216	56	14	85
Lump sum contributions	-	-	-	-
Adjust for other sources of non cash items excluded from the Funding Impact Statement				
Depreciation and amortisation expense	( 7,715)	( 8,035)	( 7,695)	( 8,232)
Net gain (loss) of non current assets held for sale	46	10	172	150
Net gain (loss) on sale of property plant & equipment	65	56	104	50
Vested assets income	-	86	-	84
Other non operating income/(expenditure)	( 27)	-	( 64)	( 73)
<b>Surplus/(deficit) after tax attributable to Grey District Council</b>	<b>3,019</b>	<b>3,392</b>	<b>20</b>	<b>4,515</b>

# [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 between 5 August 2013 and 18 August 2013. 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 2006 Census.

The statistical margin of error for the total sample of 350 is plus/minus 5.3% at a 95% confidence level.

# [1] Land transport

## [a] Activities included in this group

Land Transport includes the following key functions:

- Council roads (State Highways excluded as NZTA responsibility)
- Footpaths
- Bridges and large culverts
- Bus Shelters
- Promotion of road safety

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

The Coastal Pathway is included in this activity but is likely to be taken over by the Westland Wilderness Trust during the next few years.

## [b] 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.

## [c] Performance measurement

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	Result	Notes
Quality of service	By providing a safe-roading network	Minimum % of residents who agree that local roads are safe when using them.	75%	88%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.
		Maximum percentage road crashes on local roads caused by road factors	35%	Nil	Of the 35 crashes reported, none of them were caused by road factors.
	Council will provide a local roading network that is 'fit for purpose'	Minimum % satisfied per survey with Council's roading network	80%	66%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.
	Residents are provided with a reliable roading network	Minimum % satisfied with the way local roads are maintained.	75%	58%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.
		Minimum % satisfied with the way footpaths are maintained.	60%	52%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.
		Number of reported local road closures due to surface flooding is less than X per year.	30	Nil	None of the reported local road closures were due to surface flooding.
Financial sustainability	Services are maintained with respect for current and future generations	Revenue is sufficient to cover the annual renewal of assets, spread over their useful life (i.e. depreciation is funded). <sup>1</sup>	90%	89%	This is measured as a percentage of the revenue that Council receives (excluding any 'one off' grant/contribution) against the total operating expenditure. Anything less than 100% signals that 'catch up' expenditure may be required in the future to maintain existing levels of service.

<sup>1</sup> Note 'one-off' revenue received for new capital projects (e.g. an external subsidy/grant) is not included in the revenue used to assess this measure

**[d] Activity funding impact statement**

	2013 Actual \$000	2013 Annual Plan \$000	2012 Annual Plan \$000
<b>[A] SOURCES OF OPERATING FUNDING</b>			
General rates, uniform annual general charges, rates penalties	2,581	2,574	2,477
Targeted rates (other than a metered rate for water supply)	-	-	-
Subsidies and grants for operating purposes	1,514	1,581	1,692
Fees, charges, and metered rates for water supply	67	14	7
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	239	195	191
<b>Total operating funding [A]</b>	<b>4,401</b>	<b>4,364</b>	<b>4,367</b>
<b>[B] APPLICATIONS OF OPERATING FUNDING</b>			
Payments to staff and suppliers	2,243	2,661	2,735
Finance costs	7	31	13
Internal charges and overheads applied	294	72	63
Other operating funding applications	-	-	-
<b>Total applications of operating funding [B]</b>	<b>2,544</b>	<b>2,764</b>	<b>2,811</b>
<b>Surplus (deficit) of operating funding [A - B]</b>	<b>1,857</b>	<b>1,600</b>	<b>1,556</b>
<b>[C] SOURCES OF CAPITAL FUNDING</b>			
Subsidies and grants for capital expenditure	2,545	2,663	2,508
Development and financial contributions	10	-	-
Increase (decrease) in debt	( 15)	( 4)	91
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
<b>Total sources of capital funding [C]</b>	<b>2,540</b>	<b>2,659</b>	<b>2,599</b>
<b>[D] APPLICATIONS OF CAPITAL FUNDING</b>			
Capital expenditure			
—to meet additional demand	-	-	-
—to improve the level of service	680	900	914
—to replace existing assets	3,140	3,498	3,319
Increase (decrease) in reserves	1	( 139)	( 78)
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding [D]</b>	<b>3,821</b>	<b>4,259</b>	<b>4,155</b>
<b>Surplus (deficit) of capital funding [C - D]</b>	<b>( 1,281)</b>	<b>( 1,600)</b>	<b>( 1,556)</b>
<b>Funding balance: [A - B] + [C - D]</b>	<b>576</b>	<b>-</b>	<b>-</b>

**[e] Activity income statement**

	2013 Actual \$000	2013 Annual Plan \$000	2012 Actual \$000
<b>INCOME</b>			
General rates, uniform annual general charges, rates penalties	2,581	2,574	2,486
Targeted rates (including targeted rates for water supply)	-	-	-
Subsidies and grants (operating and capital)	4,059	4,244	3,666
User charges & regulatory income (consent fees, infringements etc)	67	209	15
Internal charges and overheads recovered	-	-	-
Other income	249	43	217
<b>Total income</b>	<b>6,956</b>	<b>7,070</b>	<b>6,384</b>
<b>EXPENDITURE</b>			
Staff costs	-	-	-
Operating & maintenance costs	2,243	2,661	2,970
Finance costs	7	31	22
Internal charges and overheads applied	294	72	89
Other operating expenditure	-	-	-
Depreciation	4,351	4,353	4,357
<b>Total expenditure</b>	<b>6,895</b>	<b>7,117</b>	<b>7,438</b>
<b>Surplus (deficit) of activities</b>	<b>61</b>	<b>( 47)</b>	<b>( 1,054)</b>

**[f] Major asset acquisitions or replacements and variations from the 2012 – 2022 LTP - significant acquisitions**

	Actual 2013 \$000	LTP year 1 (2013 annual plan) \$000
General renewals & miscellaneous new capital	2,395	2,588
General Bridge component renewals	236	484
Replacement of assets after severe weather	218	456
Footpath Renewals	69	109
On-going minor safety improvements	304	257
Taylorville-Blackball Rd strengthening	-	289
Coastal Pathway	598	215

Additional funds were spent on the *Coastal Pathway* compared to budget due to works being carried forward from previous years.

Renewal projects have been identified through Council's Asset Management Plans and prioritised by Council through the Annual Plan process.

New capital works have been undertaken on the basis that Council has identified them as required to increase the level of service and/or meet extra demand.

**[g] Variations from budget**

	actual variance to budget \$000	greater or less than budget
<b>Subsidies and grants (operating and capital)</b>	<b>( 185)</b>	<b>less</b>
The final approved programme from New Zealand Transport Agency (NZTA) was less than budgeted for. Given the approved programme and associated subsidy was reduced, Council reduced its expenditure accordingly (refer comments below)		
<b>Payments to staff and suppliers</b>	<b>( 418)</b>	<b>less</b>
The final approved programme from New Zealand Transport Agency (NZTA) was less than budgeted for. Given the approved programme and associated subsidy was reduced, Council spent less.		
<b>Internal charges and overheads applied</b>	<b>222</b>	<b>greater</b>
The difference relates to this amount being incorrectly classified as a 'payment to staff and suppliers' in the budget		
<b>Subsidies and grants for capital expenditure</b>	<b>( 118)</b>	<b>less</b>
The final approved programme from New Zealand Transport Agency (NZTA) was less than budgeted for. Given the approved programme and associated subsidy was reduced, Council spent less.		
<b>Capital expenditure —to improve the level of service</b>	<b>( 220)</b>	<b>less</b>
A capital project was deferred awaiting approval from NZTA (refer above)		
<b>Capital expenditure —to replace existing assets</b>	<b>( 358)</b>	<b>less</b>
The final approved programme from New Zealand Transport Agency (NZTA) was less than budgeted for. Given the approved programme and associated subsidy was reduced, Council spent less.		
<b>Increase (decrease) in reserves</b>	<b>140</b>	<b>more</b>
Given expenditure had been decreased as noted above, the original budgeted requirement to transfer funds from reserves was no longer required.		

**[h] Identified effects of these activities on the community**

- With a high level of capital expenditure occurring (notably Greymouth wastewater upgrade and Dobson/Taylorville/Kaiata sewerage scheme) a number of roads have been dug up to allow the installation of new pipes. This has resulted in a short term decrease in the quality of these roads.
- On-going minor safety improvements have decreased the risk to users of the district's roading network.
- There has been a regular number of extreme weather events and the consequent impacts on roading infrastructure
- 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

### [a] 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.

### [b] 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.

### [c] Performance measurement

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	Result	Notes
Quality of service	By providing a reliable and efficient stormwater system	Requirements of the Greymouth Flood Scheme Action Plan are met prior to and during significant storm events.	Achieved	Achieved	A significant storm event is when the Grey River reaches 5 metres at the town of Dobson, which is a Stage 2 alarm in the Greymouth Flood Scheme Action Plan. There were 2 last year, 15 July 2012 and 3 Jan 2013. Based on the nature of both events it was quickly evident neither would present any significant risk and therefore a judgement call was made to not carry out all scheduled tasks, including forming the committee.
		Minimum % satisfied per survey with overall stormwater service.	65%	69%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.
		Minimum % satisfied with the way their property drains stormwater in urban and residential areas.	60%	77%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.
		Number of local road closures due to surface flooding is less than X per year.	30	Nil	None of the reported local road closures were due to surface flooding.
	Information is readily available on the schemes	Basic fact information provided on Council's web site. More detailed information is provided within 10 working days.	Achieved	Not Achieved	Due to high level of capital works being undertaken by this department, staff were unable to meet this target.

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	Result	Notes
Financial sustainability	Schemes are maintained with respect for current and future generations	Revenue is sufficient to cover the annual renewal of assets, spread over their useful life (i.e. depreciation is funded) <sup>2</sup>	40%	73%	This is measured as a percentage of the revenue that Council receives (excluding any 'one off' grant/contribution) against the total operating expenditure. Anything less than 100% signals that 'catch up' expenditure may be required in the future to maintain existing levels of service.
Environmental sustainability	Stormwater discharges are managed without adversely affecting the receiving environment.	Maximum number of resource consent breaches	Nil	Nil	Council is not aware of any breaches nor have any been notified. Staff actively monitor the consent conditions.

<sup>2</sup> Note 'one-off' revenue received for new capital projects (e.g. an external subsidy/grant) is not included in the revenue used to assess this measure

## [d] Activity funding impact statement

	2013 Actual \$000	2013 Annual Plan \$000	2012 Annual Plan \$000
<b>[A] SOURCES OF OPERATING FUNDING</b>			
General rates, uniform annual general charges, rates penalties	801	787	645
Targeted rates (other than a metered rate for water supply)	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees, charges, and metered rates for water supply	3	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	-
<b>Total operating funding [A]</b>	<b>804</b>	<b>787</b>	<b>645</b>
<b>[B] APPLICATIONS OF OPERATING FUNDING</b>			
Payments to staff and suppliers	279	296	328
Finance costs	19	79	19
Internal charges and overheads applied	171	135	101
Other operating funding applications	-	-	-
<b>Total applications of operating funding [B]</b>	<b>469</b>	<b>510</b>	<b>448</b>
<b>Surplus (deficit) of operating funding [A - B]</b>	<b>335</b>	<b>277</b>	<b>197</b>
<b>[C] SOURCES OF CAPITAL FUNDING</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	13	-	-
Increase (decrease) in debt	( 7)	237	( 76)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
<b>Total sources of capital funding [C]</b>	<b>6</b>	<b>237</b>	<b>( 76)</b>
<b>[D] APPLICATIONS OF CAPITAL FUNDING</b>			
Capital expenditure			
—to meet additional demand	130	-	-
—to improve the level of service	10	3	157
—to replace existing assets	180	511	78
Increase (decrease) in reserves	( 128)	-	( 114)
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding [D]</b>	<b>192</b>	<b>514</b>	<b>121</b>
<b>Surplus (deficit) of capital funding [C - D]</b>	<b>( 186)</b>	<b>( 277)</b>	<b>( 197)</b>
<b>Funding balance: [A - B] + [C - D]</b>	<b>149</b>	<b>-</b>	<b>-</b>

[e] **Activity income statement**

	2013 Actual \$000	2013 Annual Plan \$000	2012 Actual \$000
<b>INCOME</b>			
General rates, uniform annual general charges, rates penalties	801	787	658
Targeted rates (including targeted rates for water supply)	-	-	-
Subsidies and grants (operating and capital)	-	-	-
User charges & regulatory income (consent fees, infringements etc)	3	-	-
Internal charges and overheads recovered	-	-	-
Other income	13	17	-
<b>Total income</b>	<b>817</b>	<b>804</b>	<b>658</b>
<b>EXPENDITURE</b>			
Staff costs	-	-	-
Operating & maintenance costs	279	296	231
Finance costs	19	79	60
Internal charges and overheads applied	171	135	149
Other operating expenditure	-	-	-
Depreciation	635	663	666
<b>Total expenditure</b>	<b>1,104</b>	<b>1,173</b>	<b>1,106</b>
<b>Surplus (deficit) of activities</b>	<b>( 287)</b>	<b>( 369)</b>	<b>( 448)</b>

[f] **Major asset acquisitions or replacements and variations from the 2012 – 2022 LTP - significant acquisitions**

	Actual 2013 \$000	LTP year 1 (2013 annual plan) \$000
General renewals & miscellaneous new capital	184	247
New stormwater developments	130	-
Runanga flood mitigation	6	-
Replace Nelson Quay stormwater pump	-	183
Structural repairs - Johnson St	-	84

The *new stormwater developments* relates to work carried forward from previous years' budgets. The replacement of *Nelson Quay stormwater pump* and *structural repairs of Johnson St* have been deferred to latter years due to it being determined the renewals are not yet required.

Renewal projects have been identified through Council's Asset Management Plans and prioritised by Council through the Annual Plan process.

New capital works have been undertaken on the basis that Council has identified them as required to increase the level of service and/or meet extra demand.

## [g] Variations from budget

	actual variance to budget \$000	greater or less than budget
<b>Finance costs</b>	<b>( 60)</b>	<b>less</b>
Due to the capital projects discussed below not progressing, the associated financing costs have not been incurred		
<b>Internal charges and overheads applied</b>	<b>36</b>	<b>greater</b>
The stormwater activity can be largely 're-active' and dependent on actual events during the year that dictate what staff input is required. This is the case in 2012/2013.		
<b>Capital expenditure —to meet additional demand</b>	<b>130</b>	<b>greater</b>
The additional expenditure relates to new stormwater developments that is work carried forward from previous years' budgets		
<b>Capital expenditure —to replace existing assets</b>	<b>( 331)</b>	<b>less</b>
The replacement of Nelson Quay stormwater pump and structural repairs of Johnson St have been deferred to latter years due to it being determined the renewals are not yet required		
<b>Increase (decrease) in debt</b>	<b>( 244)</b>	<b>less</b>
The renewal projects (asset replacements) referred to above were to be largely loan funded, and the loans have therefore not been required.		
<b>Increase (decrease) in reserves</b>	<b>( 128)</b>	<b>less</b>
The capital expenditure to replace existing assets discussed above that was carried forward from previous years' budgets was funded from reserves. The reserve transfer has been done in this year at the time the expenditure was actually incurred.		

## [h] 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)

### [a] Activities included in this group

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

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

### [b] 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.

### [c] Performance measurement

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	Result	Note
Quality of service	By providing a safe service	Wastewater overflows into houses due to faults in the public reticulation.	Nil	Nil	No wastewater overflows into houses were reported in the 2012-13.
		Maximum number of overflows affecting properties more than twice a year per 1000 properties.	20	Nil	There were 3 instances of overflow at the dump station at the Campervan Park by the Cobden bridge, however this results in 0.1 properties, and therefore we are reporting a result of 'nil'.
		Any non-compliance is publicly advertised: Within ½ hour on the website Same day on the local radio station The next publication of the local daily newspaper	Achieved	Achieved	There were no reports of non-compliance in 2012-13, and therefore no advertising was required.
	Residents overall satisfaction with the service	Minimum % satisfied per survey.	65%	67%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.
	Residents are provided with a reliable and efficient sewerage service	Maximum number of customers who experience a public wastewater service problem in any year	20	60	This represents the actual reported service problems in the network and is mainly as a result of a large number of properties still having a combined stormwater/sewerage connection. These combined connections cause capacity issues however is expected to decrease as more residents connect to the new sewerage systems.
		All planned shutdowns are notified at least 24 hours prior	Achieved	Achieved	There were no planned shutdowns in 2012-13.
Information is readily available on the schemes	Basic fact information provided on Council's web side. More detailed information is provided within 10 working days.	Achieved	Not achieved	Due to high level of capital works being undertaken by this department, staff were unable to meet this target.	

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	Result	Note
Financial sustainability	Schemes are maintained with respect for current and future generations	Revenue is sufficient to cover the annual renewal of assets, spread over their useful life (i.e. depreciation is funded) <sup>3</sup>	45%	140%	This is measured as a percentage of the revenue that Council receives (excluding any 'one off' grant/contribution) against the total operating expenditure. Anything less than 100% signals that 'catch up' expenditure may be required in the future to maintain existing levels of service.
Environmental sustainability	Treated waste water discharges are managed without adversely affecting the receiving environment.	Maximum number of resource consent infringements	Nil	Nil	Council is not aware of any breaches nor have any been notified. Staff actively monitor the consent conditions.

## [d] Activity funding impact statement

	2013 Actual \$000	2013 Annual Plan \$000	2012 Annual Plan \$000
<b>[A] SOURCES OF OPERATING FUNDING</b>			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates (other than a metered rate for water supply)	2,107	2,012	1,749
Subsidies and grants for operating purposes	-	-	-
Fees, charges, and metered rates for water supply	50	38	37
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	-	155	84
<b>Total operating funding [A]</b>	<b>2,157</b>	<b>2,205</b>	<b>1,870</b>
<b>[B] APPLICATIONS OF OPERATING FUNDING</b>			
Payments to staff and suppliers	527	733	605
Finance costs	112	49	75
Internal charges and overheads applied	167	176	161
Other operating funding applications	-	-	-
<b>Total applications of operating funding [B]</b>	<b>806</b>	<b>958</b>	<b>841</b>
<b>Surplus (deficit) of operating funding [A - B]</b>	<b>1,351</b>	<b>1,247</b>	<b>1,029</b>
<b>[C] SOURCES OF CAPITAL FUNDING</b>			
Subsidies and grants for capital expenditure	4,016	2,667	2,667
Development and financial contributions	88	13	43
Increase (decrease) in debt	13,317	14,488	( 26)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
<b>Total sources of capital funding [C]</b>	<b>17,421</b>	<b>17,168</b>	<b>2,684</b>
<b>[D] APPLICATIONS OF CAPITAL FUNDING</b>			
Capital expenditure			
—to meet additional demand	-	-	-
—to improve the level of service	12,625	22,585	4,154
—to replace existing assets	145	209	202
Increase (decrease) in reserves	3,280	( 4,372)	( 638)
Increase (decrease) of investments	-	( 7)	( 5)
<b>Total applications of capital funding [D]</b>	<b>16,050</b>	<b>18,415</b>	<b>3,713</b>
<b>Surplus (deficit) of capital funding [C - D]</b>	<b>1,371</b>	<b>( 1,247)</b>	<b>( 1,029)</b>
<b>Funding balance: [A - B] + [C - D]</b>	<b>2,722</b>	<b>-</b>	<b>-</b>

<sup>3</sup> Note 'one-off' revenue received for new capital projects (e.g. an external subsidy/grant) is not included in the revenue used to assess this measure

[e] Activity income statement

	2013 Actual \$000	2013 Annual Plan \$000	2012 Actual \$000
<b>INCOME</b>			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates (including targeted rates for water supply)	2,107	2,012	1,684
Subsidies and grants (operating and capital)	4,016	2,667	1,393
User charges & regulatory income (consent fees, infringements etc)	50	206	51
Internal charges and overheads recovered	-	-	-
Other income	88	13	4
<b>Total income</b>	<b>6,261</b>	<b>4,898</b>	<b>3,132</b>
<b>EXPENDITURE</b>			
Staff costs	-	-	-
Operating & maintenance costs	527	733	566
Finance costs	112	49	133
Internal charges and overheads applied	167	176	164
Other operating expenditure	-	-	-
Depreciation	738	784	594
<b>Total expenditure</b>	<b>1,544</b>	<b>1,742</b>	<b>1,457</b>
<b>Surplus (deficit) of activities</b>	<b>4,717</b>	<b>3,156</b>	<b>1,675</b>

[f] Major asset acquisitions or replacements and variations from the 2012 – 2022  
LTP - significant acquisitions

	Actual 2013 \$000	LTP year 1 (2013 annual plan) \$000
General renewals & miscellaneous new capital	145	209
Runanga system replacement	-	-
Greymouth wastewater upgrade	11,172	15,350
Runanga Pond effluent discharge upgrade	-	-
Dobson/Kaiata/Taylorville scheme	1,453	7,235

Due to a variety of reasons, including contractor availability, works on the *Greymouth wastewater upgrade* have not progressed as quickly as planned in the budget. The outstanding work will be carried out in the 2013/2014 financial year.

Work on the *Dobson/Kaiata/Taylorville scheme* has not progressed as quickly as planned in the budget. The outstanding work will be carried out to completion in the 2013/2014 financial year. The scheme construction started later than anticipated due to the confirmation of all funding being slightly delayed.

Renewal projects have been identified through Council's Asset Management Plans and prioritised by Council through the Annual Plan process.

New capital works have been undertaken on the basis that Council has identified them as required to increase the level of service and/or meet extra demand.

## [g] Variations from budget

	actual variance to budget \$000	greater or less than budget
<b>Local authorities fuel tax, fines, infringement fees, &amp; other receipts</b>	<b>( 155)</b>	<b>less</b>
The budget included interest earned on special funds set aside for sewerage capital projects. Whilst the interest has been returned to these reserves, the actual has not been recognised in this activity statement recognised under Democracy and administration.		
<b>Payments to staff and suppliers</b>	<b>( 206)</b>	<b>less</b>
The budgets included operating expenditure for new plant associated with the Greymouth wastewater upgrade and Dobson/Taylorville/Kaiata scheme. Not all the plant is as yet operational, and therefore the associated operating costs have not been incurred.		
<b>Finance costs</b>	<b>63</b>	<b>greater</b>
The debt drawn down occurred earlier in the year than originally intended in the budget, and therefore the associated finance costs increased above budget. Referring to the comments below regarding the debt variance, Council believes this will deliver cost savings over the long term.		
<b>Subsidies and grants for capital expenditure</b>	<b>1,349</b>	<b>greater</b>
The actual result includes subsidies claimed that were originally budgeted to be received in the previous year. Part of these claims were carried forward to this financial year.		
<b>Development and financial contributions</b>	<b>75</b>	<b>greater</b>
Financial contributions are payable at the stage of title issue. The timing of this can be difficult to predict as it is outside of Council's direct control.		
<b>Increase (decrease) in debt</b>	<b>( 1,171)</b>	<b>less</b>
Although the capital expenditure has been behind the schedule anticipated, Council took the opportunity to put in place the required external debt funding facilities, including drawing down on a greater part of the facilities. This was on the basis that Council saw the opportunity to secure long term fixed rate funding at lower rates. Due to more funds being drawn down than needed, the balance have been transferred to dedicated reserves until such time the expenditure is incurred. The actual overall amount drawn down however is lower than budget.		
<b>Capital expenditure —to improve the level of service</b>	<b>( 9,960)</b>	<b>less</b>
This relates to less work progressing on the Greymouth wastewater upgrade and Dobson/Taylorville/Kaiata scheme as discussed above under paragraph [f].		
<b>Increase (decrease) in reserves</b>	<b>7,652</b>	<b>greater</b>
Due to overall progress on the capital works being behind schedule there has not been the expected full draw down of the dedicated reserves set aside. Also refer to the comments made above regarding the variance in debt draw down.		

## [h] Identified effects of these activities on the community

- With a high level of capital expenditure occurring (notably Greymouth wastewater upgrade and Dobson/Taylorville/Kaiata sewerage scheme) a number of roads have been dug up to allow the installation of new pipes. This has resulted in a short term decrease in the quality of these roads.
- 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

### [a] Activities included in this group

Water supply includes sourcing, treatment and distribution from the 5 Council water supply, schemes of:

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

### [b] 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 fire fighting)
- Industrial and residential development.

### [c] Performance measurement

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	Result	Notes
Quality of service	By providing a safe water supply	Any non-compliance is publicly notified as soon as practical, by advertising: <ul style="list-style-type: none"> <li>• Within ½ hour on the website</li> <li>• Same day on the local radio station</li> <li>• The next available publication of the local daily newspaper</li> </ul>	Achieved	Achieved	No boil water notice was undertaken so no notification was required.
		Maximum number of notifiable water supply transgressions with Drinking Water Standards per year <ul style="list-style-type: none"> <li>• Greymouth</li> <li>• Blackball</li> <li>• Runanga</li> <li>• Dobson/Taylorville</li> <li>• Stillwater</li> </ul>	<ul style="list-style-type: none"> <li>• Nil</li> <li>• Nil</li> <li>• 5</li> <li>• 1</li> <li>• 1</li> </ul>	<ul style="list-style-type: none"> <li>• Nil</li> <li>• Nil</li> <li>• 1</li> <li>• Nil</li> <li>• Nil</li> </ul>	Due to on-going issues around the protection of the Runanga Water Supply, contamination can occur during high rainfall events. The one transgression relates to the event which happened around early January 2013. The Runanga Water Supply upgrade is planned for 2015. The number of transgressions allowed within each area was within the targeted amount for 2012-13.
	Residents are happy with the appearance and taste of water	Minimum % satisfied per survey	90%	76%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.
Residents are happy with the pressure and flow	Minimum % satisfied per survey	80%	89%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.	

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	Result	Notes
	Residents overall satisfaction with the service	Minimum % satisfied per survey	75%	72%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.
		All planned shutdowns are notified at least 24 hours prior	Achieved	Achieved	There was one planned shutdown which was notified at least 24 hours prior.
Access to the service	Council will provide a reliable water supply	The number of unplanned interruptions (affecting mains and rider mains) per year does not exceed the following amounts (total for all schemes):	120	128	The higher level of unplanned interruptions can be attributed to trench works undertaken by the contractors performing the upgrade to the sewerage systems. Council has given the best estimate based on information received from Council's service request system.
Financial sustainability	Schemes are maintained with respect for current and future generations	Revenue is sufficient to cover the annual renewal of assets, spread over their useful life (i.e. depreciation is funded) <sup>4</sup>	90%	109%	This is measured as a percentage of the revenue that Council receives (excluding any 'one off' grant/contribution) against the total operating expenditure. Anything less than 100% signals that 'catch up' expenditure may be required in the future to maintain existing levels of service.
Environmental sustainability	Water is sourced from a sustainable resource	Maximum number of resource consent infringements	Nil	Nil	Council is not aware of any breaches nor have any been notified. Staff actively monitor the consent conditions.

<sup>4</sup> Note 'one-off' revenue received for new capital projects (e.g. an external subsidy/grant) is not included in the revenue used to assess this measure

**[d] Activity funding impact statement**

	2013 Actual \$000	2013 Annual Plan \$000	2012 Annual Plan \$000
<b>[A] SOURCES OF OPERATING FUNDING</b>			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates (other than a metered rate for water supply )	1,571	1,506	1,452
Subsidies and grants for operating purposes	-	-	-
Fees, charges, and metered rates for water supply	257	338	328
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	3	-	-
<b>Total operating funding [A]</b>	<b>1,831</b>	<b>1,844</b>	<b>1,780</b>
<b>[B] APPLICATIONS OF OPERATING FUNDING</b>			
Payments to staff and suppliers	914	943	933
Finance costs	117	331	282
Internal charges and overheads applied	249	90	87
Other operating funding applications	-	-	-
<b>Total applications of operating funding [B]</b>	<b>1,280</b>	<b>1,364</b>	<b>1,302</b>
<b>Surplus (deficit) of operating funding [A - B]</b>	<b>551</b>	<b>480</b>	<b>478</b>
<b>[C] SOURCES OF CAPITAL FUNDING</b>			
Subsidies and grants for capital expenditure	-	-	424
Development and financial contributions	23	-	-
Increase (decrease) in debt	380	1,219	381
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
<b>Total sources of capital funding [C]</b>	<b>403</b>	<b>1,219</b>	<b>805</b>
<b>[D] APPLICATIONS OF CAPITAL FUNDING</b>			
Capital expenditure			
—to meet additional demand	-	-	-
—to improve the level of service	179	1,054	610
—to replace existing assets	647	653	726
Increase (decrease) in reserves	( 47)	( 8)	( 53)
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding [D]</b>	<b>779</b>	<b>1,699</b>	<b>1,283</b>
<b>Surplus (deficit) of capital funding [C - D]</b>	<b>( 376)</b>	<b>( 480)</b>	<b>( 478)</b>
<b>Funding balance: [A - B] + [C - D]</b>	<b>175</b>	<b>-</b>	<b>-</b>

**[e] Activity income statement**

	2013 Actual \$000	2013 Annual Plan \$000	2012 Actual \$000
<b>INCOME</b>			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates (including targeted rates for water supply)	1,828	1,844	1,524
Subsidies and grants (operating and capital)	-	-	-
User charges & regulatory income (consent fees, infringements etc)	-	-	295
Internal charges and overheads recovered	-	-	-
Other income	26	13	3
<b>Total income</b>	<b>1,854</b>	<b>1,857</b>	<b>1,822</b>
<b>EXPENDITURE</b>			
Staff costs	-	-	-
Operating & maintenance costs	914	943	869
Finance costs	117	331	394
Internal charges and overheads applied	249	90	224
Other operating expenditure	-	-	-
Depreciation	396	541	501
<b>Total expenditure</b>	<b>1,676</b>	<b>1,905</b>	<b>1,988</b>
<b>Surplus (deficit) of activities</b>	<b>178</b>	<b>( 48)</b>	<b>( 166)</b>

**[f] Major asset acquisitions or replacements and variations from the 2012 – 2022  
LTP - significant acquisitions**

	Actual 2013 \$000	LTP year 1 (2013 annual plan) \$000
General renewals & miscellaneous new capital	405	652
Greymouth Pressure Reduction	-	38
Life Lines renewals and upgrades	267	-
Roof replacement - Greymouth reservoir	88	-
Greymouth - Plant/treatment upgrade	66	1,017

The *Lifeline projects* and *Roof replacement of the Greymouth reservoir* relate to projects carried forward from prior years' budgets.

Council has deferred works on the *Greymouth plant/treatment upgrade* as it continues to work through what will be the most cost effective solution.

Renewal projects have been identified through Council's Asset Management Plans and prioritised by Council through the Annual Plan process.

New capital works have been undertaken on the basis that Council has identified them as required to increase the level of service and/or meet extra demand.

**[g] Variations from budget**

	actual variance to budget \$000	greater or less than budget
<b>Fees, charges, and metered rates for water supply</b>	<b>( 81)</b>	<b>less</b>
This relates to a decrease in metered water charges due to an overall decrease in the actual usage, largely brought about by the downturn in the economy. This includes one large consumer no longer operating.		
<b>Finance costs</b>	<b>( 214)</b>	<b>less</b>
Finance costs overall for Council are less than budgeted for (refer to variance explanations in the note to the accounts). This is coupled with a reduction in the capital expenditure as outlined above decreasing the need for debt and the associated finance costs.		
<b>Internal charges and overheads applied</b>	<b>159</b>	<b>greater</b>
Per previous years the actual time of staff input has been higher than aimed for with the budgets. This has included responding to issues such as water contamination which have have required a large amount of staff input.		
<b>Increase (decrease) in debt</b>	<b>( 839)</b>	<b>less</b>
The budgeted increase in debt related mostly to the Greymouth plant/treatment upgrade, and given the greater part of the expenditure hasn't been incurred, the associated debt has not yet been uplifted.		
<b>Capital expenditure —to improve the level of service</b>	<b>( 875)</b>	<b>less</b>
This relates to the Greymouth plant/treatment upgrade as discussed above under paragraph [f].		

**[h] 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 occurred in 2012/2013. Upgrades have been signalled in the Long Term Plan, and options for this are currently being worked through.
- The Stillwater water supply has experienced regular discolouration, which requires filters to be used on individual properties. This will be resolved with the upgrade of this supply in the next 12 – 24 months.
- Due to drought conditions over summer water restrictions were required to be implemented for a short period.

# [5] Solid waste (refuse and recycling)

## [a] 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.

## [b] 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.

## [c] Performance measurement

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	Result	Notes
Quality of service	By providing a convenient service	Minimum % of residents are satisfied facilities (litter bins, recycling stations, recycling centre) are kept clean and tidy.	75%	77%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.
	Residents overall satisfaction with the service	Minimum % satisfied per survey.	90%	76%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.
Access to the service	By providing convenient services that our residents are aware of and understand	Minimum % of waste collected, is recycled <sup>5</sup>	35%	13%	Recycling collection started 1st September 2012, so this service was only delivered for part of the year.
	Residents are provided with a reliable service	Minimum % satisfied that waste and recyclables are collected on time, (where services are provided).	90%	91%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.
	Information is readily available on the schemes	Basic fact information provided on Council's web site. More detailed information is provided within 10 working days.	Achieved	Not Achieved	Due to high level of capital works being undertaken by this department, staff were unable to meet this target.

<sup>5</sup> Where Council provides a recycling service.

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	Result	Notes
Financial sustainability	Facilities and services are maintained with respect for current and future generations	Revenue is sufficient to cover the annual renewal of assets, spread over their useful life (i.e. depreciation is funded) <sup>6</sup>	100%	107%	This is measured as a percentage of the revenue that Council receives (excluding any 'one off' grant/contribution) against the total operating expenditure. Anything less than 100% signals that 'catch up' expenditure may be required in the future to maintain existing levels of service.
Environmental sustainability	Solid Waste facilities and services are managed without adversely affecting the receiving environment.	Maximum number of resource consent infringements	Nil	Nil	Council is not aware of any breaches nor have any been notified. Staff actively monitor the consent conditions.

<sup>6</sup> Note 'one-off' revenue received for new capital projects (e.g. an external subsidy/grant) is not included in the revenue used to assess this measure

## [d] Activity funding impact statement

	2013 Actual \$000	2013 Annual Plan \$000	2012 Annual Plan \$000
<b>[A] SOURCES OF OPERATING FUNDING</b>			
General rates, uniform annual general charges, rates penalties	182	177	312
Targeted rates (other than a metered rate for water supply )	1,184	1,100	915
Subsidies and grants for operating purposes	40	36	40
Fees, charges, and metered rates for water supply	609	653	386
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	-	36	40
<b>Total operating funding [A]</b>	<b>2,015</b>	<b>2,002</b>	<b>1,693</b>
<b>[B] APPLICATIONS OF OPERATING FUNDING</b>			
Payments to staff and suppliers	1,510	1,699	1,286
Finance costs	42	69	101
Internal charges and overheads applied	125	96	64
Other operating funding applications	52	-	-
<b>Total applications of operating funding [B]</b>	<b>1,729</b>	<b>1,864</b>	<b>1,451</b>
<b>Surplus (deficit) of operating funding [A - B]</b>	<b>286</b>	<b>138</b>	<b>242</b>
<b>[C] SOURCES OF CAPITAL FUNDING</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	( 132)	( 79)	( 108)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
<b>Total sources of capital funding [C]</b>	<b>( 132)</b>	<b>( 79)</b>	<b>( 108)</b>
<b>[D] APPLICATIONS OF CAPITAL FUNDING</b>			
Capital expenditure			
—to meet additional demand	-	-	-
—to improve the level of service	27	30	29
—to replace existing assets	58	17	22
Increase (decrease) in reserves	16	12	83
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding [D]</b>	<b>101</b>	<b>59</b>	<b>134</b>
<b>Surplus (deficit) of capital funding [C - D]</b>	<b>( 233)</b>	<b>( 138)</b>	<b>( 242)</b>
<b>Funding balance: [A - B] + [C - D]</b>	<b>53</b>	<b>-</b>	<b>-</b>

**[e] Activity income statement**

	2013 Actual \$000	2013 Annual Plan \$000	2012 Actual \$000
<b>INCOME</b>			
General rates, uniform annual general charges, rates penalties	182	177	317
Targeted rates (including targeted rates for water supply)	1,184	1,100	926
Subsidies and grants (operating and capital)	40	36	-
User charges & regulatory income (consent fees, infringements etc)	609	689	563
Internal charges and overheads recovered	-	-	-
Other income	-	-	-
<b>Total income</b>	<b>2,015</b>	<b>2,002</b>	<b>1,806</b>
<b>EXPENDITURE</b>			
Staff costs	-	-	-
Operating & maintenance costs	1,510	1,699	1,301
Finance costs	42	69	148
Internal charges and overheads applied	125	96	108
Other operating expenditure	52	-	-
Depreciation	212	111	204
<b>Total expenditure</b>	<b>1,941</b>	<b>1,975</b>	<b>1,761</b>
<b>Surplus (deficit) of activities</b>	<b>74</b>	<b>27</b>	<b>45</b>

**[f] Major asset acquisitions or replacements and variations from the 2012 – 2022 LTP - significant acquisitions**

	Actual 2013 \$000	LTP year 1 (2013 annual plan) \$000
General renewals & miscellaneous new capital	58	22
McLeans recycling area	17	-
Old Cobden landfill - reinstatement of area	10	25

More funds were spent in general renewals and miscellaneous new capital and on the McLeans recycling area as funds were carried forward from previous years' budgets to complete projects.

Renewal projects have been identified through Council's Asset Management Plans and prioritised by Council through the Annual Plan process.

New capital works have been undertaken on the basis that Council has identified them as required to increase the level of service and/or meet extra demand.

**[g] Variations from budget**

	actual variance to budget \$000	greater or less than budget
<b>Targeted rates (other than a metered rate for water supply )</b>	<b>84</b>	<b>greater</b>
With the 'wheelie bin' collection implemented for the greater Greymouth area, a number of additional properties were added to receive the service, with the respective rate charged to the property.		
<b>Payments to staff and suppliers</b>	<b>( 189)</b>	<b>less</b>
Council budgeted for its obligations under the Emissions Trading Scheme based on the information that was available at the time. The actual cost of this has proven to be substantially lower.		
<b>Increase (decrease) in debt</b>	<b>( 53)</b>	<b>greater (more debt repaid)</b>
Given cost reductions compared to budget across other areas an additional amount of debt was able to be repaid		

**[h] Identified effects of these activities on the community**

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

# [6] Emergency management

## [a] Activities included in this group

Emergency management includes:

- Civil Defence and Emergency Management, including:
  - Developing, implementing and monitoring District-wide emergency management plans.
  - Promoting community preparedness for emergencies.
  - Working with other authorities, both locally and in the Region to plan for and respond to hazards, risks and emergencies.
  - Mobilising and responding in the event of an emergency.
- Rural Fires:-management of and participation in the West Coast Rural Fire Authority (WCRFA) and controlling permitted fires.

## [b] 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”.

## [c] Performance measurement

### EMERGENCY MANAGEMENT

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	Result	Notes
Quality of service	By emergency management personnel being aware of their roles and being proficient in the execution of duties	The number of in-house/national training exercises participated in annually.	2	2	The two exercises were: <ul style="list-style-type: none"> <li>• Ex Shakeout - 26 September 2012</li> <li>• Ex Te Ripahapa – 29 May 2013</li> </ul>
		A minimum percentage of personnel trained to CIMS 4 standard	80%	92%	24 out of 26 Grey District Council Staff who man the Emergency Operations Centre are trained to the CIMS 4 standard.
Coverage of the service	By encouraging greater public awareness and participation from the public to be better prepared for emergency situations.	A minimum percentage of schools and pre-school organisations visited annually to deliver the “be better prepared” message.	80%	33%	5 out of the 15 schools and pre-schools were visited, including Barrytown, Lake Brunner, Cobden, Grey High, and John Paul II.
	Information is readily available on service	Relevant details and plans are posted on Council’s website	Achieved	Achieved	All Civil Defence Plans are on the website.
	Our residents are prepared for an emergency	% of residents surveyed who feel they are prepared to cope in an emergency	80%	72%	The Resident’s Satisfaction Survey was conducted in August 2013. The full report is available on Council’s website.

## RURAL FIRE

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	Result	Notes
Quality of service	By providing an efficient service	For the Zone management by Council (Zone 4) Council meets National Rural Fire Authority requirements.	Achieved	Achieved	Council received a 'Satisfactory' performance against the National Rural Fire Authority's Performance Monitoring and Evaluation Framework (PMEF).
Quality of and Access to the service	By providing an efficient and convenient rural fire service	Maximum time to process and issue new Fire Permits will be 3 working days and renewals, 1 working day.	Achieved	Achieved	485 of 485 fire permits and renewals were processed in 1 working day.
	Information is readily available on the service	Basic fact information provided on Council's web site. More detailed information is provided within 10 working days.	Achieved	Not Achieved	Due to high level of capital works being undertaken by this department, staff were unable to meet this target.

**[d] Activity funding impact statement**

	2013 Actual \$000	2013 Annual Plan \$000	2012 Annual Plan \$000
<b>[A] SOURCES OF OPERATING FUNDING</b>			
General rates, uniform annual general charges, rates penalties	178	173	173
Targeted rates (other than a metered rate for water supply )	-	-	-
Subsidies and grants for operating purposes	-	5	6
Fees, charges, and metered rates for water supply	1	16	16
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	-
<b>Total operating funding [A]</b>	<b>179</b>	<b>194</b>	<b>195</b>
<b>[B] APPLICATIONS OF OPERATING FUNDING</b>			
Payments to staff and suppliers	94	117	122
Finance costs	-	3	-
Internal charges and overheads applied	47	65	62
Other operating funding applications	-	-	-
<b>Total applications of operating funding [B]</b>	<b>141</b>	<b>185</b>	<b>184</b>
<b>Surplus (deficit) of operating funding [A - B]</b>	<b>38</b>	<b>9</b>	<b>11</b>
<b>[C] SOURCES OF CAPITAL FUNDING</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	( 3)	16	18
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
<b>Total sources of capital funding [C]</b>	<b>( 3)</b>	<b>16</b>	<b>18</b>
<b>[D] APPLICATIONS OF CAPITAL FUNDING</b>			
Capital expenditure			
—to meet additional demand	-	-	-
—to improve the level of service	-	22	24
—to replace existing assets	-	3	3
Increase (decrease) in reserves	-	-	2
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding [D]</b>	<b>-</b>	<b>25</b>	<b>29</b>
<b>Surplus (deficit) of capital funding [C - D]</b>	<b>( 3)</b>	<b>( 9)</b>	<b>( 11)</b>
<b>Funding balance: [A - B] + [C - D]</b>	<b>35</b>	<b>-</b>	<b>-</b>

**[e] Activity income statement**

	2013 Actual \$000	2013 Annual Plan \$000	2012 Actual \$000
<b>INCOME</b>			
General rates, uniform annual general charges, rates penalties	178	173	182
Targeted rates (including targeted rates for water supply)	-	-	-
Subsidies and grants (operating and capital)	-	5	-
User charges & regulatory income (consent fees, infringements etc)	1	16	11
Internal charges and overheads recovered	-	-	-
Other income	-	-	-
<b>Total income</b>	<b>179</b>	<b>194</b>	<b>193</b>
<b>EXPENDITURE</b>			
Staff costs	39	42	39
Operating & maintenance costs	55	75	62
Finance costs	-	3	-
Internal charges and overheads applied	47	65	58
Other operating expenditure	-	-	-
Depreciation	4	7	5
<b>Total expenditure</b>	<b>145</b>	<b>192</b>	<b>164</b>
<b>Surplus (deficit) of activities</b>	<b>34</b>	<b>2</b>	<b>29</b>

**[f] Major asset acquisitions or replacements and variations from the 2012 – 2022 LTP - significant acquisitions**

	Actual 2013 \$000	LTP year 1 (2013 annual plan) \$000
General renewals & miscellaneous new capital	-	25

The General renewals & miscellaneous new capital is related to new rural fire equipment. The acquisition of this has been deferred due to other organisational time commitments.

Renewal projects have been identified through Council's Asset Management Plans and prioritised by Council through the Annual Plan process.

New capital works have been undertaken on the basis that Council has identified them as required to increase the level of service and/or meet extra demand.

**[g] Variations from budget**

No significant variances.

**[h] Identified effects of these activities on the community**

- The ongoing pro-active measures undertaken serve to build a community more resilient and prepared for emergencies. The Council plus wider network participated in exercise 'ShakeOut' held in September 2012.

## [7] Environmental services

### [a] Activities included in this group

Environmental services include:

- Environmental Planning
- Amenity Management
- Environmental Health
- Building Control
- Animal Control

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

### [b] Why we are involved in this activity/these activities

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

- The environmental planning service ensures the District is able to promote development to support a prosperous community without compromising rights of residents and the District's physical and natural assets/resources. It achieves this aim by appropriate application of the Resource Management Act, through the review and implementation of the District Plan and its resource consent and monitoring functions.
- Council's building control services ensures that the District's buildings and other associated structures (such as swimming pools) are safe, habitable and meet National legislative requirements. Of particular importance is Council's role in advising on and where necessary enforcing the statutory provisions relating to earthquake prone buildings.
- Amenity management activities focus on working with the community to ensure the District remains a peaceful and attractive place to live and work. By the careful application of Bylaws and other legal mechanisms, Council aims to reduce littering, effectively manage freedom camping and respond to noise nuisances, as well as encourage residents to maintain tidy sections.
- Environmental health services aims to protect our community from infectious and notifiable diseases by promoting food safety practices in food establishments. This activity also aims to ensure that hairdressing businesses, gaming machines, camping grounds and those selling liquor conform to appropriate standards.
- Dog and Stock control service aims to provide a safer District by reducing dog-related offences through ensuring the registration of dogs, the education of their owners and the investigation of complaints. In addition this service seeks to support safer road and rail corridors by responding to complaints about wandering stock and working with landowners to maintain stock proof fencing.

### [c] Performance measurement

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	Result	Notes
Quality of service	We will efficiently process information requests and consent applications within statutory time limits	% of Land Information Memoranda (LIMs) issued within 10 working days of application	100%	97%	195 of 202 Land Information Memoranda (LIMs) issued within 10 working days of application. The target was not achieved due to a change in the Council's information technology system.
		% of non-notified land use consents processed within 20 working days	100%	100%	82 of 82 land use consents were processed within the targeted timeframe.

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	Result	Notes
		% Building consents and Code of Compliance Certificates issued with statutory time limits	100%	100%	394 of 394 building consents and 545 of 545 Code of Compliance Certificates were processed within the statutory time frame.
		% of building inspection undertaken at agreed times	95%	99%	Staff are confident that 99% of appointments are undertaken at agreed times. No complaints were reported regarding missed appointments.
	We will ensure that buildings within the District are safe and meet national quality standards	% of owners of earthquake prone buildings in the District aware of their obligations to strengthen their buildings to the required standard	100%	100%	All owners of buildings with earthquake prone issues received information regarding their obligations to strengthen their buildings, and Council held two public information sessions.
		Maintain accreditation as a building consent authority	Yes	Yes	The Grey District Council continues to be an Accredited Building Consent Authority, as assessed by International Accreditation New Zealand.
	We will provide for a safer District by promoting responsible dog ownership and monitoring food and liquor premises	% of known dogs registered by August each year	95%	87%	2,377 of 2,682 total known dogs were registered by August 2013. The target was not met due to a general lack of compliance combined with greater workload on staff as Council changed to a new information technology system.
		% food premises inspected each year	100%	100%	93 of 93 food premises were inspected in 2012-13.
% of premises requesting new and renewed liquor licences that are inspected.		100%	100%	40 of 40 premises requesting new and renewed liquor licences were inspected in 2012-13.	
Availability of the service	We will respond to service requests in a timely manner	% after hours noise and animal control complaints responded to within 2 hours	95%	91%	283 of 312 after hours noise and animal control complaints were responded to within 2 hours.
		% complaints about breaches of bylaws and District Plan rules responded to within 5 working days	95%	97%	33 of 34 complaints about breaches of bylaws and District Plan rules were responded to within 5 working days.
Financial sustainability	We will recover actual and reasonable costs for consent applications	% recovery of actual and reasonable costs	80%	51%	This has been expressed as the percentage of user fee income against total operating expenditure. The recovery from building consenting was 76%, but has been offset by the reduced volume of resource consents being processed, which only had a 13% recovery from user fees

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	Result	Notes
	We will recover reasonable and actual costs for enforcement related activities	% recovery of actual and reasonable costs	80%	45%	This has been expressed as the percentage of user fee income against total operating expenditure. Recoveries in these activities are inherently difficult.
Environmental sustainability	We will ensure that the District Plan remains effective in delivering sustainable development	% of land use consents issued since 2005 are monitored for compliance with conditions	20%	As required	The monitoring needs of ALL land use consents is determined as Council issues them i.e. no monitoring required/complete, or will be monitored by the building inspectors/engineers/finance team, or will need to be monitored so an appropriate bring-back date is assigned and do so accordingly. Monitoring is fluid as it can only occur when the consented activity is established and may require one or more frequent inspections and in some cases is on an on-going basis e.g. once per year.
		Review and update District Plan in line with agreed programme	Programme developed	Programme on hold	The Programme is on hold while Council works to keep rate rises down.
		% of residents satisfied with their environment	90%	55%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.
Cultural sustainability	We will consult <i>lwi</i> on all new policies, bylaws, District Plan changes and notified resource consents	%of new policies, bylaws, DP changes and notified resource consents that have involved <i>lwi</i> consultation	100%	Not required	No consent reached a threshold where high level consultation with <i>lwi</i> was triggered.

## [d] Activity funding impact statement

	2013 Actual \$000	2013 Annual Plan \$000	2012 Annual Plan \$000
<b>[A] SOURCES OF OPERATING FUNDING</b>			
General rates, uniform annual general charges, rates penalties	860	848	909
Targeted rates (other than a metered rate for water supply)	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees, charges, and metered rates for water supply	915	1,129	1,132
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	83	41	40
<b>Total operating funding [A]</b>	<b>1,858</b>	<b>2,018</b>	<b>2,081</b>
<b>[B] APPLICATIONS OF OPERATING FUNDING</b>			
Payments to staff and suppliers	311	411	493
Finance costs	-	-	-
Internal charges and overheads applied	1,575	1,641	1,610
Other operating funding applications	-	-	-
<b>Total applications of operating funding [B]</b>	<b>1,886</b>	<b>2,052</b>	<b>2,103</b>
<b>Surplus (deficit) of operating funding [A - B]</b>	<b>( 28)</b>	<b>( 34)</b>	<b>( 22)</b>
<b>[C] SOURCES OF CAPITAL FUNDING</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	82	43	42
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
<b>Total sources of capital funding [C]</b>	<b>82</b>	<b>43</b>	<b>42</b>
<b>[D] APPLICATIONS OF CAPITAL FUNDING</b>			
Capital expenditure			
—to meet additional demand	-	-	-
—to improve the level of service	-	8	137
—to replace existing assets	41	143	-
Increase (decrease) in reserves	73	( 142)	( 117)
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding [D]</b>	<b>114</b>	<b>9</b>	<b>20</b>
<b>Surplus (deficit) of capital funding [C - D]</b>	<b>( 32)</b>	<b>34</b>	<b>22</b>
<b>Funding balance: [A - B] + [C - D]</b>	<b>( 60)</b>	<b>-</b>	<b>-</b>

**[e] Activity income statement**

	2013 Actual \$000	2013 Annual Plan \$000	2012 Actual \$000
<b>INCOME</b>			
General rates, uniform annual general charges, rates penalties	860	848	918
Targeted rates (including targeted rates for water supply)	-	-	-
Subsidies and grants (operating and capital)	-	-	-
User charges & regulatory income (consent fees, infringements etc)	915	1,213	971
Internal charges and overheads recovered	-	-	-
Other income	165	-	7
<b>Total income</b>	<b>1,940</b>	<b>2,061</b>	<b>1,896</b>
<b>EXPENDITURE</b>			
Staff costs	1	1	-
Operating & maintenance costs	310	410	358
Finance costs	-	-	-
Internal charges and overheads applied	1,575	1,641	1,548
Other operating expenditure	-	-	-
Depreciation	23	37	32
<b>Total expenditure</b>	<b>1,909</b>	<b>2,089</b>	<b>1,938</b>
<b>Surplus (deficit) of activities</b>	<b>31</b>	<b>( 28)</b>	<b>( 42)</b>

**[f] Major asset acquisitions or replacements and variations from the 2012 – 2022  
LTP - significant acquisitions**

	Actual 2013 \$000	LTP year 1 (2013 annual plan) \$000
General renewals & miscellaneous new capital	2	8
Replacement of operational vehicles	39	143

Replacement of some vehicles was deferred until 2013/2014 as based on an assessment replacements were not required.

Renewal projects have been identified through Council's Asset Management Plans and prioritised by Council through the Annual Plan process.

New capital works have been undertaken on the basis that Council has identified them as required to increase the level of service and/or meet extra demand.

## [g] Variations from budget

	actual variance to budget \$000	greater or less than budget
<b>Fees, charges, and metered rates for water supply</b>	<b>( 214)</b>	<b>less</b>
The economic downturn was taken into account when preparing budgets for the 2012/2013 year, however the actual resulted in a lower volume of consent applications than forecast. As disclosed below all practical measures were put in place to reduce expenditure throughout the year to account for the reduced revenue.		
<b>Payments to staff and suppliers</b>	<b>( 100)</b>	<b>less</b>
Per the above noted revenue decrease, all practicable measures were taken to reduce expenditure accordingly (without reducing levels of service)		
<b>Internal charges and overheads applied</b>	<b>( 66)</b>	<b>less</b>
Per the above noted revenue decrease, all practicable measures were taken to reduce expenditure accordingly (without reducing levels of service)		
<b>Capital expenditure —to replace existing assets</b>	<b>( 102)</b>	<b>less</b>
Replacement of vehicles has been deferred to the 2013/2014 financial year		

## [h] Identified effects of these activities on the community

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

## [8] Other transport

### [a] Activities included in this group

Other transport includes:

- Greymouth Airport which includes:
  - The airport including the runway, taxi area, grass runway for use by micro light aircraft as well as navigation lights.
  - The Greymouth Aero Club as service provider to incoming and departing aircraft.
  - Management of the land portfolio in the form of land leases and rights to occupy.
- Parking, which involves:
  - The provision of parking.
  - Regulating the use of parking.
- Port of Greymouth which involves:
  - Managing the port, the breakwaters, wharves and the slipway.
  - Managing the navigation safety function.
  - Managing the land holding portfolio.

### [b] Why we are involved in this activity/these activities

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

- The Airport not only provides the opportunity for use by smaller commercial and private aircraft but also provides a convenient transport option for Grey Base Hospital for the transfer of patients and staff as well for emergency air rescue services. In addition it is an important training venue for related activities and defensive driver training.
- The Airport is an important strategic asset.
- The Parking function is an integral component of a vibrant and growing CBD and important access to other key services in the District. It provides for safety and convenient access to commercial, educational and service industries and venues.
- Port of Greymouth is an important fishing asset as it is located closest to the lucrative Hokitika Trench fishing grounds. It provides safe berthage to a local and, from time to time visiting fishing fleet as well. It is home to the fish handling and processing activities of 2 firms.

### [c] Performance measurement

#### AIRPORT

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	Result	Notes
Quality of service	By providing a safe service	Meet Civil Aviation Authority requirements for the Airport.	Achieved	Achieved	The Aerodrome meets the requirements set out by Civil Aviation Rule Part 139 Aerodrome - Certification, Operation and Use.
	By providing residents with a service they are happy with	Minimum % satisfied that the airport is run efficiently.	55%	48%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.
	Information on Facilities is readily available on the schemes	Basic fact information provided on Council's web site. More detailed information is provided within 10 working days of request.	Achieved	Not Achieved	Due to high level of capital works being undertaken by this department, staff were unable to meet this target.

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	Result	Notes
Financial sustainability	Facilities and services are maintained with respect for current and future generations	Revenue is sufficient to cover the annual renewal of assets, spread over their useful life (i.e. depreciation is funded) <sup>7</sup>	100%	105%	This is measured as a percentage of the revenue that Council receives (excluding any 'one off' grant/contribution) against the total operating expenditure. Anything less than 100% signals that 'catch up' expenditure may be required in the future to maintain existing levels of service.

## PARKING

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	Result	Notes
Quality of service	By maintaining safe, convenient and accessible parking in the CBD	Off road car parks are inspected annually for deterioration in surface seal, markings and signage. Information on remedial action will be made publicly available via the monthly meeting agenda.	Yes	Yes	Car parks were inspected and there were no reported complaints in 2012-13.
		Public satisfied with the availability of public parking	75%	79%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.
Access to the service	Through forward planning	Development of and implementation of a parking strategy for the CBD and environs with key stakeholders	Plan developed	To be investigated as part of a Spatial Plan for the CBD	This need for a Spatial Plan has been identified as part of the Community Economic Development Strategy 2013-23.

## PORT OF GREYMOUTH

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	Result	Notes
Quality of service	By providing residents with a service they are happy with	Minimum % satisfied that the port is run efficiently.	55%	35%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.

<sup>7</sup> Note 'one-off' revenue received for new capital projects (e.g. an external subsidy/grant) is not included in the revenue used to assess this measure

**[d] Activity funding impact statement**

	2013 Actual \$000	2013 Annual Plan \$000	2012 Annual Plan \$000
<b>[A] SOURCES OF OPERATING FUNDING</b>			
General rates, uniform annual general charges, rates penalties	217	214	176
Targeted rates (other than a metered rate for water supply)	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees, charges, and metered rates for water supply	370	409	378
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	73	67	60
<b>Total operating funding [A]</b>	<b>660</b>	<b>690</b>	<b>614</b>
<b>[B] APPLICATIONS OF OPERATING FUNDING</b>			
Payments to staff and suppliers	879	623	438
Finance costs	53	36	107
Internal charges and overheads applied	245	224	213
Other operating funding applications	-	-	-
<b>Total applications of operating funding [B]</b>	<b>1,177</b>	<b>883</b>	<b>758</b>
<b>Surplus (deficit) of operating funding [A - B]</b>	<b>( 517)</b>	<b>( 193)</b>	<b>( 144)</b>
<b>[C] SOURCES OF CAPITAL FUNDING</b>			
Subsidies and grants for capital expenditure	177	300	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	445	263	187
Gross proceeds from sale of assets	10	-	-
Lump sum contributions	-	-	-
<b>Total sources of capital funding [C]</b>	<b>632</b>	<b>563</b>	<b>187</b>
<b>[D] APPLICATIONS OF CAPITAL FUNDING</b>			
Capital expenditure			
—to meet additional demand	-	-	-
—to improve the level of service	179	311	3
—to replace existing assets	6	3	371
Increase (decrease) in reserves	( 227)	56	( 331)
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding [D]</b>	<b>( 42)</b>	<b>370</b>	<b>43</b>
<b>Surplus (deficit) of capital funding [C - D]</b>	<b>674</b>	<b>193</b>	<b>144</b>
<b>Funding balance: [A - B] + [C - D]</b>	<b>157</b>	<b>-</b>	<b>-</b>

**[e] Activity income statement**

	2013 Actual \$000	2013 Annual Plan \$000	2012 Actual \$000
<b>INCOME</b>			
General rates, uniform annual general charges, rates penalties	217	214	177
Targeted rates (including targeted rates for water supply)	-	-	-
Subsidies and grants (operating and capital)	177	300	-
User charges & regulatory income (consent fees, infringements etc)	370	476	519
Internal charges and overheads recovered	-	-	-
Other income	83	-	197
<b>Total income</b>	<b>847</b>	<b>990</b>	<b>893</b>
<b>EXPENDITURE</b>			
Staff costs	188	224	232
Operating & maintenance costs	691	399	444
Finance costs	53	36	270
Internal charges and overheads applied	245	224	209
Other operating expenditure	-	-	-
Depreciation	263	276	272
<b>Total expenditure</b>	<b>1,440</b>	<b>1,159</b>	<b>1,427</b>
<b>Surplus (deficit) of activities</b>	<b>( 593)</b>	<b>( 169)</b>	<b>( 534)</b>

**[f] Major asset acquisitions or replacements and variations from the 2012 – 2022 LTP - significant acquisitions**

	Actual 2013 \$000	LTP year 1 (2013 annual plan) \$000
General renewals & miscellaneous new capital	-	6
Viewing platform on Southern Breakwater	177	308
Breakwater renewals	8	-

The new *viewing platform* being built at the *Southern Breakwater* was in progress as at 30 June 2013 (and recognised in the accounts as work in progress). The platform was completed in September 2013.

Renewal projects have been identified through Council's Asset Management Plans and prioritised by Council through the Annual Plan process.

New capital works have been undertaken on the basis that Council has identified them as required to increase the level of service and/or meet extra demand.

**[g] Variations from budget**

	actual variance to budget \$000	greater or less than budget
<b>Payments to staff and suppliers</b>	<b>256</b>	<b>greater</b>
The over expenditure includes legal fees incurred pursuing a legal claim for outstanding lease payments owed to Council (additional \$340,000 attributed to these activities).		
<b>Subsidies and grants for capital expenditure</b>	<b>( 123)</b>	<b>less</b>
The amount budgeted was the grant from Development West Coast's Extraordinary Distribution Fund (EDF) as the contribution towards the new viewing platform on the Southern Breakwater. As the project is not complete, only the amount spent to 30 June 2013 has been claimed.		
<b>Increase (decrease) in debt</b>	<b>182</b>	<b>greater (more debt than budget)</b>
Current port deficits are funded initially from available reserves and then the balance from debt. As this activity had over expenditures as referred to above additional debt funding was required.		
<b>Capital expenditure —to improve the level of service</b>	<b>( 132)</b>	<b>less</b>
The new viewing platform being built at the Southern Breakwater was in progress as at 30 June 2013, with the unspent amount representing the work still to be carried out in 2013/2014.		
<b>Increase (decrease) in reserves</b>	<b>( 283)</b>	<b>more funds transferred FROM reserves than budget</b>
Current port deficits are funded initially from available reserves and then the balance from debt. With port over expenditures incurred in 2012/2013 all available Harbour Endowment Land Sale reserves have been applied to the activity.		

**[h] 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

## [a] Activities included in this group

This includes:

- Retirement Housing which involves:
  - maintaining and managing occupation of 118 units
  - pro-active provision of further retirement housing units
- Property, which involves:
  - a land leasehold portfolio consisting of 54 residential leases, 35 commercial leases,
  - a building portfolio involving 3 leased buildings and the buildings supporting Council's administrative function (Tainui St and Runanga service centre).
  - unused Council land consisting of various titles across the District.
- Management of leases with Mawhera Inc. re land leased by Council.

## [b] 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 income for the benefit of all residents.

## [c] Performance measurement

### PROPERTY

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	Result	Notes
Quality of service	By providing a safe service	Meet Building Authority requirements.	Achieved	Achieved	Regular property inspections are undertaken.
Financial sustainability	Facilities and services are maintained with respect for current and future generations	Tenants and occupiers of buildings meet their responsibilities and therefore Council's investment is maximised	Achieved	Achieved	Council maintains a proactive relationship with tenants that enables any potential issues to be identified at an early stage and rectified as necessary.
		Revenue is sufficient to cover the annual renewal of assets, spread over their useful life (i.e. depreciation is funded)	80%	104%	This is measured as a percentage of the revenue that Council receives (excluding any 'one off' grant/contribution) against the total operating expenditure. Anything less than 100% signals that 'catch up' expenditure may be required in the future to maintain existing levels of service.

## RETIREMENT HOUSING

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	Result	Notes
Quality of service	By providing well maintained and comfortable housing.	A minimum percentage of occupancy rates achieved	95%	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.)	Achieved	Achieved	Council continues to provide the 0800 number which is directed to a local service provider. All residents are advised of this service.
Availability of the housing	By encouraging waiting list applications from a wide sector of the community	Maintaining a waiting list of minimum 25 eligible applicants. By allowing applicants a maximum percentage of property, cash in the bank or investments.	Achieved	Achieved	Council regularly reviews and updates the waiting list by contacting those on the list to check they are still interested in a flat.
	By providing affordable housing	Rent levels set annually below market rates	Achieved	Achieved	Based on anecdotal evidence available from the Ministry of Business Innovation and Employment (MBIE) rentals are approximately 60% of market rentals.
	Information is readily available on service	Details of service provided on Council's website	Achieved	Achieved	Maintained and updated in partnership with Council's Communications Advisor.
	Being pro-active in the provision of housing units	Undertaking an annual review on the need for more housing units	Achieved	Not achieved	No formal review was undertaken in 2012-13.

## [d] Activity funding impact statement

	2013 Actual \$000	2013 Annual Plan \$000	2012 Annual Plan \$000
<b>[A] SOURCES OF OPERATING FUNDING</b>			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates (other than a metered rate for water supply )	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees, charges, and metered rates for water supply	737	749	664
Internal charges and overheads recovered	244	244	246
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	-
<b>Total operating funding [A]</b>	<b>981</b>	<b>993</b>	<b>910</b>
<b>[B] APPLICATIONS OF OPERATING FUNDING</b>			
Payments to staff and suppliers	698	677	639
Finance costs	32	204	82
Internal charges and overheads applied	174	195	188
Other operating funding applications	-	-	-
<b>Total applications of operating funding [B]</b>	<b>904</b>	<b>1,076</b>	<b>909</b>
<b>Surplus (deficit) of operating funding [A - B]</b>	<b>77</b>	<b>( 83)</b>	<b>1</b>
<b>[C] SOURCES OF CAPITAL FUNDING</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	( 17)	950	82
Gross proceeds from sale of assets	194	180	-
Lump sum contributions	-	-	-
<b>Total sources of capital funding [C]</b>	<b>177</b>	<b>1,130</b>	<b>82</b>
<b>[D] APPLICATIONS OF CAPITAL FUNDING</b>			
Capital expenditure			
—to meet additional demand	-	1,000	-
—to improve the level of service	-	-	-
—to replace existing assets	1	17	137
Increase (decrease) in reserves	196	30	( 54)
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding [D]</b>	<b>197</b>	<b>1,047</b>	<b>83</b>
<b>Surplus (deficit) of capital funding [C - D]</b>	<b>( 20)</b>	<b>83</b>	<b>( 1)</b>
<b>Funding balance: [A - B] + [C - D]</b>	<b>57</b>	<b>-</b>	<b>-</b>

**[e] Activity income statement**

	2013 Actual \$000	2013 Annual Plan \$000	2012 Actual \$000
<b>INCOME</b>			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates (including targeted rates for water supply)	-	-	-
Subsidies and grants (operating and capital)	-	-	-
User charges & regulatory income (consent fees, infringements etc)	737	749	745
Internal charges and overheads recovered	244	244	221
Other income	94	66	15
<b>Total income</b>	<b>1,075</b>	<b>1,059</b>	<b>981</b>
<b>EXPENDITURE</b>			
Staff costs	-	-	-
Operating & maintenance costs	698	677	847
Finance costs	32	204	94
Internal charges and overheads applied	174	195	177
Other operating expenditure	-	-	-
Depreciation	200	208	198
<b>Total expenditure</b>	<b>1,104</b>	<b>1,284</b>	<b>1,316</b>
<b>Surplus (deficit) of activities</b>	<b>( 29)</b>	<b>( 225)</b>	<b>( 335)</b>

**[f] Major asset acquisitions or replacements and variations from the 2012 – 2022  
LTP - significant acquisitions**

	Actual 2013 \$000	LTP year 1 (2013 annual plan) \$000
General renewals & miscellaneous new capital	1	17
Gresson St Subdivision - development costs	-	1,000

In the budget Council was intending to develop a vacant section near the port into a commercial/industrial subdivision. With more detailed investigation it was confirmed that there would need to be a significant sum of money spent on land stability issues on part of the land. Based on the likely return from sales given current market conditions as against the development costs involved the project has been deferred.

Renewal projects have been identified through Council's Asset Management Plans and prioritised by Council through the Annual Plan process.

New capital works have been undertaken on the basis that Council has identified them as required to increase the level of service and/or meet extra demand.

**[g] Variations from budget**

	actual variance to budget \$000	greater or less than budget
<b>Finance costs</b>	<b>( 172)</b>	<b>less</b>
The Gresson St subdivision referred to above in paragraph [f] was budgeted to be funded from bridge financing, with an associated finance cost. Since this did not proceed the finance costs have not been incurred.		
<b>Increase (decrease) in debt</b>	<b>( 967)</b>	<b>less debt than budget</b>
The Gresson St subdivision referred to above in paragraph [f] was budgeted to be funded from bridge financing. As this did not proceed, the new debt has not been required.		
<b>Capital expenditure —to meet additional demand</b>	<b>( 1,000)</b>	<b>less</b>
The Gresson St subdivision referred to above in paragraph [f] did not proceed, and has been deferred.		
<b>Increase (decrease) in reserves</b>	<b>166</b>	<b>more funds transferred to reserves</b>
Any net surplus/deficits of funds for the property activities are transferred to/from dedicated reserves. This includes any proceeds from the sale of property. More funds have been received from property sales and freeholdings than anticipated in the budget.		

**[h] Identified effects of these activities on the community**

- Council continues to offer quality retirement housing at below market rental rates. This has a positive impact on those in need, as evidenced by the popularity.
- A result of Council addressing its own responsibilities as a property owner is the temporary closure of the Left Bank Art Gallery. The West Coast Society of the Arts has therefore been required to find temporary alternative locations. Initial remedial works will be completed late in 2013 and it is expected the Left Bank Art Gallery will re-open shortly thereafter.

# [10] Community facilities and events

## [a] Activities included in this group

Community facilities include:

- Libraries, made up of
  - Greymouth Library (incl. Pioneer Library)
  - Runanga Library
- Swimming Pools, involving
  - Greymouth Aquatic Centre
  - Spring Creek Pool, Runanga.
- Heritage, involving
  - History House
  - Financial support to other Arts, Culture and Heritage bodies
- Indoor sport Centres, including
  - The Miners' Recreation Centre
  - Civic Centre
- Cemeteries, involving
  - Karoro Cemetery
  - Gladstone Cemetery
  - Stillwater Cemetery
  - Barrytown Cemetery
  - Blackball Cemetery
  - Ahaura Cemetery
  - Nelson Creek Cemetery (Ngahere)
  - Moonlight Cemetery (not maintained)
  - Maori Gully
  - Cobden Cemetery
  - Greenstone Cemetery
  - Dungaville Cemetery (not maintained)
  - Notown Cemetery
  - Napoleon's Hill Cemetery (not maintained)
- Parks and Tracks, involving
  - Parks
  - Playgrounds
  - Walking tracks
  - Other open areas accessible to the public.
- Council's In-house task force
- Public restrooms involving 10 public toilets some with other facilities

## [b] 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.

## [c] Performance measurement

### LIBRARIES

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	Result	Notes
Quality of service	By providing quality library service	% of users satisfied with service	80%	79%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.
	By staff providing a friendly, efficient and professional service.	No more than 10 complaints per year	Achieved	Achieved	There was one recorded complaint regarding correspondence received by one customer of the Library. This complaint was responded to, and resolved.
Access to service	By encouraging wide participation from the community	A minimum of 50 in-house outreach literacy learning and educational programmes delivered annually. (e.g. story-time, Summer Reading Challenge, education programmes for adults.)	50	111	The Library is very active in with its outreach programme, including story time two times a week and the Summer reading Challenge. Staff of the Library are visiting schools and bringing guest speakers to our District as well.
		The Greymouth library is open at least one late night per week and on Saturday mornings	Achieved	Achieved	The library is open every Saturday morning except at Easter and opened every Wednesday night except on public holidays.
		Opening hours and available services posted on Council's website	Yes	Yes	Maintained and updated in partnership with Council's Communications Advisor.
		Retain free public internet access for New Zealand citizens	Yes	Yes	This provided by Aotearoa People's Network Kaharoa.
	By providing convenient access	An on-line service is provided to allow members to browse the library catalogue and make collection reservations	Achieved	Achieved	Access to the on-line library service is available via Council's website.

### SWIMMING POOLS

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	Result	Notes
Quality of service	By providing a safe service	Percentage compliance with the NZ Water Quality Standards	100%	100%	The Grey District Aquatic Centre has the New Zealand Recreation Association (NZRA) Pool Safe Accreditation. This verifies that the Centre complies with New Zealand Pool Water Quality Standards 5826:2010.

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	Result	Notes
		Lifeguards are trained to the NZ national standard	Achieved	Achieved	The NZRA Pool Safe Accreditation also ensures that hold current and valid Pool Lifeguarding Practising Certificates.
	By providing a professional customer service	% of users satisfied with service	70%	78%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.
Access to the service	By providing convenient services	A minimum number of users annually – Grey District Aquatic Centre	100,000	102,867	The numbers of users are currently meeting the target.
		A minimum numbers of users annually – Spring Creek Pool, Runanga	4,000	2,900	Runanga is a small community that was affected by the closure of the Spring Creek Mine. This affected the use of the Spring Creek Pool.
		Service available seven days a week – Grey District Aquatic Centre Service available seven days a week during the swim season - Spring Creek Pool, Runanga	Yes	Yes	The facility is open seven days a week, except for the 3 day shut down for boiler maintenance. Sunday, 27 May 2013, the pool closed and reopened Wednesday 30 May 2013.
		Admission fees and opening hours are posted on Council's website	Yes	Yes	Maintained and updated in partnership with Council's Communications Advisor.
		A minimum number of Swimming School registrations per term	185	356	The enrolments in the Swimming School continue to grow.
Financial sustainability	Maximising use of the facility by maintaining user numbers above national per capita swim averages*	Minimum total swims per capita	7.2	7.7	102,867 divided by 13,900 is about 7.4 swims per capita.
Environmental sustainability	Coal fired boiler is managed without any adverse effect on the environment	No Resource Consent infringements	Nil	Nil	Council is not aware of any breaches nor have any been notified. Staff actively monitor the consent conditions..

## HERITAGE

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	Result	Notes
Quality of service	Building local identity by providing or assisting in the provision of culture and heritage facilities	A minimum percentage of the public agree that the facilities are good or better.	70%	57%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.
Access to the service	By providing convenient services	Facilities accessible seven days per week	Yes	No	This was not achieved due to staffing availability.

## CIVIC CENTRE/MINERS' RECREATION CENTRE

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	Result	Notes
Quality of facilities	By providing safe, professional services.	% of users surveyed satisfied with service	70%	57%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.
Access to the service	Facilities are open at times convenient to users	The Civic Centre and the eventual Miners Recreation Centre will be available for use 7 days a week.	Achieved	Achieved	The current facility, the Civic Centre, is available for use seven days a week, as it is managed by Sport Canterbury.
	Information is readily available	Details of facilities and charges are available on Council's website.	Yes	Yes	Maintained and updated in partnership with Council's Communications Advisor.

## CEMETERIES

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	Result	Notes
Quality of service	Land availability in cemeteries relative to the number of people likely to be buried*	Review three yearly	Achieved	Has not been reviewed yet	Due to staff availability the review has not been completed.
	Providing an updated cemetery record based on available information on-line	On-line register updated with each new internment.	To be developed	Under consideration	Council intends redeveloping its website in 2013/2014 and it is intended to include this functionality.
Environmental sustainability	Facilities are managed without adversely affecting the receiving environment.	Maximum number of resource consent breaches	Nil	Nil	No breaches of the resource consents were discovered in 2012-13.

## PARKS AND TRACKS

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	Result	Notes
	Residents overall satisfaction with the service	Minimum % satisfied per survey	80%	91%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.
	We will promote our parks and walking tracks to encourage widespread use	We will have publicly available information brochures on walking tracks and key parks in our District and also include the information on our website	Achieved	Achieved	Information is available on Council's website and a brochure is available at Council's office.

**[d] Activity funding impact statement**

	2013 Actual \$000	2013 Annual Plan \$000	2012 Annual Plan \$000
<b>[A] SOURCES OF OPERATING FUNDING</b>			
General rates, uniform annual general charges, rates penalties	2,337	2,306	2,118
Targeted rates (other than a metered rate for water supply )	-	-	-
Subsidies and grants for operating purposes	798	122	30
Fees, charges, and metered rates for water supply	883	595	668
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	3	17	23
<b>Total operating funding [A]</b>	<b>4,021</b>	<b>3,040</b>	<b>2,839</b>
<b>[B] APPLICATIONS OF OPERATING FUNDING</b>			
Payments to staff and suppliers	3,550	2,597	2,355
Finance costs	159	342	107
Internal charges and overheads applied	451	382	329
Other operating funding applications	1,231	-	-
<b>Total applications of operating funding [B]</b>	<b>5,391</b>	<b>3,321</b>	<b>2,791</b>
<b>Surplus (deficit) of operating funding [A - B]</b>	<b>( 1,370)</b>	<b>( 281)</b>	<b>48</b>
<b>[C] SOURCES OF CAPITAL FUNDING</b>			
Subsidies and grants for capital expenditure	463	1,725	2,900
Development and financial contributions	-	-	-
Increase (decrease) in debt	( 192)	( 80)	( 36)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
<b>Total sources of capital funding [C]</b>	<b>271</b>	<b>1,645</b>	<b>2,864</b>
<b>[D] APPLICATIONS OF CAPITAL FUNDING</b>			
Capital expenditure			
—to meet additional demand	-	-	-
—to improve the level of service	450	1,342	3,007
—to replace existing assets	67	128	204
Increase (decrease) in reserves	( 191)	( 106)	( 299)
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding [D]</b>	<b>326</b>	<b>1,364</b>	<b>2,912</b>
<b>Surplus (deficit) of capital funding [C - D]</b>	<b>( 55)</b>	<b>281</b>	<b>( 48)</b>
<b>Funding balance: [A - B] + [C - D]</b>	<b>( 1,425)</b>	<b>-</b>	<b>-</b>

**[e] Activity income statement**

	2013 Actual \$000	2013 Annual Plan \$000	2012 Actual \$000
<b>INCOME</b>			
General rates, uniform annual general charges, rates penalties	2,337	2,306	2,128
Targeted rates (including targeted rates for water supply)	-	-	-
Subsidies and grants (operating and capital)	1,261	1,847	1,720
User charges & regulatory income (consent fees, infringements etc)	883	612	749
Internal charges and overheads recovered	-	-	-
Other income	3	-	-
<b>Total income</b>	<b>4,484</b>	<b>4,765</b>	<b>4,597</b>
<b>EXPENDITURE</b>			
Staff costs	1,039	994	-
Operating & maintenance costs	2,539	1,603	2,851
Finance costs	159	342	529
Internal charges and overheads applied	451	382	376
Other operating expenditure	1,231	-	-
Depreciation	715	749	729
<b>Total expenditure</b>	<b>6,134</b>	<b>4,070</b>	<b>4,485</b>
<b>Surplus (deficit) of activities</b>	<b>( 1,650)</b>	<b>695</b>	<b>112</b>

**[f] Major asset acquisitions or replacements and variations from the 2012 – 2022  
LTP - significant acquisitions**

	Actual 2013 \$000	LTP year 1 (2013 annual plan) \$000
General renewals & miscellaneous new capital	15	66
Vehicle replacement	-	20
Northern Breakwater recreation area	34	75
Miners' Recreation Centre	130	1,250
Library collection purchases	56	59
Heating upgrade at Greymouth Library	14	-
Memorial areas	268	-

In the Long Term Plan where the 2012/2013 budgets were set it was anticipated that the construction of the new *Miners' Recreation Centre* would commence (and be completed in 2013/2014). Due to delays securing external funding of the project the construction has not commenced, but is expected to begin in early 2014.

The *Northern Breakwater recreation area* is being progressed over a longer timeframe than initially projected in the budgets.

The *Memorial areas* relate to the completion of the two memorials that have been constructed one High St and Mawhera Quay. The costs of these have been reimbursed by the Pike River Disaster Relief Trust.

Renewal projects have been identified through Council's Asset Management Plans and prioritised by Council through the Annual Plan process.

New capital works have been undertaken on the basis that Council has identified them as required to increase the level of service and/or meet extra demand.

## [g] Variations from budget

	actual variance to budget \$000	greater or less than budget
<b>Subsidies and grants for operating purposes</b>	<b>676</b>	<b>greater</b>
An additional \$680,000 was distributed in grants above what was included in the budget. These include funds distributed under the Development West Coast Major District Initiative (MDI) and Extraordinary Distribution Fund (EDF). This variance relates to the amounts being funded from Development West Coast.		
<b>Fees, charges, and metered rates for water supply</b>	<b>288</b>	<b>greater</b>
The increase compared to budget is related to reimbursements received for Council expenditure incurred constructing the new Miners' Memorials.		
<b>Payments to staff and suppliers</b>	<b>953</b>	<b>greater</b>
An additional \$680,000 was distributed in grants above what was included in the budget. These include funds distributed under the Development West Coast Major District Initiative (MDI) and Extraordinary Distribution Fund (EDF). These amounts are funded from Development West Coast.		
<b>Finance costs</b>	<b>( 183)</b>	<b>less</b>
Finance costs overall for Council are less than budgeted for (refer to variance explanations in the note to the accounts)		
<b>Other operating funding applications</b>	<b>1,231</b>	<b>greater</b>
Provision recognised this year for a financial guarantee that Council believes it is likely it will need to meet (Council is guarantor to loans the West Coast Theatre Trust used for their cinema redevelopment). This has increased expenditure by \$1,231,000, which was not budgeted for. More detail on the nature of the financial guarantee is provided in note 21 (provisions)		
<b>Subsidies and grants for capital expenditure</b>	<b>( 1,262)</b>	<b>less</b>
Given the delay in the commencement of the Miners' Recreation Centre the external funding (via grants and donations) have not been received.		
<b>Increase (decrease) in debt</b>	<b>( 112)</b>	<b>more debt repaid than budgeted</b>
Given savings made in finance costs and other areas the savings have been partly applied to the repayment of debt.		
<b>Capital expenditure —to improve the level of service</b>	<b>( 892)</b>	<b>less</b>
In the Long Term Plan where the 2012/2013 budgets were set it was anticipated that the construction of the new Miners' Recreation Centre would commence (and be completed in 2013/2014). Due to delays securing external funding of the project the construction has not commenced, but is expected to begin in early 2014.		
<b>Capital expenditure —to replace existing assets</b>	<b>( 61)</b>	<b>less</b>
Based on a current needs assessment replacement of operational plant and equipment has been deferred		
<b>Increase (decrease) in reserves</b>	<b>( 85)</b>	<b>less</b>
The ongoing design and investigative work for the Miners' Recreation centre has been funded from a dedicated reserve. Note the dedicated reserve itself was funded from the initial \$1m grant received from central government.		
<b>Operating &amp; maintenance costs (from income statement)</b>	<b>936</b>	<b>greater</b>
This includes the \$1,231,000 provision referred to above for a financial guarantee that Council believes it is likely it will need to meet (Council is guarantor to loans the West Coast Theatre Trust used for their cinema redevelopment). This has increased expenditure by \$1,231,000, which was not budgeted for. More detail on the nature of the financial guarantee is provided in note 21 (provisions)		

## [h] Identified effects of these activities on the community

- Council continues to offer high quality community facilities that form an integral part of making the Grey District an attractive place to live, work, and invest. It is recognised that these facilities require a high level of general ratepayer input, and there is not always a direct link between those who pay and those who benefit. Council strives to deliver the services in the most cost effective manner possible.
- Issues with the roof of the Greymouth Aquatic Centre remain unresolved in 2012/2013 as Council continued with the legal process to have the situation remedied. Later in the year issues were identified with the tiling of the spa, which meant the spa has been unavailable for public use. It is hoped the spa issues will be resolved later in 2013 at no direct cost to Council.

# [11] Democracy and administration

## [a] Activities included in this group

Democracy and Administration includes:

- Council
- Facilitation of achievement of non-Council function outcomes i.e.
  - Health
  - Personal and Property Safety
  - Good Education
- Public consultation
- Council's Administration

## [b] Council's involvement

A healthy community requires its elected Council to show strong leadership, but, at the same time, to conduct its business in an open, transparent manner. An important part of this is for it to actively and constructively seek the involvement of the community in matters that affect them or are dear to them.

An important component of this is a Council Administration that executes Council's policies in a professional, objective and fair manner and, in doing so, respects the needs and circumstances of individual residents.

There are, however, functions that are of the utmost importance to communities which fall outside of the jurisdiction of local authorities. In our case, it involves the availability of good health and education services and personal and property safety. Council recognises the importance of these functions and actively engages with service providers to ensure that such services are in place.

## [c] Performance measurement

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	Result	Notes
Accessibility and quality of service	We will provide the highest standard of customer service	Overall satisfaction from those who have contacted Council offices	85%	87%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.
	We will conduct our business in a Transparent and accountable manner	Full opportunity for public participation in Council meetings through availability of speaking rights and the public forum	Achieved	Achieved	The public forum has been available before every ordinary meeting of Council
		Minimum % of Council business conducted in open	>80%	90%	Those items not included in the open agenda mainly relate to on-going legal cases where Council needs to maintain legal privilege.
		Minimum % surveyed that agree the public are consulted on important issues	90%	65%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.
	We will maximise Local and regional co-operation opportunities to achieve efficiencies	Full participation in West Coast Mayors/Chairs and CEO meetings	100%	100%	The Mayor and CEO attended all meetings in the 2012-13 year.
		Full participation in Grey DC/DOC liaison quarterly meetings	100%	100%	Staff have attended all liaison meetings.

Activity Goal	How the goal is to be achieved	Measurement of achievement	Target	Result	Notes
	Our community representatives will demonstrate strong Leadership	Public satisfaction with performance of Mayor and Councillors	85%	83%	The Resident's Satisfaction Survey was conducted in August 2013. The full report is available on Council's website.

## [d] Activity funding impact statement

	2013 Actual \$000	2013 Annual Plan \$000	2012 Annual Plan \$000
<b>[A] SOURCES OF OPERATING FUNDING</b>			
General rates, uniform annual general charges, rates penalties	1,285	1,218	1,287
Targeted rates (other than a metered rate for water supply )	234	224	209
Subsidies and grants for operating purposes	60	59	119
Fees, charges, and metered rates for water supply	104	106	151
Internal charges and overheads recovered	5,229	5,231	4,985
Local authorities fuel tax, fines, infringement fees, & other receipts	421	562	366
<b>Total operating funding [A]</b>	<b>7,333</b>	<b>7,400</b>	<b>7,117</b>
<b>[B] APPLICATIONS OF OPERATING FUNDING</b>			
Payments to staff and suppliers	5,174	5,305	5,264
Finance costs	1	107	56
Internal charges and overheads applied	1,505	1,284	1,241
Other operating funding applications	-	-	-
<b>Total applications of operating funding [B]</b>	<b>6,680</b>	<b>6,696</b>	<b>6,561</b>
<b>Surplus (deficit) of operating funding [A - B]</b>	<b>653</b>	<b>704</b>	<b>556</b>
<b>[C] SOURCES OF CAPITAL FUNDING</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	( 2)	300	384
Gross proceeds from sale of assets	33	-	-
Lump sum contributions	-	-	-
<b>Total sources of capital funding [C]</b>	<b>31</b>	<b>300</b>	<b>384</b>
<b>[D] APPLICATIONS OF CAPITAL FUNDING</b>			
Capital expenditure			
—to meet additional demand	-	-	-
—to improve the level of service	175	532	648
—to replace existing assets	80	177	115
Increase (decrease) in reserves	520	295	177
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding [D]</b>	<b>775</b>	<b>1,004</b>	<b>940</b>
<b>Surplus (deficit) of capital funding [C - D]</b>	<b>( 744)</b>	<b>( 704)</b>	<b>( 556)</b>
<b>Funding balance: [A - B] + [C - D]</b>	<b>( 91)</b>	<b>-</b>	<b>-</b>

**[e] Activity income statement**

	2013 Actual \$000	2013 Annual Plan \$000	2012 Actual \$000
<b>INCOME</b>			
General rates, uniform annual general charges, rates penalties	1,285	1,218	1,342
Targeted rates (including targeted rates for water supply)	234	224	228
Subsidies and grants (operating and capital)	60	59	128
User charges & regulatory income (consent fees, infringements etc)	104	668	168
Internal charges and overheads recovered	5,229	5,231	4,732
Other income	429	-	529
<b>Total income</b>	<b>7,341</b>	<b>7,400</b>	<b>7,127</b>
<b>EXPENDITURE</b>			
Staff costs	3,183	3,210	3,025
Operating & maintenance costs	1,991	2,095	2,150
Finance costs	1	107	-
Internal charges and overheads applied	1,505	1,284	1,077
Other operating expenditure	-	-	-
Depreciation	178	306	137
<b>Total expenditure</b>	<b>6,858</b>	<b>7,002</b>	<b>6,389</b>
<b>Surplus (deficit) of activities</b>	<b>483</b>	<b>398</b>	<b>738</b>

**[f] Major asset acquisitions or replacements and variations from the 2012 – 2022  
LTP - significant acquisitions**

	Actual 2013 \$000	LTP year 1 (2013 annual plan) \$000
General renewals & miscellaneous new capital	-	15
Office equipment replacement including IT	56	84
Vehicle replacements	24	86
Upgrade of core computer system	175	524

The *upgrade/replacement of the core computer system* is now being staged over a longer time-frame. It is also expected to cost less than the total budgeted figure. Some *vehicle replacements* have been deferred to 2013/2014 based on a current needs assessment.

Renewal projects have been identified through Council's Asset Management Plans and prioritised by Council through the Annual Plan process.

New capital works have been undertaken on the basis that Council has identified them as required to increase the level of service and/or meet extra demand.

## [g] Variations from budget

	actual variance to budget \$000	greater or less than budget
<b>Local authorities fuel tax, fines, infringement fees, &amp; other receipts</b>	<b>( 141)</b>	<b>less</b>
This relates to less interest being returned on investments than originally budgeted. The economic conditions kept interest rates down. In other activities this was reflected in cost savings for finance costs (interest expenditure).		
<b>Payments to staff and suppliers</b>	<b>( 131)</b>	<b>less</b>
Cost reductions were delivered in various areas to account for less income being received in other areas (such as resource consenting)		
<b>Finance costs</b>	<b>( 106)</b>	<b>less</b>
With less debt than budgeted finance costs were lower than anticipated. In addition finance costs overall for Council are less than budgeted for (refer to variance explanations in the note to the accounts)		
<b>Internal charges and overheads applied</b>	<b>221</b>	<b>greater</b>
With a small internal re-organisation of duties implemented in 2013/2014 the actual allocation of corporate overheads changed slightly. Most notably more staff input has been provided towards democracy, consultation and economic development.		
<b>Increase (decrease) in debt</b>	<b>( 302)</b>	<b>less debt than budget</b>
With capital expenditure lower than budget (as discussed below) the new debt required for the project is also decreased.		
<b>Capital expenditure —to improve the level of service</b>	<b>( 357)</b>	<b>less</b>
The upgrade/replacement of the core computer system is now being staged over a longer time-frame. It is also expected to cost less than the total budgeted figure		
<b>Capital expenditure —to replace existing assets</b>	<b>( 97)</b>	<b>less</b>
This mainly relates to the deferral of the replacement of a number of operational vehicles, now to be replaced in 2013/2014.		
<b>Increase (decrease) in reserves</b>	<b>225</b>	<b>less transferred from reserves than budget</b>
Part of the budgeted capital expenditure was also budgeted to be funded from dedicated reserves. As not all the capital expenditure was incurred the respective reserve transfers were not required.		

## [h] 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.

# [e] Consultation with Maori

Through a specific activity, "Efficient and Open Consultation", Council has set specific performance targets relating to the establishment and maintenance of processes in providing opportunities for Maori to contribute to the decision making processes of the Grey District Council. Council's earlier suggestion of negotiating a Memorandum of Understanding was not accepted and a process involving monthly meetings between Council's Portfolio holder for Maori affairs and a representative of Te Runanga O Ngati Waewae has been put in place to pave the way for an agreement on how to achieve the relevant provisions of the Act. This could not be maintained, mostly because the Ngati Waewae representatives are heavily involved in the day to day running of their tribe. The focus has been to maintain functional contact. Council continues to target them for consultation under the special consultative procedure.

Council maintains a cordial and constructive association with both Ngati Waewae as well as the group representing non-local Maori, the latter requiring invigoration. This situation remains a 'status quo' from last year.

# [f] Council controlled organisations

## [1] Tourism West Coast and West Coast Rural Fire Authority

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

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

- Tourism West Coast: [d][11] Democracy and administration, page 120.
- West Coast Rural Fire Authority: [d] [6] emergency management, page 93.

It is noted that Council has exempted both these organisations under section 7(3) of the Local Government Act 2002. This exemption was renewed on 12 March 2013.

## [2] West Coast Recreation Trust

Council signalled in the 2012/2022 LTP that the proposed West Coast Recreation Centre (the Centre) would be funded fully from external grants, donations and sponsorship. Since the Council cannot qualify as a charitable organisation, it was decided that an independent charitable trust should be formed to be used as a funding vehicle for the Centre. The proposal was consulted on with the community from 10 July to 10 August 2012 and Council resolved to form the West Coast Recreation Centre Trust, a CCO, on 27 August 2012. The Council has exempted the CCO under section 7(3) of the Local Government Act 2002; however a Statement of Intent has been prepared, consulted upon, and adopted by Council. This statement of intent narrows the purpose of the Trust and sets a key performance target. The target is to deliver the funding required to complete the Miners' Recreation Centre.

The Trust has received no income nor made any payments for the financial year ending 30 June 2013