

Annual Report

2012/2013

Millerton Cape Foulwind Blacks Point Punakaiki
Tauranga Bay
Westport Nibau
Granity Ikamatua
Carters Beach Charleston Hector Springs Junction
Inangahua Stockton
Buller Seddonville Karamea Little Wanganui
Reefton Ngakawau Maruia
Mokihinui
Waimangaroa
Denniston **West Coast**
Birchfield Mawheraiti



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Clocktower Chambers, Westport

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Buller *District*

top of the **West Coast** ●





Message from the Mayor

It is with pleasure that I present you with the 2012/2013 Buller District Council Annual Report. This report is a record of the previous Council and staffs' hard work to manage and deliver services for the benefit of the Buller District. The Annual Report is a report on its achievements during the period 1 July 2012 to 30 June 2013 and is an important aspect of Council's accountability to you as its constituents.

This Annual Report outlines in detail both Council's financial performance as well as non-financial measures and is made up of the following sections:

- **Financial Statements and Notes**
This outlines Council's overall financial result and position as at 30 June 2013.
- **Group Activity Funding Impact Statements**
Council is responsible for a wide range of activities. These statements report on financial performance and other, non-financial performance at an activity level. This is not only a practical reporting necessity, but is also a statutory requirement.
- **Report on Council Controlled Trading Organisations (CCTOs)**
The section comments on the activities of the Council's wholly owned and controlled subsidiaries.

The reporting is comprehensive and, as a result, comprises in excess of 170 pages. A summary of this report is available upon request.

It is fair to say that 2012/2013 has been a difficult economic year for the Buller District. The impact of downturn in the mining industry has been significant and the newly elected Council will be reassessing the financial affordability of services it delivers. Council has performed admirably well financially and has delivered on their capital infrastructural mandate. In addition, important decisions regarding future infrastructural upgrades, such as the Westport water supply upgrades, were made and the new Council can now look forward to seeing these upgrades materialise for our ratepayers.

This year is a substantial improvement on past financial performances, mainly due to improved Council financial prudence and discipline, underpinned by the development, adoption and determined execution by Councils management team.

The out-going Council continued to strive to keep rates affordable for the community in the 2013/2014 Annual Plan but acknowledged the need to address inequities in the rating structure. The new Council looks forward to the challenges the overall long term strategy for the Council in the face of the more difficult economic climate, while at the same time reviewing the current rating system to improve its transparency and equitability.

I look forward to working with all stakeholders to now finalise some long overdue infrastructural improvements (eg, Westport water supply upgrade) and working with the recently elected new Council team to enhance transparency and good local governance.

It promises to be an exciting and challenging future for the Buller!

Garry Howard
Mayor



Chief Executive's Report

The 2012/2013 year has seen significant impacts on mining in our district in the past year as a result of the international collapse in coal prices. The districts economy has significantly tightened, and the continued delays in obtaining the necessary approvals for mining of the Denniston plateau has caused considerable frustration. Overall there has been a loss of jobs and a small decline in resident population.

This 2012/2013 Buller District Council Annual Report is a chance to pause and reflect on how Council coped in the last year of the out-going Council's triennium.

In line with the goal of laying the foundations for the future (as set out in their Long Term Plan), the Council continued to tackle outstanding infrastructural issues. A sizeable amount of time was spent considering the upgrade options for the Westport Water Supply. Ratepayers had made it clear that their most important issue was access to clean and safe water, free from objectionable colour and odours. Substantial consultation was held with the community on various upgrade options. As a result it was agreed to proceed with a phased upgrade costing \$9 million over the next two years. This was a change to the more drawn out upgrade signalled in the Long Term Plan. Accelerating the upgrade has led to savings of \$2.7 million in capital costs. It also means that Council can take maximum advantage of Ministry of Health subsidies and pick up \$1.5 million assistance, instead of only \$0.5 million.

Council also continued with its capital program aimed at improving the drinking water for all residents in the district. Water supply upgrades have been completed for Reefton and Punakaiki. This focus will continue with the Waimangaroa and Ngakawau-Hector upgrades planned for the 2013/2014 financial year.

Other significant upgrade projects included the successful relocation of the *Coaltown Museum* and the *i-site*. This project was completed on time and well within budget. The re-vamped building is a big improvement, and its strong presence has lifted the image of the central area of Westport.

The district faced some severe weather challenges and flooding caused approximately \$780,000 in emergency reinstatement work on roading. Fortunately, all of this work was fully funded by NZTA. However, just after the flooding, the district paradoxically experienced low rainfall and this meant water restrictions for many communities in March 2013.

Overall Council spent \$6.6 million in the 2012/2013 year on capital infrastructural projects across the district. In the last few years Council has spent \$61.7 million on remedying the deficits in the district's infrastructure. Thankfully we are now close to achieving the necessary degree of catch up.

The *Promotion and Development rate* continued to attract controversy. The method of rating was debated and this will need to be addressed as part of the upcoming rates review. Meanwhile, there was a lot of economic development and promotional activity underway. At a basic level, visible district promotion and marketing took place through continual upgrades of the websites, touring guides and street maps. At a strategic level, a district profile was developed. Most activity still tended to concentrate on tourism and there is a growing awareness that other economic sectors will need attention in the future.

Over \$876,000 has been distributed towards projects in the region from the *Development West Coast Extraordinary Fund*. This fund has contributed towards several projects within the community such as the iconic 80km *Old Ghost Road Walking and Cycling Trail*, construction of an *Early Learning Centre* in Westport, assistance with the earthquake strengthening of the *O'Connor Home* and constructing a *Medical Staff House in Karamea*.

Smaller projects completed have included the development of the *Salvation Army Shed*, a safety fence for *Sunset Speedway* and purchasing an additional *Fire Brigade support vehicle* for Westport Volunteer Fire Brigade.

Other large projects that have been allocated funds, but which are still to come to fruition, including the construction of the *Reefton Early Learning Centre* and reconstructing the original *Reefton Powerhouse and Water Race*.

Council Controlled Trading Organisations (CCTOs) have continued to perform well with an increase in the distribution to Council of \$0.9 million as compared to a budgeted \$0.8 million.

Overall the consolidated financial performance for the council is pleasing. The cost over runs of the past have been eliminated and, while there are the inevitable ups and downs, the overall result is a \$1 million surplus. This is slightly better than the Annual Plan prediction of a \$0.8 million surplus.

Net debt has remained of \$13.7 million, well below the predicted level of \$15 million, and Council has achieved its capital program of \$6.6 million investment in infrastructure.

The out-going Council has delivered what was promised, within the financial parameters predicted and agreed for the process. This has been achieved during "tough times" economically and while the Council organisation has been placed under considerable pressure coping with legislative reforms.

I would like to extend a very big thank you to Council staff for their commitment and support throughout 2012/2013. It is clear that Council's good performance could not have happened without the dedicated efforts of the hard working team of staff who diligently and enthusiastically implemented the elected councillors' decisions.

Paul Wylie
Chief Executive

Mayor and Councillors

Incoming Council.....

Mayor

Garry Howard

First Elected: 2013
 | [03] 789 7055 (private)
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Inangahua Ward

Dave Hawes

First Elected: 2007
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Graeme Neylon

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Seddon Ward

Lynn Brooks

First Elected: 2013
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Outgoing Council....

Mayor

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Inangahua Ward

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Seddon Ward

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Fred Ratahi

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 Resigned: November 2012



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Margaret Montgomery

First Elected: 2004
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Inangahua Community Board

Jenette Hawes (Chair)

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Helen Bollinger

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Megan McCarthy

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The Bearded Miners, Reefton



The Broadway Tearooms, Reefton

Statement of Compliance and Responsibility

Compliance

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

Responsibility

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

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

In the opinion of the Council and Management of the Buller District Council, the Annual Financial Statements for the year ended 30 June 2013 fairly reflect the financial position and operations of the Buller District Council and Group.



Garry Howard - Mayor
30 October 2013



Paul Wylie - Chief Executive
30 October 2013

Governance

Council complies with the laws of New Zealand and adheres to good business practice by relying on the processes and systems which constitute the fabric of the organisation. Stakeholders rely on these processes to obtain information on Council operations and to obtain assurance that Council is working in the best interest of the community. This section identifies the parameters within which the business of Council is run.

Division

The key to the efficient running of the Council is the clear division between the role of Council and that of management. The Council concentrates on setting policy and strategy, then reviews progress. Management is concerned with implementing the policies and strategies.

While many of the Council's functions have been delegated, the overall responsibility for achieving the vision and goals of the district ultimately rests with the Council. The Council discharges this responsibility by maintaining effective systems of internal control. Internal control includes the policies, systems and procedures established to provide measurable assurance that specific objectives of the Council will be achieved.

Training Elected Representatives

After each election the Council holds training sessions for all Councillors to review their responsibilities as elected members. These sessions include meeting procedures and an overview of the legislative parameters within which local authorities operate.

Legislative Compliance

Being a regulatory body, the Council administers various regulations and laws. As such, it is vital the Council also complies with all relevant legislation.

Audit

The Local Government Act 2002 requires the Council to prepare financial statements that fairly reflect the organisation's financial position, performance and cashflows. In addition, the Council is required to report on the achievement of non-financial objectives, set three yearly as part of the Long Term Plan process.

Section 15 of the Public Audit Act 2001 requires the Auditor-General to audit both financial and non-financial statements. Audit New Zealand is contracted to perform the audit on behalf of the Auditor-General.

Internal Audits

The Council has an internal audit function which is responsible for monitoring the Council's systems of internal control and the quality and reliability of financial information reported to the Council. The Council liaises closely with the external auditors who review the internal control systems to support their audit opinion.

Monitoring Council Controlled Organisations

The Council has interests in other organisations, these include Buller Holdings Limited, Westport Harbour Limited, WestReef Services Limited, Buller Recreation Limited and Westport Airport Authority. These organisations are required to produce a Statement of Intent developed in consultation with Council.

Other interests of Council include Buller Health Trust where the Mayor and Chief Executive are Trustees, Tourism West Coast where Council appoints two board members, Buller Art and Recreation Trust (BART) where one Councillor is a Trustee and Denniston Heritage Charitable Trust where two Trustees are appointed by Council.

Community Outcomes

Planning for our community together:

Introduction

"Community Outcomes have been defined as what the community sees as important for the whole community now and looking forward."

These outcomes have been defined by the community and are not specifically restricted to Council functions, as they include everything the community sees as precedence for identifying who we are, how we stand, how we grow, what we value, and how we look after each other now and in the future.

How will the Council contribute to furthering the Community Outcomes?

The Community Outcomes have been identified as the areas of priority to the Buller District community for the next ten years. These are the community's goals. Council is not solely responsible for the delivery of these outcomes. Rather, our role is to work with the community, other organisations and groups to help us achieve these outcomes as a community. Council's role is to look at these outcomes and identify how we can assist the community meet these goals.

Council fund a range of services or activities and these are identified later in this plan. You will see that each activity statement identifies how the services we are providing is contributing towards furthering the community outcomes.

Council has many roles in assisting the community and have listed some of these below. We have identified how we see Council's role in assisting the community to further each of their outcomes.

Outcome	Advocate	Funder	Service Provider	Regulator	Facilitator	Monitor
1. Well-being	●	●	●	●		
2. Learning	●		●			
3. Who we are		●	●	●		
4. Sustainable Environment		●	●	●		
5. Prosperity	●				●	●

This is a change that has arisen under the Local Government Act 2002. The Local Government Act 2002 requires Council to not just undertake particular tasks or activities, but to promote community well-being and to take a lead role in promoting the social, economic, environmental and cultural aspects of our district.

Achieving the Community's Goals

Although we have a key role to play, Community Outcomes are not solely the responsibility of Councils. Council will ensure these Community Outcomes are considered in all decision making, this will include all reports to Council and resolutions actioned. Council will work now on making decisions that have a positive effect on these Community Outcomes and for the future benefit of the community.

1 ~ Well-being

Council is directly involved in:

- Provide access to quality amenities for physical activity
- Quality drinking water
- Number of traffic accidents
- Improved safety in public places (dog attacks, liquor bans, security cameras)
- Emergency Management Programmes and preparedness
- Number of consents being processed and signed off for completion

Council advocates:

- Life expectancy
- Access to health care (services and programmes)
- New health initiatives that have been introduced
- Crime prevention measures introduced
- Youth offending rates
- Crime and crime resolution rates
- Unemployment and beneficiary recipient numbers

2 ~ Learning

Council is directly involved in:

- Professional library services and a wide range of resources

Council advocates:

- School rolls and decile ratings
- Levels of qualifications
- Number of education institutions
- Number of community education programmes being offered



Underworld Rafting, Charleston

3 ~ Who we are

Council is directly involved in:

- Number and usage of community facilities
- Subsidies for hire of Council facilities for community based events
- Voter turnout

Council advocates:

- Number of community activities and district events
- Youth achievements - educational and recreational
- Number of people involved in sporting, cultural and recreational activities
- Number of new community groups introduced to community

4 ~ Sustainable environment

Council is directly involved in:

- Water management and quality
- Visitor level of appreciation
- Waste minimisation

Council advocates:

- Natural environment valued and protected
- Quality of natural environment improved and maintained
- Access to natural features

5 ~ Prosperity

Council is directly involved in:

- Employment levels and opportunities
- Innovation and excellence
- Regional growth trends

Council advocates:

- Average incomes - compared with national average
- Retail and investment growth



Punakaiki Blow Holes

Along with relevant measures provided by other agencies we will be utilising data obtained from sources such as Statistics NZ, 2006 Census Reports, BERL Regional Performance Indicators and the Social Report Regional Indicators.

Maori Contribution to Decision Making

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

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

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

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



Rock Climbing, Charleston

1 ~ Well-being:

A vibrant, healthy and safe community with access to quality facilities and services

What does Council want to achieve?

- A healthy environment with services and infrastructure to support community health
- A place where people feel welcome and have a sense of belonging
- Increased community awareness and involvement in health issues
- Safer environments for residents, businesses and visitors to enjoy

How will Council contribute to achieving these objectives?

- Provide essential services to residents and businesses to support a healthy environment
- Provide and develop safe public places
- Promote opportunities for community access to health information and participation
- Advocate for the local community
- Establish an environment of support and assistance to health providers
- Recognise and support those with special needs and requirements
- Utilise Health Impact Assessments from Community and Public Health
- Provide library services which are safe and pleasant environments for the community to interact

What programmes and projects do we have or plan to have that will contribute to the achievement of this outcome?

- Food premises inspections
- Building Consent inspections and sign-offs
- Sewage disposal services
- Waste management
- Water supply
- Support alcohol and drug education initiatives
- Support for community health initiatives
- Sports and recreation facilities
- Cemetery management
- Animal control activities
- Liquor licensing and bans
- Enforcement and monitoring
- Health information provided at all libraries
- Work closely with West Coast District Health Board and Community and Public Health Nurse
- Elderly housing
- Council policies
- By-laws
- Emergency management
- Safety initiatives and projects
- Security cameras, street lighting, road cleaning and vegetation control
- Consultation policies and practices
- Disabled access, building control/priority paths
- Timely and positive decisions for new development

2 ~ Learning:

A district that values and supports learning with accessible, relevant education and training opportunities

What does Council want to achieve?

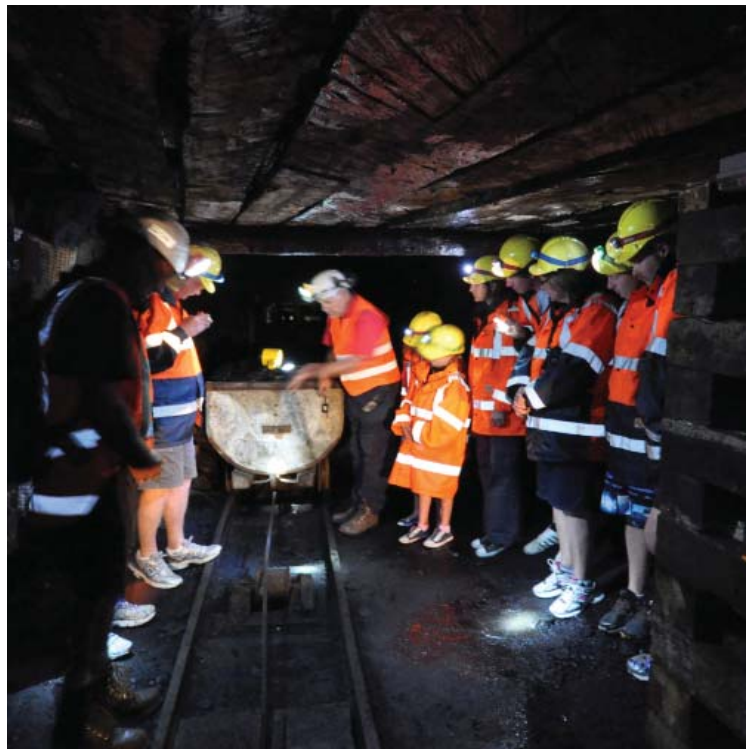
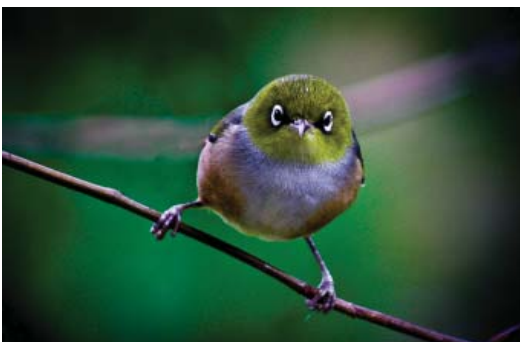
- Support for a community that values education
- An increase in knowledge and understanding of Local Government and Democracy
- Professional library services and a wide range of resources available

How will Council contribute to achieving these objectives?

- Provide a supportive environment for education providers
- Recognise and support education excellence and opportunity in the district
- Support the implementation of employment and training initiatives that offer improved employment, skill and income opportunities
- Make information easily available about Council, its functions and services

What programmes and projects do we have or plan to have that will contribute to the achievement of this outcome?

- Library services
- Relationships with education providers
- Support for literacy programmes
- Education programmes (Learn to Swim)
- Provision of pool facilities and sports grounds
- Outward Bound Scholarship
- Youth voice development
- Support for learning and education initiatives and competitions
- Support for school programmes and curriculum



The Denniston Underground Experience

Community Outcomes

3 ~ Who we are:

A 'happening' region with a strong community spirit and distinctive lifestyle

What does Council want to achieve?

- An increased awareness of and participation in cultural, social, recreational, sporting and community activities
- Provision of high quality community spaces and facilities
- Promotion of Buller, history, environment and cultural heritage

How will Council contribute to achieving these objectives?

- Support and encourage community groups and organisations providing events within the region
- Provide opportunities for the community to work in partnership with Council
- Provide a range of arts, cultural, recreation, sporting and social facilities throughout the district
- Encourage and support other organisations in providing arts, cultural, sporting, recreational and social facilities throughout the district
- Celebrate community and individual's achievements
- Provision of appropriate infrastructure to support a vibrant community
- Facilitate community grants process to assist in the provision of events and services that support a vibrant community

What programmes and projects do we have or plan to have that will contribute to the achievement of this outcome?

- Libraries, theatres, archives and heritage resources
- Sports facilities and community halls
- Community grants
- Administer Sport New Zealand grants
- Administer Creative New Zealand grants
- Support to cultural organisations, such as museums
- On-going support for events
- Provision of public toilets/facilities
- Maintenance of parks and reserves
- Roads and signage
- Urban design
- Cultural hub development
- Visitor information
- Camping ground
- Vision 2010
- Buller 2050

4 ~ Sustainable Environment:

The distinctive character of the environment appreciated and retained

What does Council want to achieve?

- An appropriate balance between development and protection that promotes the diversity and sustainability of our natural environment
- The provision of services and infrastructure that support the district's environmental goals
- A built environment considered to be attractive, sustainable and healthy

How will Council contribute to achieving these objectives?

- Develop policies and implement practices that enhance our environmental sustainability and natural diversity
- Recognise and preserve the essential elements of the district's landscape that contribute to Buller's unique natural identity
- Ensure that planning processes enable effective public consultation over an appropriate balance between the natural and built environment
- Develop practices that help to improve the cleanliness and sustainability of the district's infrastructure
- Access central Government funds to support infrastructure development and improvement

What programmes and projects do we have or plan to have that will contribute to the achievement of this outcome?

- District Plan and view thereof
- Resource Consent process
- Monitoring and enforcement
- Waste management
- Tourism planning
- Road upgrade improvements
- Wastewater/sewerage projects
- Parks and reserves maintenance
- Maintenance and development of walkways
- Support/implement community projects, ie, beach clean-ups
- Town planning/urban design



The Cultural Hub, Westport

5 ~ Prosperity:

A thriving, resilient and innovative economy creating opportunities for growth and employment

What does Council want to achieve?

- Provide an environment that supports the retention of current businesses and attracts new business and investment to the region
- Provide support for attracting and developing an available skilled workforce
- Support sustainable, responsible development, innovation and excellence
- Encourage economic growth

How will Council contribute to achieving these objectives?

- Improve communications between the Council and the business community
- Continue to develop and advocate for district-wide infrastructure that supports business and tourism growth
- Access central Government funds and programmes that can support development of infrastructure, tourism, employment, business and training
- Assist in strengthening links between schools, training opportunities and the business community
- Develop within a regulatory framework that supports sustainable economic growth without compromising the environment

What programmes and projects do we have or plan to have that will contribute to the achievement of this outcome?

- Support of Business Association and Buller Promotions Association and Inangahua Tourism Promotions
- Resource Consent and Building Consent liaison with businesses/developers
- Road improvements to support industry
- Relationships with key industries
- Film and business friendly strategies
- Street enhancements and urban design
- District Plan reviews
- Transport infrastructure: airport/harbour/roading and active transport
- Support to health and education providers



Alfresco

Community Outcomes

Performance Review

An Overview of our Financial Performance

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

For further detail about our financial strategy, please refer to our 2012 to 2022 Long Term Plan.

Core foundations of our current financial strategy

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

Financial discipline

Council has had a pleasing financial result with an operating surplus of \$1.1 million as compared to a predicted surplus of \$0.8 million.

Total revenue was \$26.5 million, \$2.8 million above budget of \$23.7 million. This was primarily due to the following:

- * Additional financial assistance totalling \$780,000 to fund the emergency reinstatement works associated with the December 2012 flood.
- * \$876,000 grants income being received from Extraordinary Fund of Development West Coast to be distributed to community projects.
- * Unanticipated Reserve Contributions from subdivisions totalling \$389,000.
- * Gain on Derivative Contracts totalling \$469,000.
- * Vested Assets mainly associated with subdivisions totalling \$635,000 (2012/2013 budget \$100,000).



Sea Kayaking

Operating Expenditure totalled \$25.5 million as compared with a budget of \$22.9 million. This was mainly attributable to items classified in other operating expenses:

- * Granting of the Coaltown fitout and associated assets to the Coaltown Trust (\$742,000). This is the result of all funding and cost being managed by Council and vests Museum related assets with the Museum.
- * \$876,000 grants expenditure being distributed to fund community based projects benefitting the region. This was funded from the Extraordinary Fund of development West Coast.
- * Emergency reinstatement roading repairs and maintenance associated with the December 2012 flood totalled \$780,000.
- * Unbudgeted legal expenses associated with resource consents appealed to the Environment Court where Council is obliged to defend its decisions totalled \$201,000. The majority of these costs were associated with high profile cases involving the Bathurst mine proposal.
- * The workload associated with the high profile Environmental Consents resulted in a reliance on the use of external consultants. This led to higher than anticipated expenditure on external consultants (\$118,000). All of this expenditure is fully recoverable.
- * External consultants, used for the changes to the Council Waste Management proposals, exceeded budget by \$92,000.

These areas of over-expenditure were offset by lower than anticipated repairs and maintenance costs in Reefton and Westport (\$148,000).

Capital Expenditure: Addressing past infrastructure deficits

Council incurred \$6.7 million on capital expenditure in 2012/2013. Of this \$2.4 million improved the level of service for the community and \$4.2 million replaced existing assets.

This was lower than budget by \$2.9 million mainly due to:

- * Deferral of the Westport Water Supply Upgrade (\$860,000). Council made the decision during the 2013/2014 Annual Plan process to accelerate the upgrade of the Westport water supply upgrade over the next two years.
- * Cultural Hub construction was completed at \$0.6 million lower than budget.
- * Transferring ownership of the fitout assets to Coaltown trust (\$742,000)
- * Deferral of Roding capital works (drainage, pavement and minor improvement) totalling \$251,000
- * Deferral of the completion of the Karamea Pensioner units (\$400,000)
- * Deferral of property upgrades until completion of the earthquake strengthening assessments (\$250,000)
- * Capacity constraints deferring completion of Information Services Projects (\$140,000)

Major projects completed included the upgrade of the Reefton and Punakaiki water supply to comply with Drinking Water Standards.

Managing the amount of income that comes from Rates

Our target is to contain rates revenue at no more than 65% of total revenue. For 2012/2013 this was 45% of total revenue generated.

	Annual Report 2011/2012 (actual)	Annual Report 2012/2013 (actual)	Long Term Plan 2012/2013 (forecast)	Annual Plan 2013/2014 (forecast)	Long Term Plan 2014/2015 (forecast)	Long Term Plan 2015/2016 (forecast)	Long Term Plan 2016/2017 (forecast)
Rates levels and limits							
General rate (\$000)	6,835	6,989	7,013	7,450	6,962	7,299	7,365
Targeted rates (\$000)	4,486	5,025	5,027	5,237	6,115	6,274	6,451
Total rates (\$000) (excludes metered water)	11,321	12,014	12,040	12,687	13,077	13,573	13,816
Average per ratepayer							
Council limit on rates revenue (limited to 65% of Total Revenue)	48%	45%	51%	51%	55%	57%	57%
Average percentage increase per ratepayer (general rates)	5.9%	3.3%	3.3%	6.2%	(3.5%)	5.1%	1.0%
Council limit on average percentage increase per ratepayer (general rates)	5.9%	3.3%	3.3%	2.6%	(3.5%)	5.1%	1.0%

Taking a Conservative Approach

This ensures that Council maintain the ability to service and repay the borrowings. Council continue to operate well within the Treasury Management limits and Banking Covenants. In terms of our Treasury Management Policy debt servicing costs must remain below 15% of Total Operating Revenue.

	Annual Report 2011/2012 (actual)	Annual Report 2012/2013 (actual)	Long Term Plan 2012/2013 (forecast)	Annual Plan 2013/2014 (forecast)	Long Term Plan 2014/2015 (forecast)	Long Term Plan 2015/2016 (forecast)	Long Term Plan 2016/2017 (forecast)
Borrowing Levels and Limits							
Finance Costs (interest) (\$000)	1,219	1,322	1,339	1,561	1,613	1,736	1,787
Total Borrowings (\$000)	23,024	25,650	27,720	29,901	28,385	28,609	30,591
Net borrowing as a percentage of Income (limited to 250% in LTP)	97%	96%	97%	119%	119%	120%	125%
New borrowing as a percentage of Income after bringing Westport Water forward (limited to 250% in LTP)					150%	150%	155%
Net interest as a percentage of Total Operating Revenue (limited to 15% in LTP)	5%	5%	6%	6%	7%	7%	7%

Net debt being term debt less term deposits is favourable at \$13.7 million compared to a budgeted \$15 million. The net debt is lower due to the deferral of the Westport Water Supply Upgrade. Debt is an important tool for Councils but managing debt is critical. Too much will result in future ratepayers subsidising the current ratepayers. Conversely, too little and the reverse happens. Our debt levels remain sustainable and debt servicing cost well within the limits defined.

The weighted average cost of capital to Council is 5.50% (2011/2012: 5.85%) which is indicative of sound Treasury and Debt Management undertaken by Council.

Investment Revenue and Performance

	Annual Report 2011/2012 (actual)	Annual Report 2012/2013 (actual)	Long Term Plan 2012/2013 (forecast)	Annual Plan 2013/2014 (forecast)	Long Term Plan 2014/2015 (forecast)	Long Term Plan 2015/2016 (forecast)	Long Term Plan 2016/2017 (forecast)
Interest Revenue (\$000)	663	663	703	878	1,033	1,137	1,192
Dividends and Subvention Payments Revenue (\$000)	1,101	942	850	815	911	943	975
Total Term Deposits	10,940	11,972	12,764	14,938	16,764	18,764	19,764
Total Other Investments (equity)	20,149	20,396	19,822	18,902	18,607	17,971	19,579

Overall Summary

The overall result for Council is a significant improvement on the 2010/2011 and 2011/2012 financial year. The improvement in shareholders equity, strong cash position and sound debt position all mean that Council remains well placed to tackle the significant infrastructure upgrades planned.

Consultation with Maori

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



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

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

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

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

The following pages set out in detail the Activity Plans for each of the Activity Groups:

The Activities of
Council have been
grouped as follows:

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

This section of the Annual Report details what activities Council is planning to undertake to support the Community Outcomes, strategic goals and legislative requirements that we operate under.

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

What do we do?

These activities protect people and the environment by regulating and licensing aspects of commercial services and private behaviour where public well-being issues may arise, and in preparing for and responding to emergency situations in the district.

Animal and Stock Control

Animal control manages dogs and wandering livestock, including the control of animals on public land and public roads.

Council also operates the pound where stray dogs are taken. These dogs are returned to owners or re-homed where possible.

Plans, Policies and Guidance Documents

Council provides a range of tools to guide the public in complying with rules, regulations and best practices. These range from regulatory tools such as the District Plan and Bylaws through to guidance tools such as policies and brochures.

There has been significant progress on the District Plan, with numerous plan changes having been made in the last three years.

Compliance Management

Compliance Management includes the investigation of:

- * Noise control complaints;
- * Non-compliance of Council Bylaws; and
- * Any other complaint, e.g. fly dumping.

Incidents and complaints are investigated and non-compliances could result in an infringement being issued.

Provision of Consents

Council provides consents for activities to be carried out in accordance with regulatory requirements such as building, land use and subdivision consents and ensures that appropriate certification is achieved for buildings by way of Code Compliance Certificates, Certificates for Public Use and Warrants of Fitness.

Council also issues land and project information memoranda (LIMs and PIMs).

Liquor Licensing

For the purposes of the Sale of Liquor Act 1989 each local authority is the District Licensing Agency for its district and except as otherwise provided in this Act, the Agency is governed by the provisions of the Local Government Act.

The Alcohol Reform Bill which the Justice and Electoral Committee has passed has resulted in the requirements for Council to form a Local Alcohol Policy increasing responsibility and consequences for holders of liquor licences.

Emergency Management

Consistent with the National Civil Defence Emergency Management Plan, Council protects the community from large scale disasters through a range of strategies based on the *Four R's* of emergency management:

- * Reduction
- * Readiness
- * Response
- * Recovery

Environmental Health

Environmental Health provides an effective permitting and inspection regime of registered food premises, hairdressers and camping grounds to ensure public health is maintained, statutory nuisances are managed and bylaws are enforced.

Building

Building Services provide a compliance service to ensure the built environment throughout the district meets the minimum requirement of the Building Act 2004. Guidance is provided to customers as they navigate their way through the building consent process.

Assessment of building consent applications are required to meet the requirements of the Building Act 2004.

Rural Fire

Provides fire control and fire control measures in rural areas when fires occur or there is a significant risk of fires occurring.



Why do we do it?

Council plays a vital role in ensuring standards are met that result in a high quality of life for residents and visitors in our district. This is achieved by administration of statutory regulations for building, resource management, licensing of premises and the keeping of dogs and livestock. The outcome of effective delivery of Environmental Services is a district where resource utilisation and standards of living are appropriate for the community’s long term needs.

Emergency Management

Our community has told us they want a safe environment for all to live in; one where the risk to life and property is minimised and the community is well serviced by emergency services.

Animal and Stock Control

Protect the public from dangerous and nuisance animals. Our Animal Control Officers can seize dogs that are unregistered, have attacked or are not receiving adequate food, water or shelter.

Building

To control building work undertaken within the district to ensure it meets required standards and provides for community safety.

Rural Fire

To protect life and property through uncontrolled rural fires

To ensure preparedness of the public to respond to rural fire emergencies

Resource Management and Planning

Council undertakes its environmental management responsibilities to promote the sustainable management of the district’s resources and manage the consequences of human activities on the environment.

The Buller District Plan is a statutory document required under the Resource Management Act. Council’s environment monitoring and information work is undertaken to monitor progress to achieve environment outcomes to help target planning controls, consent conditions and educational programmes to identify new issues and to provide information regarding land use.

Council processes Resource Consent applications and undertakes compliance activities to reduce the impact of human activity on other people and the environment. Environment education and advocacy activities provide non-regulatory means of encouraging good environmental practices and outcomes

Environmental Health

This activity ensures that operators meet required public health standards.

Liquor Licensing

Activities are governed by legislative requirements from the Sale of Liquor Act 1989.

How do we contribute to Strategic Goals and Community Outcomes?

Community Outcomes	How the Council Contributes
Well-Being	Provide essential services to residents and businesses to support a healthy environment
	Provide and develop safe public places
Learning	Make information easily available about Council, its functions and services
	Recognise and support education excellence and opportunity in the district
Who we are	Support and encourage community groups and organisations providing events within the district
	Provide opportunities for the community to work in partnership with Council
Sustainable Environment	Develop policies and implement practices that enhance our environmental sustainability and natural diversity
	Recognise and preserve the essential elements of the district’s landscape that contributes to Buller’s unique identity

How Council Performed

Earthquake Policy

The Royal Commission of Inquiry has completed their report and presented this to Government with the recommendations within this report likely to come into force by the end of the year. Recommendations include retaining the minimum strength for non-residential buildings at 34% of the Earthquake Policy.

Animal Control

Council has revised their dog control policies so there is more emphasis on public safety, and has become more proactive with farmers to reinforce the importance of fences to keep stock off public roads.

Compliance

Noise complaints reduced by 20%, abandoned vehicles and illegal dumping is still a serious problem around Buller.

Liquor Licensing

The processing of liquor licence applications is now carried out under both the Sale and Supply of Liquor Act 1989 and the new Sale and Supply of Alcohol Act 2012. The new Act will come into force completely on 18 December 2013.

Council resolved at the June 2013 meeting to create a Local Alcohol Policy. Council has set up a working group consisting of councillors, staff, industry participants and members of the public, as well as the Police and Community and Public Health.

Freedom Camping Bylaw

Council replaced its Freedom Camping Bylaw 2011 (adopted under the Local Government Act 2002) with the Freedom Camping Control Bylaw 2012 (adopted under the Freedom Camping Act 2011). The new Bylaw came into force on 30 August 2012 and extensive consultation took place during the financial year.

Under the Bylaw, Freedom Camping is allowed in any local authority area outside of the defined "no freedom camping zones", for up to three consecutive nights at the one site or in the same area in self-contained vehicles certified against NZS5465: 2001. Freedom Camping that does not meet these criteria may be allowed with the prior consent of Council, which may be with or without conditions.

Building

A further statutory two yearly assessment by IANZ for continued accreditation to operate as a Building Consent Authority is due in December 2013.

District Plan Review

The District Plan Review is an ongoing project looking at the efficiency and effectiveness of the Buller District Plan (BDP). It aims to ensure that the BDP remains relevant and meets the needs of our community in relation to the use of natural and physical resources, as well as meeting our responsibilities under the Resource Management Act 1991 (RMA). The Buller District has changed significantly since the BDP became operative in 2000. We are using the opportunity of the District Plan review to update the BDP to take into account where the district is now and how the community would like to see it develop over the next ten years.

The District Plan review is being aligned with the Westport Concept Plan and feedback received as part of the Westport Concept Plan is contributing to the District Plan review.

A set of District Plan changes was intended to be initiated in late 2012. This was to have included changes required as a result of the National Policy Statement on Electricity Transmission. Following consultation with Transpower these plan changes have been put on hold.

Changes have been signalled to the Resource Management Act which will have an impact on the process for District Plan changes and may impact how the District Plan review is carried out.

Resource Management

The Planning Department has had a busy year with a steady workload and some complex resource consents in the mining sector. High Profile consents have included changes to Oceana Gold's consent for Globe Hill in Reefton, and a new proposal by Oceana Gold for an underground gold mine at Birthday Reef below the abandoned Waiuta township.

The Planning Department has also been heavily involved in progressing the resolution of appeals made in relation to the Buller Coal Ltd coal mine application and mediation on Solid Energy's application for a coal mine at Mount William North of the Stockton Plateau, through the Environment Court appeals process. The Planning Department has also been a key part of the declaration proceedings in relation to Solid Energy's Cypress Mine through the Environment Court.

Westport Concept Plan

The Westport Concept Plan was introduced at a public meeting in November 2012. A number of people took the opportunity to contribute their thoughts for Westport at the meeting, while others added their thoughts over the two weeks that the idea boards remained up in the foyer of the NBS Theatre. In total there were 966 individual thoughts and ideas submitted, covering a wide range of topics. The ideas have been collated into one document, grouped together based on subject categories, and will be worked through over the coming years as the Westport Concept Plan progresses.

The most commonly identified single issue was Westport's water, with 8% of the ideas referring to it. Another public meeting was held in March 2013 to discuss Westport's water supply and options for its upgrade. Council has subsequently agreed to bring forward the Westport Water Supply upgrade.

The Westport Concept Plan is being aligned with the District Plan review as the Concept Plan will help set the direction for the District Plan and the District Plan will provide some of the mechanisms for achieving the outcomes identified in the Concept Plan.



Key Performance Indicators

What we did	What we measured	Target	Actual
To maintain quality of life through ensuring compliance with building and development regulations	Carry out investigations into non-compliance and nuisance activities in acceptable timeframes	Simple investigations to be carried out within 10 working days	2012/2013: Achieved 112 simple investigations within 10 days 82% (2011/2012: 161 investigations with 100% within timeframe)
		More complex investigations to be undertaken within 20 working days	5 remain under investigation, awaiting court action (2011/2012: 5 - 3.65%) 20 complex investigations undertaken within 20 days 14.6% (2011/2012: nil)
	Building inspections carried out within 24 hours for urban and 48 hours for rural areas	Achievement of this level of services in the 90-100% range	2012/2013: Achieved 100% (2011/2012: 100%) 2012/2013: 1,383 inspections have been recorded (2011/2012: 1,473) Building inspections are scheduled and carried out in accordance with bookings made - achieved 100%
		Building consents and LIMs issued within statutory timeframes of 10 working days for LIMs and 20 working days for Building Consents	Target 100% 2012/2013: 450 Building Consents issued 99.56% completed within the statutory 20 working day timeframe (2011/2012: 491 99%) 2012/2013: 172 LIM's issued 100% completed within the 10 working day timeframe, with an average of 3 days processing time (2011/2012: 312 issued with 100% completed within timeframe)
	Audit compliance schedules	No sampling undertaken Not currently a requirement under the Building Act	No sampling undertaken
	Meet earthquake policy objectives	This policy was revised and a new policy approved by Council 16 December 2009 Buildings will be identified when a consent application is received, change of use occurs or complaint received	There have been no changes to this policy, however Council has been proactive by sending letters to building owners encouraging them to undertake earthquake assessments
	Process non-notified resource consents within 20 days	Target 100%	2012/2013: 100% achieved within statutory timeframes (2011/2012 : 96.8%)
	Ensure quality assurance requirements for building consent authorities are met as required by Regulation 17 of Building Consent Authorities Regulation 2006	Completed by 31 December 2009 Continued compliance with accreditation requirements	2012/2013: IANZ audit scheduled for 3-5 December 2013. Audit to be undertaken in 2013/2014 financial year. (2011/2012: Audit completed in December 2011 and accreditation maintained)



What we did	What we measured	Target	Actual
To maintain quality of life through ensuring the health and safety of licenced activities	Inspect all food premises	Target 100%	2012/2013: 100%, 87 premises inspected (2011/2012: 100%, 94 premises)
			No significant findings
			These premises met the standards set by the Food Hygiene Regulations 1974
To maintain quality of life through ensuring the effects of dogs and livestock are minimised	Investigate all animal related complaints	Target 100%	2012/2013: 100%, 418 complaints investigated (2011/2012: 100%, 468 complaints investigated)
			This is measured by the use of the service request system and all complaints are loaded through this system
			Continued education for animal owners occurs
To address non-compliance or nuisance activities in ways that uphold the community outcomes	Respond to 90% of all noise complaints within 30 minutes	Target 90%	2012/2013: Achieved 93% - 215 complaints received with 210 being responded to within 30 minutes (2011/2012: 95%, 202 complaints received, 192 responded within 30 minutes)
Maintain quality of life in Buller and ensure that future planning rules reflect community needs and legislative requirements	Plan changes processes initiated as part of the District Plan Review.	District Plan to be completed by June 2015	2012/2013: The plan changes intended to be carried out in the 2012 calendar year (relating to the National Policy Statement on Electricity Transmission) have been put on hold following consultation with Transpower (2011/2012: Plan changes 122-132)
			The District Plan Review is being aligned with Vision 2050 and the Westport Concept Plan



Emergency Management

What do we do?

Civil Defence Preparedness:

The goals of local emergency management in Buller are summed up as the four Rs: Reduction, Readiness, Response and Recovery:

Reduction - we analyse potential hazards in our region and take steps to reduce the risk of injury and death, damage and social and economic disruption.

Readiness - staff in local emergency services are trained to deal with dangers, and the general public made aware of ways to stay safe during emergencies and how to cope on their own.

Response - actions taken before, during and after a disaster to save lives and property include declaring a civil defence emergency, evacuating areas, closing roads and requisitioning anything useful.

Recovery - activities taken to restore the community to normal functioning. We encourage local businesses to plan recovery actions.

Council recruits and trains volunteers to ensure that in the event of a disaster a workforce can be maintained to deliver services to residents in need. The Council works with Regional and Government representatives to develop plans and processes.

Rural Fire Control:

Council participates in the West Coast Rural Fire Committee to manage the fire district. This involves issuing of fire permits, training and maintenance of volunteer fire forces and the maintenance of a comprehensive fire plan.

Buller Rural Fire Authority has 40 volunteers and 3 rural fire units (Charleston, Inangahua and Seddonville) supported by three staff members providing emergency response and community safety programmes throughout the rural district.

Rural Fire Services also assist in motor vehicle accidents and education programmes.

Community Outcomes	How the Council Contributes
Well-being	Emergency management is a key function in ensuring that injury to people is minimised in the event of natural disasters.
	The safety of people and their property is the paramount concern of emergency management plans and processes.



Buller Gorge Marathon

How Council Performed

Civil Defence:

Civil Defence Emergency Management is delivered through a series of partnerships between many different groups: emergency services, community agencies and the wider community. Buller communities rely upon these partnerships for effective emergency response and relief and volunteers are a vital component of this partnership.

Without the commitment of devoted and skilled volunteers, services to the wider community in the event of an emergency would be severely restricted. Volunteers fulfil a range of roles in an emergency, including rescue and welfare services and come from all walks of life.

In May 2013 the Buller Civil Defence took part in Exercise Te Ripahapa. For twelve hours volunteers and key agencies were tested in all aspects of a major earthquake scenario. The exercise was observed by Ministry of Civil Defence and Emergency Management staff (MCDEM) and at the end a very positive report was received regarding our personnel.

Rural Fire:

Council retains its strong position with the West Coast Rural Fire Committee. The rural fire stations are staffed by dedicated people who commit their time and considerable effort into ensuring that their neighbourhoods have the best protection from fire as possible.

As part of the West Coast Rural Fire Authority, Council have been training volunteers to achieve the National Standards. In 2012 our units were involved in a large live fire exercise in Reefton.



Key Performance Indicators

What we did	What we measured	Target	Actual
To establish an effective level of preparedness for Civil Defence disasters	Maintain three teams of trained volunteers	30 trained volunteers (3 teams)	2012/2013: Achieved Karamea, Westport and Reefton teams in place. 160 volunteers and staff trained in various roles (2011/2012: 160 volunteers)
	Run exercises to test effectiveness	On-going regional exercises scheduled and completed	2012/2013: Civil defence and council staff took part in Exercise Te Ripahapa for 12 hours. This extensive exercise undertaken during May 2013 involved significant training on new systems introduced by the Ministry of Civil Defence. The exercise involved a large number of both Council staff, emergency services staff, lifeline agencies and volunteers. Council received a positive report. (2011/2012: Participated in Operation Cruikshank)
	Develop Civil Defence, Information Communication Technology and Recovery Plans	On-going review of the Emergency Operations Centre	2012/2013: Emergency power, additional phone lines and internet have been installed.
			2012/2013: Emergency Operation Centre fully functional and used as part of Exercise Te Ripahapa (2011/2012: Emergency Operation Centre fully functional)
			2012/2013: A Memorandum of Understanding (MOU) is in place with Buller Electricity Ltd to ensure access to their generator in the event of an emergency.
	Review all plans against best practice	2012/2013: This is still very much a work in progress	
To respond to and control wildfires to protect property and conservation values.	Annually review fire plan	On-going review of fire plan	2012/2013: Continual review of fire plan (2011/2012: no change)
	Maintain trained volunteers, fire engines and equipment	Regular personnel and equipment audits carried out by Zone Controllers	2012/2013: All rural fire stations conducted weekly training sessions (2011/2012: no change)
			Crews have also attended specialist training courses when required
Maintain restricted fire season and fire education	Provision of on-going training to all Rural Firefighters	2012/2013: On-going training to all rural firefighters and ensuring equipment met compliance requirements (2011/2012: no change)	

Funding Impact Statement

Regulatory Services	Actual 2012/2013 \$000	Budget LTP 2012/2013 \$000	Actual 2011/2012 \$000	Budget 2011/2012 \$000
Sources of Operating Funding				
General rates, Uniform Annual General Charge, rates penalties	768	768	812	812
Targeted rates (other than a targeted rate for water supply)	0	0	0	0
Subsidies for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	0	0	0	0
Internal charges and overheads recovered	6	15	6	19
Interest and dividends from investments	0	0	0	
Local authorities fuel tax, fines, infringements fees and other receipts	1,334	1,362	1,251	1,112
Total Operating Funding	2,108	2,145	2,069	1,943
Applications of Operating Funding				
Payments to suppliers and staff	1,763	1,603	1,701	1,572
Finance costs	12	12	13	11
Internal charges and overheads applied	494	490	527	445
Other operating funding applications	12	12	12	12
Total Applications of Operating Funding	2,281	2,117	2,253	2,040
Surplus/ (deficit) of Operating Funding	(173)	28	(184)	(97)
Sources of Capital Funding				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	389	0	91	0
Increase/(decrease) in debt	(18)	(18)	35	(11)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total Sources of Capital Funding	371	(18)	126	(11)
Capital Expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	22	0	2	0
Increase/ (decrease) in reserves	176	10	(60)	(108)
Increase/ (decrease) in investments	0	0	0	0
Total applications of Capital Funding	198	10	(58)	(108)
Surplus/ (deficit) of Capital Funding	173	(28)	184	97
Funding Balance	0	0	0	0

Variance Explanations

Significant Operating Variances

Payments to suppliers and staff

Unbudgeted legal expenses associated with resource consents appealed to the Environment Court where Council is obliged to defend its decisions totalled \$201,000. The majority of these costs were associated with the complex high profile case involving the Bathurst mine proposal.

The workload associated with the high profile Environmental Court appeals resulted in a reliance on the use of external consultants. This led to higher than anticipated expenditure on consultants (\$118,000) however these fees are fully recoverable.

This was offset by cost savings associated with the District Plan and a wide spectrum of expenses (totalling \$160,000).

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

Council received an unbudgeted external contribution totalling \$165,000 towards legal fees.

Subsidies for Capital Purposes

Reserve contributions on subdivisions totalling \$387,000 were received by Council.

Significant Capital Expenditure

Purchase of fleet motor vehicles occurred one month earlier than anticipated in June 2013 when the lease terminated (\$22,000). Budget was available from 1 July 2013.

Significant Capital Expenditure Variances

As explained above.

Roading and Urban Development

What we do?

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

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

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

Why we do it?

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

How we contribute to Strategic Goals and Community Outcomes

This activity supports the following community outcomes.

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

How Council Performed

Council's programme of maintenance and capital works were undertaken and completed to budget. There were some variances in the categories that together make up the maintenance and capital programmes. The work undertaken is needs-based, and this will vary depending on road use and weather conditions.

Council continued to use in-house professional services for contract administration and the design and supervision of the majority of road construction and maintenance contracts. Consultant engineers were engaged for those projects where specialist knowledge was required.

Regular inspections of the roading network were undertaken by both Council staff and the maintenance contractor, and from these inspections road maintenance programmes were developed to keep the network maintained and safe. Council set a long term project for the upgrading of Derby Street from one end to the other, including replacing the underground services and reconstruction of the road. It is planned to upgrade the street two blocks per annum to spread the costs over a period of time for the ratepayer. In 2013/2014 financial year it is intended to reconstruct one block because of the extra length and the intersection across Brougham Street which will be required to be reconstructed following the replacement of services under the highway.

The renewals in Derby Street undertaken this financial year which included water main renewals, new water connections and an upgrade of stormwater disposal as well as the reconstruction of the road carriageway - covering the blocks between Pakington Street to Lyndhurst Streets.

Impact of reduced Financial Assistance

Buller is a large district with numerous settlements and small towns along its coastline and in the hinterland. It is only able to function economically and socially because of a vital local roading network maintained by the Council. Just on 600kms of Council roads link into the main State highways. Only half of those local roads are sealed with the other half unsealed. These local roads incorporate 153 bridges and large culverts.

The roading maintenance, renewals and improvements programme is the biggest single item of Council expense. About 25% of Council's operating costs go to roads etc. The New Zealand Transport Agency pays a percentage of the total cost of approved projects as a funding partner for roads. The funding for the financial assistance rate is provided from taxes paid by motorists as part of fuel purchases and road user charges.

Prior to 2006/2007 the assistance was 61% of the total cost. From 2006/2007 through to 2011/2012 the Agency paid 60% of the total cost. In 2012/2013 the subsidy dropped to 59% and from the 2013/2014 year onwards we can only expect 58% of the total cost. Each time the assistance rate drops the Council is left with a stark choice. Either make up the shortfall by increasing rates, or let the roads deteriorate. At present expenditure levels each 1% reduction will cost Buller ratepayers about \$35,000 extra each year just to maintain present levels of service. The New Zealand Transport Agency has started a process to review the basis on which the financial assistance rates are calculated for each road controlling authority. This review is to be completed in time for the next three year National Road Programme which starts in 2016/17.

Council decided to reduce its roading level of service to ensure that roading expenditure matches the funding received and is consistent with its Revenue and Financing Policy.

This resulted in some levels of service being reduced. An increase in road roughness can be expected, with the gap between actual road roughness and targeted road roughness expected to narrow over time. Maintenance of unsealed roads will reduce principally by reducing grading and metaling cycles on rural roads with low traffic volumes. Vegetation control will continue to provide for safe sight distances but roadside mowing intervals will invariably be increased.

Council has worked closely with its roading contractor to identify if levels of service can be maintained by exploring efficiencies in how the roading programme is delivered.

Flood Damage

The district experienced substantial damage to roads from rainfall events through the year. In the July 2012 event for example over 600mm rain in 24 hours was recorded at Corbyvale. The total damage amounted to approximately \$780,000 of which almost \$300,000 was on the Karamea Bluff Highway. Most of this work was accounted for as repairs and maintenance (emergency reinstatement). An ongoing upgrade of the Karamea Highway over the next few years will need to occur to address drainage and build remedial structures. Council have geotechnical reports completed on parts of the Karamea Highway that provide options for further repairs. This work will be peer reviewed.

Millerton Track

The Millerton Track was constructed on a new alignment in 2006 in conjunction with Solid Energy to bypass some hairpin bends and also to minimise further risks of road closure from dropouts. The new alignment construction included a section with steep batter slopes often referred to locally as the grand canyon. Solid Energy expressed concern about potential rock falls in this area as a result of the steep sides and with the Council undertook to increase the batter slope and stabilise any loose rocks. Solid Energy met all the costs of the physical works and the design. Council tendered the project and undertook the supervision because the road is part of the Council's network.

Key Performance Indicators

What we did	What we measured	Target	Actual
Provide a safe road network	Public Safety		
	Annual Road Safety Audit	Continue to audit 10% of the network	2012/2013: Road safety audit undertaken on Denniston Track, Karamea Highway, Arapito Road and some intersections in Westport
			2012/2013: Work covered 46km which is 8% of the network. (2011/2012: 93.15km which represented 15% of the network)
	Reducing trend in the number of fatal and injury accidents and accident contributing behaviour as measured by statistics published by NZTA	Reducing trend of fatal accidents and those causing injury Analysis of accident causes to determine if remedial work is required	The audits recommended maintenance work and programmed capital expenditure
			2012/2013: Based on the crash analysis report produced by the New Zealand Transport Agenda (NZTA) overall there were 93 accidents (2011/2012: 84)
			2012/2013: Injury related accidents were 12 have trended down from previous year (2011/2012: 26)
			2012/2013: 81 non-injury accidents occurred, trending higher than previous year (2011/2012: 58)
			2012/2013: Fatal accidents have remained static at 1 fatality (2011/2012: 1)
Accident reports provided to Council are analysed to determine if any road factors contributed to the accidents			
Maintain roading infrastructure to required standard	Maintenance of roading in compliance with Asset Management Plan	Compliance with Asset Management Plan Changes ratified through the Annual Plan process	2012/2013: Programme undertaken in compliance with Asset Management Plan
			Asset Management Plans to be updated during 2013/2014
Provide a comfortable road network	System Usability		
	Maintain current road roughness levels	Average sealed road NASSRA roughness less than 120	2012/2013: Road roughness survey was completed in May 2013 2012/2013: Sealed road roughness 87.9 which meets the target of less than 120. (2011/2012: 89.8) The roughness of a good sealed road is 70 NASSRA



What we did	What we measured	Target	Actual
Provide usable footpaths	Footpaths Undertake condition rating of footpaths Design all new footpaths for accessibility	Remedial work programmed for all footpaths with a Level 4 and 5 rating. This programme is assessed every two years by an independent consultant. New footpaths designed for wheelchair and pram usage	2012/2013: Footpaths were rated according to condition on a scale of 1 to 5 by Consultants as part of RAMM rating - overall rating for footpaths was 2.10 (2011/2012: average rating was 2.36) this demonstrates an improvement in the footpath conditions From these ratings the forward programme of remedial work for footpaths is determined - rating undertaken in April 2011. The ratings are undertaken every two years as part of the RAMM inventory update for roads Maintenance programme for footpaths are based on rating - 1.35km of footpaths were refurbished by reseal or asphaltic concrete, this represents 1.61% of the footpath length 114 metres of new concrete footpath was constructed <i>2011/2012: 2km, representing 2.3%. Reduced length due to more expensive surfacing using asphaltic concrete)</i>
Minimise the effects of road works	System Disruption To attend to all slips and obstructions in a timely manner and undertake road works in accordance with national safety standards	80% compliance with the contracted response times Road works checked against national standards during site inspections	2012/2013: The contractor responded to notification of all slips from call centre logs within the response times required <i>(2011/2012: responded within contracted response times)</i>
Provide roads with the minimum environmental impact	Environmental Impact To comply with resource consent conditions	100% compliance	2012/2013: 100% compliance. <i>(2011/2012: 100% compliance)</i>



Funding Impact Statement

Roading and Urban Development	Actual 2012/2013 \$000	Budget LTP 2012/2013 \$000	Actual 2011/2012 \$000	Budget 2011/2012 \$000
Sources of Operating Funding				
General rates, Uniform Annual General Charge, Rates penalties	2,245	2,245	2,171	2,171
Targeted rates (other than a targeted rate for water supply)	0	0	47	0
Subsidies for operating purposes	2,475	1,695	1,728	1,911
Fees, charges and targeted rates for water supply	0	0	0	0
Internal charges and overheads recovered	0	0	0	0
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	188	175	205	170
Total Operating Funding	4,908	4,115	4,151	4,252
Applications of Operating Funding				
Payments to Suppliers and staff	3,237	2,736	2,571	2,790
Finance Costs	0	0	0	0
Internal charges and overheads applied	847	596	861	597
Other operating funding applications	0	0	0	0
Total Applications of Operating Funding	4,084	3,332	3,431	3,387
Surplus/ (deficit) of Operating Funding	824	783	720	865
Sources of Capital Funding				
Subsidies and grants for capital expenditure	1,399	1,251	1,007	1,134
Development and financial contributions	0	0	0	0
Increase/ (Decrease) in Debt	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0
Lump Sum contributions	0	0	0	0
Total Sources of Capital Funding	1,399	1,251	1,007	1,134
Capital Expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	148	165	146	167
- to replace existing assets	2,203	1,869	1,689	1,832
Increase/ (decrease) in reserves	(128)	0	(107)	0
Increase/ (decrease) in investments	0	0	0	0
Total applications of Capital Funding	2,223	2,034	1,728	1,999
Surplus/ (deficit) of Capital Funding	(824)	(783)	(721)	(865)
Funding Balance	0	0	0	0

Variance Explanations

Explanation of Significant Operating Variances

Subsidies for operating purposes

The large amount of flood damage that occurred resulted in greater financial assistance from NZTA (\$780,000).

Internal charges and overheads

A budget classification error in the Long Term Plan which resulted in the budget being understated for Internal charges and overhead applied by \$251,000 whilst the budget payment to suppliers and staff was equivalently overstated.

Subsidies for capital purposes

Due to the flood damage pavement improvements, drainage improvement and minor improvement categories of roading works were deferred. Due to the deferral of projects the amount to be claimed from NZTA was reduced accordingly.

Unbudgeted contribution totalling \$481,000 was received from Solid Energy towards upgrading the Millerton Track.

This has resulted in the overall contributions towards capital projects exceeding budget by \$148,000.

Payments to staff and supplies

The budget for 2012/2013 was overstated by \$251,000 due to a budget classification error in the Long Term Plan. Flood damage caused during the 2012/2013 financial year resulted in emergency reinstatement and traffic services repairs exceeding budget by \$780,000. This remedial work resulted in greater financial assistance than budgeted.

Significant Capital Expenditure

- * Footpaths progressively renewed/resurface to provide a safe environment.
- * Staged upgrade over 10 years of Derby Street (a major street in Westport) in conjunction with the replacement of services - from Salisbury Street to railway line on Derby Street.
- * Upgrading of Denniston Track in association with Buller Coal Limited to provide safety improvements associated with the company's intention of trucking coal from the Plateau.

Significant Capital Variances

Flood damage - deferral of capital works

As a result of the flood damage that occurred on the Karamea Highway the pavement improvements, drainage improvement and minor improvement categories of work were deferred with the funds being carried over into the 2013/14 financial year. This carryover will allow a greater quantum of work to be undertaken that should provide for better contract rates in an isolated area.

Millerton Track

Solid Energy expressed concern about potential rock falls in this area as a result of the steep sides and with the Council undertook to increase the batter slope and stabilise any loose rocks. Solid Energy met all the costs of the physical works and the design. Council tendered the project and undertook the supervision because the road is part of the Council's network.

What we do?

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

Council is currently responsible for water supply services for a number of townships in the district including Little Wanganui, Ngakawau-Hector, Waimangaroa, Westport, Cape Foulwind, Reefton, South Granity and Punakaiki. The Westport and Reefton supplies are the only supplies providing treated water. Water conservation programmes are used to ensure the long term availability and quality of the town water supply.

Council provides water supplies for various communities within the district. Each scheme provides varying level of service in terms of quality, capacity, reliability and affordability of the service. All schemes are managed through Asset Management Plans and are operated in accordance with resource consent conditions.

The table on [pages 45](#) details the costs and timelines to upgrade the various water supplies to comply with the Drinking Water Standards.

The upgrade for the Reefton town water and Punakaiki supply was largely completed within 2012/2013. In November 2011 Council agreed to a long term solution for the Westport water upgrades and during the 2013/2014 Annual Plan Council approved a phased upgrade of the Westport Water Supply totalling \$9 million over the next two financial years. Approval from the Ministry of Health has been received for the Waimangaroa and Ngakawau-Hector Drinking Water Supply upgrades and these upgrades are scheduled to occur in 2013/2014.

It should be noted that the capital costs associated with the upgrades to meet Drinking Water Standards will result in an increase in the targeted rates. With water schemes for the smaller rural communities one of the issues for the communities to consider would be the on-going affordability of these water schemes against the benefit derived from the improved quality of the upgraded water supply.

Why we do it?

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

How we contribute to Strategic Goals and Community Outcomes

This activity supports the *following* community outcomes:

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

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



Long Term Solution for Westport Drinking Water

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

Council listened to the residents of Westport. Eight percent of all feedback received from the Westport Concept Plan meeting held indicated that clean safe water was the most commonly identified single issue. Meeting current NZ Drinking Water Standards means that drinking water complies with treatment required for all bugs (Protozoa). During the 2013/2014 Annual Plan process Council considered three different scenarios for the Westport Water Upgrade.

Three options considered were:

- 1: Full upgrade at a cost of \$10.4 million (Except for tunnel piping and lining raw water reservoirs which are deferred for the foreseeable future.)
- 2: Partial upgrade at a cost of \$9 million (as above but also defers excavating and cleaning out the raw water reservoirs)
- 3: Minimum upgrade at a cost of \$5.9 million (as per 2 above but also defers replacing trunk main)

In the 2013/2014 Annual Plan, Council agreed to the Partial Upgrade (Option 2) as representing the best value for money while managing risks. Council agreed to partially upgrade the Westport Water Supply at a cost of \$9 million as this option not only delivers clean safe drinking water but also improves the reliability of the supply by upgrading the trunk main.

There were compelling financial reasons to bring the upgrade forward. The accelerated construction programme allows Council to take maximum advantage of Ministry of Health subsidies and increases the subsidy entitlement from \$0.5 million to \$1.5 million.

Council engaged Opus International Consultants to undertake project management, investigation and preliminary design. Tenders were called for the construction of the upgrade.

Reefton Drinking Water Supply Upgrade

Council approved two tenders that allowed for the upgrade of the Reefton Water Supply to meet Ministry of Health Drinking Water Standards.

The Ministry of Health (MOH) contributed 90% of the cost of this project with funding from the Drinking Water Assistance Programme and will cover \$670,000 of the full project costs which was estimated to be \$745,000. The upgrade to the supply occurred in two parts. The first part to line the reservoir and construct a roof over the existing water reservoir in Reefton was completed in 2011/2012.

The second part of the upgrade was to construct a water treatment plant adjacent to The Strand which ensures that water delivered to the residents of Reefton complies with the Drinking Water Standards of New Zealand. Water is filtered down to less than five microns via a macrolite media filter, and then further filtered to one micron through cartridge filters.

Final treatment was completed by exposing the water to ultraviolet light to disinfect the water. This upgrade included capping the existing well head to secure the water supply against surface infiltration which is being undertaken outside of this tender process.

The upgrading of the Reefton Water Supply was largely completed in 2012/2013 at a cost of \$835,000. Final commissioning was on 9 August 2013.

Punakaiki Drinking Water Supply Upgrade

The upgrade commenced in 2011/2012.

The upgrade of the Punakaiki water supply included additional filtration using macrolite media filters, followed by ultraviolet light disinfection. Additional reservoir storage was provided as part of the upgrade to reduce the impact of low water flow within the catchment.

The upgrade was largely completed in 2012/2013 at a cost of \$212,000. The upgrade was commissioned on 30 August 2013.

Ngakawau/Hector and Waimangaroa Water Supplies

Design for the upgrade of Ngakawau/Hector and Waimangaroa water supplies were submitted to the Ministry of Health for approval. The MOH approved the design and agreed to provide financial assistance for the upgrades.

Key Performance Indicators

What we did	What we measured	TARGET	ACTUAL
Provide an adequate quality of water	Water Quality:		
	No potential for illness due to unwholesome water	No confirmed E coli contamination	2012/2013: A total of 21 E-coli tests were recorded showing contamination (17 from Punakaiki, 1 from Westport and 3 from Reefton) <i>(2011/2012: 2 tests showed contamination)</i>
			2012/2013: In total there were 323 individual samples taken from Westport, Carters Beach, Reefton and Punakaiki water supplies. E-coli or faecal coliforms come from the gut of warm blooded animals (possums, deer, goats and birds) (2011/2012: 198 samples)
			Additional investigation sampling was undertaken in relation to the upgraded drinking water supplies
			2012/2013: For the Reefton and Punakaiki water supply transgressions where a permanent 'boil water' notice is in place. This will remain in place until the water treatment plant telemetry is fully operational.
		Seven water supplies will comply with Drinking Water Standards 2005 (revised 2008)	2012/2013: The Council programme in the Long Term Plan allows for all seven water supplies with the exception of Mokihinui to be upgraded to meet the Drinking Water Standards in accordance with the Health Act, this will, however, only be achievable if Council receives financial assistance
			2012/2013: As at balance date Reefton and Punakaiki were not fully compliant as upgrades had not been finally commissioned
			2012/2013: The Waimangaroa and Ngakawau/Hector water supplies have funding approved and the upgrades will be completed in 2013/2014 Waimangaroa and Ngakawau/Hector compliance will be achieved in 2014/2015
Provide an adequate quantity of water	Water Quantity - Westport and Reefton Supplies		
	To be able to fill a ten litre bucket three times within a minute	No more than ten recorded failures per annum throughout the district	2012/2013: Two requests for pressure tests <i>(2011/2012 : no requests for pressure tests)</i> . One site had no issues and the other site resulted in a water main renewal in Peel Street between Bright and Gladstone Street
	All fire hydrants to be operational	Level of service 100%	2012/2013: All hydrants were operational <i>(2011/2012: all operational)</i> 2012/2013: Waimangaroa and Granity Fire Brigades check Waimangaroa and Ngakawau/Hector supply

What we did	What we measured	TARGET	ACTUAL
Provide a reliable supply of quality water	Water Reliability		
	To provide water into the system virtually all of the time.	Water supplied 99% of the time.	2012/2013: Water was supplied for 99.6% of the time (mains only) (2011/2012: 99.8%)
	To minimise disruption caused by unplanned shutdowns.		2012/2013: Measurement of the availability to individual laterals not currently measured.
	To permit gardens to be maintained in a healthy state all year.	No more than three leaks per kilometre	2012/2013: There were 2 occasions when water was provided on low pressure because of repairs being undertaken (2011/2012: 2 occasions)
		All unplanned shutdowns less than four hours.	2012/2013: 0.73 leaks per km (2011/2012: 0.75 leaks per km)
		No more than five days of water restrictions per year.	2012/2013: As service requests are received, Council forward the request to the contractor with an inspection timeframe and an indicative repair time. The Contractor prioritises the physical works responded within the repair time 85.2% of the time (2011/2012: 90%)
			2012/2013: 11 days of restrictions for all supplies. This was due to low rainfall in the early part of 2013 (February-March 2013). (2011/2012: 0 days of water restrictions for any of the supplies)
Provide water with the minimum environmental impact	Environmental Impact		
	To comply with resource consent conditions as assessed by Regional Council consents	100% compliance	2012/2013: 100% compliance (2011/2012: 100%)

Funding Impact Statement

Water Supplies	Actual	Budget LTP	Actual	Budget
	2012/2013	2012/2013	2011/2012	2011/2012
	\$000	\$000	\$000	\$000
Sources of Operating Funding				
General rates, Uniform Annual General Charge, rates penalties	0	0	0	0
Targeted rates (other than a targeted rate for water supply)	1,902	1,889	1,538	1,531
Subsidies for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	229	277	229	234
Internal charges and overheads recovered	0	0	0	0
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	0	0	0	0
Total Operating Funding	2,131	2,166	1,768	1,765
Applications of Operating Funding				
Payments to suppliers and staff	828	1,056	803	842
Finance costs	167	183	152	136
Internal charges and overheads applied	325	219	268	174
Other operating funding applications	0	0	0	0
Total Applications of Operating Funding	1,320	1,458	1,222	1,152
Surplus/ (deficit) of Operating Funding	811	708	545	613
Sources of Capital Funding				
Subsidies and grants for capital expenditure	199	350	668	1,393
Development and financial contributions	0	0	0	0
Increase/ (decrease) in debt	133	409	(63)	3,015
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total Sources of Capital Funding	332	759	605	4,408
Capital Expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	517	857	786	4,064
- to replace existing assets	515	483	500	732
Increase/ (decrease) in reserves	111	127	(136)	225
Increase/ (decrease) in investments	0	0	0	0
Total applications of Capital Funding	1,143	1,467	1,150	5,021
Surplus/ (deficit) of Capital Funding	(811)	(708)	(545)	(613)
Funding Balance	0	0	0	0

Variance Explanations

Explanation of Significant Operating Variance

Subsidies for Operating Purposes

Payments to Suppliers and Staff

Lower repairs and maintenance costs at water treatment plants mainly in Reefton and Westport resulted in savings to budget of \$148,000.

Internal Charges and Overheads

A budget classification error in the Long Term Plan which resulted in the budget being understated for Internal charges and overhead applied by \$106,000 whilst the LTP budget payment to suppliers and staff was equivalently overstated.

Fees, Charges and Targeted rates for water Supply

Metered Water charges for water consumption were lower than anticipated (Westport: \$55,000). This was offset by metered water charges in Cape Foulwind (\$7,000).

Subsidies for Capital Purposes

The decision to upgrade the Westport Water Supply Upgrade over the next two years starting in 2013/2014, has meant that the Drinking Water Assistance subsidy budgeted for in 2012/2013 (\$350,000) has not been received.

Drinking Water Assistance was received for the upgrades to the Punakaiki and Reefton Drinking Water supplies (2012/2013 - Punakaiki \$154,000; Reefton \$46,000); (2011/2012 Punakaiki \$51,870; Reefton \$384,864).

Significant Capital Expenditure

The upgrades of the Punakaiki and Reefton Water Supplies to comply with current Drinking Water Standards was largely completed in the 2012/2013 year.

Reefton Drinking Water upgrade

The total cost of the Reefton Water Upgrade was \$835,000 (\$29,000 2012/2013; work in progress 2011/2012 \$532,000; and \$274,000 was capitalised in 2011/2012 for the lining and roofing of the reservoir.)

Punakaiki upgrade cost

The total cost of the Punakaiki Water Supply upgrade was \$212,000 (2012/2013: \$149,000; 2011/2012: \$30,000 work in progress; and \$30,000 was capitalised in 2011/2012 for water tanks.)

Westport Water

Minor capital : \$68,000

Mains Renewals : \$215,000

Significant Capital Expenditure Variances

Capital to improve the level of service totalled \$517,000.

This included:

- * \$29,000 incurred on the upgrade of the Reefton drinking water upgrade
- * \$149,000 for the Punakaiki drinking water upgrade spent in 2012/2013 but budgeted in a prior year
- * \$332,000 on Westport water (minor capital and mains renewal)

The deferral of the Westport water supply upgrade totalled \$857,000.

Water Supplies

Water Supply	Current Standard	Target Standard	Upgrade Required	Target Date	Estimated Cost
Westport	Ungraded	Satisfactory, low level of risk for source, treatment and distribution (Bb)	Existing treatment with the addition of ultra violet disinfection	Two year upgrade commencing in 2013/2014	\$9.0 million
Punakaiki	Unsatisfactory, high level of risk at source, treatment and distribution (Ed)	Marginally satisfactory, moderate level of risk for source, treatment. Satisfactory, low level of risk for distribution (Cc)	Filtration and ultraviolet disinfection with increased storage.	Completed 2012/2013	Actual cost \$212,000
Reefton	Unsatisfactory level of risk for source and treatment. Unacceptable level of risk for distribution (Ee)	Marginally satisfactory, moderate level of risk for source, treatment and distribution (Cc)	Line and cover reservoir, filtration and UV disinfection.	Completed 2012/2013	Actual Cost \$835,000
Waimangaroa	Ungraded	Marginally satisfactory, moderate level of risk for source, treatment and distribution (Cc)	Covered storage, filtration and disinfection	Deferred to 2013/2014	\$310,000
Ngakawau/Hector	Ungraded	Marginally satisfactory, moderate level of risk for source, treatment. Satisfactory, low level of risk for distribution (Cc)	Covered storage, filtration and disinfection	Deferred to 2013/2014	\$315,000
Inangahua Junction	Ungraded	Marginally satisfactory, moderate level of risk for source, treatment and distribution (Cc)	Disinfection and filtration	Deferred to 2014/2015	\$260,000
Little Wanganui	Ungraded	Marginally satisfactory, moderate level of risk for source, treatment and distribution (Cc)	Covered storage, filtration and disinfection	Deferred to 2014/2015	\$291,000
South Gracity	Ungraded	Marginally satisfactory, moderate level of risk for source, treatment and distribution (Cc)	Covered storage, filtration and disinfection	Deferred to 2014/2015	\$260,000
Mokihinui	Ungraded	Marginally satisfactory, moderate level of risk for source, treatment and distribution (Cc)	Covered storage, filtration and disinfection	Deferred to 2014/2015	Cost not yet determined

- * The target grading is considered appropriate for a town of Westport's size under the revised standards
- * Cape Foulwind is a stock supply rural water scheme and is not required to meet the Drinking Water Standards
- * The targets are based on the minimum acceptable gradings recognising both public health and cost considerations
- * Upgrades will be funded from reserves or loans serviced by way of targeted rates and cap funding if successful

What do we do?

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

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

Why do we do it?

Council intends to retain ownership of the sewer systems for the *following* reasons:

- * The provision of wastewater services is considered to be a core service
- * The ability to exclude or disconnect properties from the sewer reticulation had economic and public health implications. Public ownership can prevent the sewer system from being controlled in an exclusive manner
- * The majority of properties have limited disposal options

For these reasons the objective of retaining ownership of the wastewater system is to use that control wisely and in the best interests of the affected communities.

How we contribute to Strategic Goals and Community Outcomes

This activity supports the *following* community outcomes:

Community Outcomes	How the Council contributes
Well-being	By providing a sanitary wastewater collection and treatment service
Sustainable Environment	By protecting the environment through the wastewater treatment
Learning	By providing water conservation programmes
Prosperity	By meeting commercial wastewater needs and meeting community needs at affordable costs

How Council Performed

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

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

Stormwater that is disposed of in combination with wastewater has resulted in some areas of Westport's wastewater system not working efficiently because of overload. This has resulted in some residents being unable to use toilet facilities for periods when the system is overloaded. Council has requested modelling of the wastewater system to programme separation and also to provide solutions.

Ongoing upgrade of Derby Street has continued with the block from Pakington Street to Lyndhurst Street being completed.

The modelling of wastewater and stormwater reticulation has been completed by the Consultant, but not verified to the satisfaction of Council. Capital expenditure is to be carried forward to 2013/2014 to enable the analysis to continue.

Key Performance Indicators

What we did	What we measured	Target	Actual
Public Safety:			
Provide safe facilities for both the community and the operators	No accidents, injuries or public contact with sewage	No accidents reported	2012/2013: No reported injury or illness attributed to the sewer systems. (2011/2012: Nil)
	Number of public health issues attributed to the wastewater system	Maintain zero reports	2012/2013: No issues reported by the Ministry of Health (2011/2012: No reports)
System Capacity:			
Provide adequate capacity	Maintain capacity of existing combined systems	No more than ten overflows throughout the district	2012/2013: 13 overflows during the last twelve months. (2011/2012: 16 sewerage overflows) The number of overflows are related to the severe weather events experienced in the Buller District in 2013.
	Design all new systems to New Zealand Standard 4404:2010	All new sewers designed to cope with a one in ten-year event	2012/2013: No new sewer systems constructed. (2011/2012: No new systems constructed)
System Reliability:			
Provide a reliable sewer system	To accept sewage from properties virtually all of the time	No more than one blockage per kilometre of pipeline	2012/2013: 0.32 blockage per kilometre of pipeline. (2011/2012: 0.39 blockages per kilometre of pipe)
		All blockages cleared within four hours	2012/2013: Only two blockages took over four hours to clear. All other blockages were cleared in accordance with response times
		No more than 40 blockages in laterals	2012/2013: 64 lateral blockages in the last twelve months. (2011/2012: 52 lateral blockages in the 12 month period).
Environmental Impact:			
Provide sewer collection and disposal with the minimum environmental impact	To comply with resource consent conditions	100% compliance	2012/2013: 100% compliance with resource consent conditions. In practical terms these are technical breaches beyond Council's control, e.g. heavy rain. These are reported weekly to the West Coast Regional Council. (2011/2012: 100% compliance)

Key Performance Indicators

What we did	What we measured	Target	Actual
Reefton Waste Water Treatment Plant (WWTP):			
Provide sewer collection and disposal with the minimum environmental impact	To comply with resource consent conditions	100% compliance	Reefton WWTP consent requires scheduled monitoring 9 times per annum for a variety of analytes at various locations
			The Ponds are monitored for Dissolved Oxygen levels, odours, and a variety of potential visual anomalies
			The effluent in the ponds discharge channel is monitored for various analytes including Biological Oxygen demand, Faecal Coliforms, E-coli, and Total Suspended Solids
			Receiving water quality is also undertaken downstream at the confluence of Cemetery Creek and the Inangahua River. Analytes include Visual clarity of the water, Biological Oxygen demand, Suspended Solids, Unionised Ammonia, Dissolved Oxygen, pH, Water Temperature, Faecal Coliforms, and E-coli
			2 breaches: Ecoli(2), faecal Coliforms, temperature.
			Additionally annual monitoring of the sediments in the discharge channel is required on an annual basis. Analytes for this include Arsenic, Cadmium, Chromium, Copper, Mercury, Nickel, Lead, Zinc, and Poly Aromatic Hydrocarbons.
			5 breaches: arsenic(2),lead, and mercury(2) and zinc. Testing of the effluent leaving the ponds showed low or no metals concentrations, which supports the theory that the contaminants are entering Cemetery Creek upstream of the plant.
Conveyance Pump Stations:			
Provide sewer collection and disposal with the minimum environmental impact	To comply with resource consent conditions	100% compliance	Large parts of Westport’s sewer network also double as its stormwater network. This leads to large quantities of rainwater entering the sewer system. Prior to the 2006 upgrade of Westport’s sewerage system this was not an issue. However the sewerage treatment upgrade required the construction of sewerage pumping stations at the sewer / stormwater outfalls, in order to transport the sewerage to the Alma road treatment plant. It was deemed to be uneconomic and impractical to size the pump stations and the treatment plant to treat this huge volume of additional stormwater. This was recognised in the Westport Waste Water Treatment Plant consent which allows for storm water induced overflows to occur at the 3 outfall sewer pump stations located at Pakington, Rintoul and Roebuck St outfalls.
			Stormwater induced overflows are monitored by testing the receiving water quality downstream of the pump station concerned, and recording the dates times and durations of these events. As well as monitoring water quality at two recreational (Marr’s and Shingle) beach locations downstream
			There were 12 breaches for overflow monitoring, E-coli(5), Enterroccoci (2) Faecal Coliforms (5)
			It is noted that as the pump stations are located prior to the treatment plant, that council can only monitor the upstream and downstream contaminant levels, and cannot alter the concentration or dilution or duration of the sewerage overflows to the river during these rain overflow events.

Key Performance Indicators

What we did	What we measured	Target	Actual
Westport Waste Water Treatment Plant (WWTP):			
Provide sewer collection and disposal with the minimum environmental impact	To comply with resource consent conditions	100% compliance	<p>The Westport Waste Water Treatment Plant consent requires monitoring of receiving waters in the Buller river 9 times per annum. Analytes include Visual clarity of the water, Biological Oxygen demand, Suspended Solids, Unionised Ammonia, Dissolved Oxygen, pH, Water Temperature, Faecal Coliforms, and E-coli. As well as observing whether any scums, discoloration or odours are present</p> <p>The consent also requires monitoring of the effluent quality at the point where it leaves the treatment plant, 9 times per annum. Analytes for this include Biological oxygen demand, Faecal coliforms, E.coli, Suspended solids, conductivity, effluent volume</p> <p>Once per year the sediments in the Buller river are tested for levels of various contaminants, These analytes include Aluminium, Arsenic, Cadmium, Chromium, Copper, Mercury, Nickel, Lead, Zinc, Cyanide Phenol, and Total Hydrocarbons</p> <p>Leaving the treatment plant there were 3 breaches. Ecoli(1), Faecal coliforms(1), TSS(1), BOD(1)</p>
	No complaints regarding objectionable odour from the treatment plants	Zero	2012/2013: There were no complaints (2011/2012: Nil)

Funding Impact Statement

Wastewater	Actual	Budget LTP	Actual	Budget
	2012/2013	2012/2013	2011/2012	2011/2012
	\$000	\$000	\$000	\$000
Sources of Operating Funding				
General rates, Uniform Annual General Charge, rates penalties	0	0	0	0
Targeted rates (other than a targeted rate for water supply)	2,141	2,156	1,882	1,895
Subsidies for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	0	0	0	0
Internal charges and overheads recovered	0	0	0	0
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	23	26	91	243
Total Operating Funding	2,164	2,182	1,973	2,138
Applications of Operating Funding				
Payments to suppliers and staff	892	985	933	927
Finance costs	317	317	328	376
Internal charges and overheads applied	273	213	299	231
Other operating funding applications	0	0	0	0
Total Applications of Operating Funding	1,482	1,515	1,561	1,534
Surplus/ (deficit) of Operating Funding	682	667	412	604
Sources of Capital Funding				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase/ (decrease) in Debt	(217)	(217)	(553)	(203)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total Sources of Capital Funding	(217)	(217)	(553)	(203)
Capital Expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	59	110	58	0
- to replace existing assets	215	246	411	398
Increase/ (decrease) in reserves	191	94	(609)	3
Increase/ (decrease) in investments	0	0	0	0
Total applications of Capital Funding	465	450	(141)	401
Surplus/ (deficit) of Capital Funding	(682)	(667)	(412)	(604)
Funding Balance	0	0	0	0

What do we do?

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

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

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

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

Why do we do it?

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

How we Contribute to Strategic Goals and Community Outcomes

The most significant outcome supported by the provision of stormwater systems is a healthy community. Uncontrolled stormwater runoff can be destructive and represent an immediate risk to life. Over the longer term, stagnating pools of water can become a breeding ground for disease.

Two other service outcomes supported by the stormwater systems are prosperous and sustainable communities, through the minimisation of stormwater damage and the protection of the environment.

How did we perform?

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

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

Key Performance Indicators

What we did	What we measured	Target	Actual
Provide adequate stormwater capacity	Maintain capacity of existing systems and have all new systems designed with a minimum 1 in 10 year event without ponding, and a 1 in 50 year event without inundation of dwellings	All designs comply with New Zealand Standard 4404:2010 No more than five houses inundated by stormwater flooding per annum	2012/2013: One new main constructed for a 1 in ten year event. (2011/2012: one new main)
			2012/2013: No houses inundated with stormwater (2011: nil)
Provide a reliable stormwater system	Maintain the stormwater system in a state of readiness by identifying no more than 20 faults per annum during quarterly inspections	90% compliance with response times as stated in the service request	2012/2013: 17 service requests of which 11 were completed on time, which was due to the severity of the fault being assessed as less serious by the contractor (2011/2012: 13 responded in time, out of a total of 14)
			2012/2013: 65% of service requests were completed within response times (2011/2012: 93%)
	Minimise disruption caused by obstructions	Monitor and record blockages	Regular inspections of stormwater system were undertaken
			These will pick up loose or stuck manhole lids, buildup of silt and if floodgates are blocked by silt or debris repairs are undertaken to remediate
Provide a stormwater system with minimal environmental impact	Compliance with resource consents	100% compliance	2012/2013: There were 7 blockages to the stormwater system that resulted in main clearance. (2011/2012: 4 blockages)
			These blockages did not result in any significant flooding
			Currently no resource consents for stormwater due to existing use Stormwater system was in place prior to the Resource Management Act



Funding Impact Statement

Stormwater	Actual 2012/2013 \$000	Budget LTP 2012/2013 \$000	Actual 2011/2012 \$000	Budget 2011/2012 \$000
Sources of Operating Funding				
General rates, Uniform Annual General Charge, rates penalties	348	348	341	340
Targeted rates (other than a targeted rate for water supply)	0	0	0	0
Subsidies for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	0	8	0	8
Internal charges and overheads recovered	0	0	0	0
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	10	0	10	0
Total Operating Funding	358	356	351	348
Applications of Operating Funding				
Payments to suppliers and staff	123	135	101	129
Finance Costs	31	42	29	29
Internal charges and overheads applied	79	51	61	43
Other operating funding applications	0	0	0	0
Total Applications of Operating Funding	233	228	191	201
Surplus/ (deficit) of Operating Funding	125	128	160	147
Sources of Capital Funding				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase/ (decrease) in Debt	35	(22)	(15)	215
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total Sources of Capital Funding	35	(22)	(15)	215
Capital Expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	363	106	140	362
Increase/ (decrease) in reserves	(203)	0	5	0
Increase/ (decrease) in investments	0	0	0	0
Total applications of Capital Funding	160	106	145	362
Surplus/ (deficit) of Capital Funding	(125)	(128)	(160)	(147)
Funding Balance	0	0	0	0

Variance Explanations

Significant Operating Variances

Wastewater and Stormwater

Internal Charges and Overheads

A budget classification error in the Long Term Plan resulted in the budget being understated for Internal charges and overhead by \$63,000 while the budget payment to suppliers and staff was equivalently overstated.

Significant Capital Expenditure

Wastewater

Westport

- * Minor capital (\$32,000)
- * Critical spares (\$10,000)
- * Septage facility (\$11,000)

Reefton

Manhole Replacements and minor capital (\$25,000)

Stormwater

Stormwater reticulation at Cultural Hub and NBS carpark (\$51,000)

Continued phased upgrade of Derby Street (\$169,000)

Derby St sewer mains were found to be in excellent condition. No pipe replacement was required, only manholes and laterals were replaced (\$169,000)

Significant Capital Expenditure Variances

Capital expenditure totalling \$363,000 exceeded budget by \$257,000. This was mainly due to ownership of the assets associated with the Mountain View subdivision being vested to Council, totalling \$168,000.

Other expenditure within stormwater included \$61,000 on stormwater reticulation at the Cultural Hub and NBS carpark.

The following capital expenditure has been deferred to 2013/2014:

Westport

- * Sewer modelling \$123,000
- * Septage facility \$10,000
- * Purchase of critical spares \$22,000.

What do we do?

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

Council currently provides domestic refuse (rubbish) and recycling collections to houses in Westport and Reefton and most rural areas. However some areas have no collection service. A total of 3,011 tonnes of refuse was currently transported out of the district to landfills in Nelson.

Council currently operates transfer stations and recovery parks in Westport and Reefton. These sites are used by all district residents and businesses for the disposal of separated recyclable materials, household hazardous waste and garden waste.

Council also operates two landfills at Karamea and Maruia.

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

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

The cost of disposing of solid waste in all its forms has risen dramatically over recent years. Modern landfills are highly regulated, expensive to build and operate and continue to cost money after they have been closed. Government's response to Climate Change concerns and a general move to "polluter pays" measures mean the arrival of new taxes and levies and even more cost increases into the future. This escalation will happen no matter who provides this service. Recycling is the best way to mitigate cost increases.

Within Westport and Reefton the new bag and wheelie bin system which will be effective from 1 February 2014 will be a more environmentally sustainable waste system for the entire district. The provision of a wheelie bin system with a glass recycling bin means that glass and cardboard may now be collected as part of a kerbside collection. This means that a complete service can be provided, bags for residual rubbish and a bin and crate for co-mingled recyclables. This new system will actively encourage recycling and be in-line with our Waste Minimisation Plan. Karamea and Mauria will continue to use their existing landfills under the control of Council.

Why do we do it?

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

Council adopted the Solid Waste Management and Minimisation Plan (WMP) in July 2012. This plan proposed that there would be a number of investigations. The outcomes of these could result in changes to the levels of service provided by Council's kerbside collection services, resource recovery park and transfer stations and other waste management services.

How we contribute to Strategic Goals and Community Outcomes

This activity supports the *following* community outcomes:

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

How Council Performed

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

Refuse and recycling was collected weekly from all properties within the collection area.

Residual refuse was transferred to the Nelson tip for disposal. Council carted 3,011 tonnes of refuse to Nelson (2011/2012: 3,069).

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

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

During 2013/2014 Council sought expressions of interest from independent contractors for the proposed Solid Waste Contract and then entered into a tendering process with preferred providers. Three contractors were shortlisted from the seven submissions received. These three contractors were interviewed and were asked to submit a bid and complete a pricing schedule. Two contractors withdrew during this process and the final contractors bids excluded Karamea and Maruia. This bid was compared to the existing service and two other proposals from the current contractor. Council selected Smart Environmental Ltd as the successful tenderer in June 2013. The new service will be effective from 1 February 2014 and the changeover will result in a predicted savings to Council.

Key Performance Indicators

What we did	What we measured	Target	Actual
To encourage waste minimisation and recycling to support the health of the community and the environment and to encourage sustainable use of our natural resources	Monitoring of Council's solid waste facilities	Continue to monitor and provide reports to West Coast Regional Council	2012/2013: Regular monitoring and reporting to West Coast Regional Council in accordance with resource consents Results to date do not require any remedial work 2012/2013: Annual Landfill report filed to West Coast Regional Council
	Total amount of waste (tonnes) sent to landfill per year	Reduce by 5% per annum	2012/2013: Reduction over last 12 months is 1% (2011/2012: 1%)
To provide a safe and environmentally sound solid waste collection, treatment and disposal service	Publication of information and articles for community members	Four articles	2012/2013: 2 articles were published per annum (2011/2012: four articles)
	Provide programmes to schools on waste care, refuse and recycling	Council contributes to Enviroschools Programme which delivers presentations to every school in the district	2012/2013: No contribution to Enviroschools. (2011/2012: Council contributed to Enviroschools programme Council took one school group through the transfer station and recycling facility)



Funding Impact Statement

Solidwaste	Actual	Budget LTP	Actual	Budget
	2012/2013	2012/2013	2011/2012	2011/2012
	\$000	\$000	\$000	\$000
Sources of Operating Funding				
General rates, Uniform Annual General Charge, rates penalties	709	709	525	525
Targeted rates (other than a targeted rate for water supply)	695	688	751	746
Subsidies for operating purposes	29	33	29	33
Fees, charges and targeted rates for water supply	0	0	0	0
Internal charges and overheads recovered	0	0	0	0
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	700	690	681	718
Total Operating Funding	2,133	2,120	1,986	2,022
Applications of Operating Funding				
Payments to suppliers and staff	1,656	1,560	1,520	1,451
Finance costs	49	132	1	175
Internal charges and overheads applied	249	228	261	241
Other operating funding applications	0	0	0	0
Total Applications of Operating Funding	1,954	1,920	1,782	1,867
Surplus/ (deficit) of Operating Funding	179	200	204	155
Sources of Capital Funding				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase/ (decrease) in Debt	53	(70)	201	3
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total Sources of Capital Funding	53	(70)	201	3
Capital Expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	42	5	50	65
Increase/ (decrease) in reserves	190	125	355	93
Increase/ (decrease) in investments	0	0	0	0
Total applications of Capital Funding	232	130	405	158
Surplus/ (deficit) of Capital Funding	(179)	(200)	(204)	(155)
Funding Balance	0	0	0	0

Variance Explanations

Explanation of Significant Operating Variances

Payments to Suppliers and Staff

The cost of the external consultants used for the changes to the Council Waste Management proposals have cost \$79,000 for Engineering Consultants and \$22,753 for the Legal Consultant. These costs are in the range expected for the amount of work required for the contract and the physical value of the contract. The estimate for the costs underestimated the level of external consultants that were required. It was thought that at the outset that this type of waste collection had been undertaken by other Councils and that documents would only need to be modified. However, this was not the case. The waste management system proposed by Council was unique because Council was requiring the Contractor to be responsible for the relationship with the customer for the collection of residual refuse. Engineering projects normally attract a professional service cost of between 10-15% of the physical works. In this case the \$1 million physical works means that the allowance for professional services should have been between \$100,000 and \$150,000. The actual costs are in this region.

These costs include initial preparation and a Councillors' workshop as well as the preparation of documents used for the expressions of interest, the appraisal of the expressions of interest, the preparation of the tender documents and the analysis of the successful tenderer and subsequent negotiations to complete the contract.

The contract is for a ten year period and it is essential that the time and effort is afforded this part of the process to cover risks and exposure.

Finance Costs

Interest on landfill development was \$30,000 lower than anticipated due to lower capital expenditure.

The closure liability expense reduced by \$48,000 resulting in a favourable variance to budget.

Significant Capital Expenditure

Reefton and Westport Facilities (\$51,384).

The concreting of the shed floor was deferred until the relocation of WestReef Services Ltd was resolved.

Final project costs resulted in a saving to budget of \$9,000.

Explanation of Significant Capital Expenditure Variances

Capital expenditure for the landfill designation is to be carried forward to 2013/2014 (\$50,000).

Deferred and to be carried forward:

Carry over to 2013/2014: Landfill development designation \$50,000, litter bins \$5,000.

In-House Professional Services

What we do?

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

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

Why we do it?

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

How we Contribute to Strategic Goals and Community Outcomes

This activity supports the following community outcomes:

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

How Council Performed

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

Key Performance Indicators

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

Funding Impact Statement

In-House Professional Services	Actual 2012/2013 \$000	Budget LTP 2012/2013 \$000	Actual 2011/2012 \$000	Budget 2011/2012 \$000
Sources of Operating Funding				
General rates, Uniform Annual General Charge, rates penalties	0	0	0	0
Targeted rates (other than a targeted rate for water supply)	0	0	0	0
Subsidies for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	0	0	0	0
Internal charges and overheads recovered	680	705	615	653
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	3	0	1	9
Total Operating Funding	683	705	616	662
Applications of Operating Funding				
Payments to suppliers and staff	470	514	430	480
Finance costs	2	2	2	2
Internal charges and overheads applied	90	108	92	93
Other operating funding applications	0	0	0	0
Total Applications of Operating Funding	562	624	524	575
Surplus/ (deficit) of Operating Funding	121	81	92	87
Sources of Capital Funding				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase/ (decrease) in Debt	(5)	(5)	(5)	(5)
Gross proceeds from sale of assets	0	0	0	0
Lump Sum contributions	0	0	0	0
Total Sources of Capital Funding	(5)	(5)	(5)	(5)
Capital Expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	16	0	0	0
Increase/ (decrease) in reserves	100	76	87	82
Increase/ (decrease) in investments	0	0	0	0
Total applications of Capital Funding	116	76	87	82
Surplus/ (deficit) of Capital Funding	(121)	(81)	(92)	(87)
Funding Balance	0	0	0	0

Variance Explanations

Explanation of Significant Operating Variances

No significant operating variances were noted.

Explanation of Significant Capital Expenditure

Purchase of fleet motor vehicles (\$16,000)

Explanation of Significant Capital Expenditure Variances

Purchase of fleet motor vehicles occurred one month earlier than anticipated in June 2013 when the lease terminated. Budget was available from 1 July 2013.

What do we do?

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

Community Grants and Funding

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

District Economic Development and Marketing

Council introduced a District Promotion and Development Targeted Rate in the 2009/2010 financial year based on a tiered flat rate in conjunction with a capital charge, targeting tourism operators who advertise and all commercial/industrial ratepayers.

The Buller Visitor Strategy that was included in the 2006-2009 Long Term Plan has been used as frame-work for promotion and development projects. The recommendations in the Strategy were used as a starting point to create the Buller Promotion and Development 2011-2015 Marketing Plan and Collective Tourism/Fine Mesh Marketing Plans. These plans are being executed over the next five years to improve Buller's outside perception, increase visitor numbers and increase the number of people relocating to Buller. "Fine Mesh" is a low hanging fruit approach which involves the development of marketing tools to encourage visitors who are already coming in this direction to spend time in the Buller, explore more, stay longer and spend more.

The Economic Development and Marketing Officer meets regularly with stakeholders and the EDM Working Group to communicate operational activities and obtain ongoing support and direction.

Council has initiated the Collective Tourism Promotion Project which has gathered widespread support. This involves creating a strong core suite of promotion material such as strong promotional image library, district-wide tourism website and touring guide. This leads to better integration and consistency in district messaging with a plan that positions Buller as a visitor destination. It also includes the development of inspired town entrances, encouraging conference and school groups and events to the district.

Web Family Project - to develop websites and link all online Buller resources (where appropriate) for visitors and locals including but not limited to events, business support, tourism and community services.

- * Assists in local business start-ups and support - we provide business support systems and networks to local businesses and organisations.
- * Involvement in promoting investment in the Buller - beginning with a business hub website for Buller, business training and a district profile.
- * New focus area - identify, research and develop Economic Development opportunities for Buller.

Development of a Cultural Hub

The project was approved in June 2012 and Coman Construction was approved as the successful tenderer for the project.

The project progressed very well with construction being completed according to plan and well within budget. Council's financial commitment remains capped at \$1.5 million.

Recreation and Cultural Facilities and Services

The NBS Theatre provides the Buller District with live theatre and shows, performing arts and film. The venue is also able to hold conferences of varying sizes, workshops and festivals - both dramatic and film.

Public Libraries and Community Libraries are provided within the district delivering access to many forms of information and resources to help support life-long learning, literacy and recreational reading.

Significant importance is placed on the delivery of cultural, environmental and industrial heritage to the district. The Council is leading projects to develop cultural facilities for the district.

Community Engagement

Council provides community newsletters, e-newsletters, media releases, specialist working groups and consultation programmes to inform and involve residents in Council activities and decisions.

Council also provides an informative and up-to-date website for people to view at anytime.

Libraries

Libraries provide access to life-long learning and recreational reading as well as space for the community to meet and interact. Our libraries cater for all age groups - from early childhood to senior citizens. Access to information is in a variety of formats including books, media and electronic databases. Buller District libraries promote life-long learning and support literacy.

Information services are available during all opening hours with qualified staff to help users to find the information they seek. Westport library operates a 6 days a week and Reefton 5 days a week .

Access to library holdings, borrower accounts and electronic information is available online via the Council libraries web pages. The physical collection consists of currently 32,000 items. The District Library in Westport provides interloan services for books not held in own collection.

Free internet access is provided through Aotearoa People's Network while downloadable audio books and ebooks are available via a library consortium.

Why do we do it?

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

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



Coaltown Museum, Palmerston Street, Westport



Contributes to what Community Outcome?

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

How Council Performed?

Grants

In 2012/2013 Council contributed more than \$65,000 in base, contestable community, representation and minor grants. A further \$30,000 of central Government funding was distributed throughout the district via the Buller District Council.

NBS Theatre

The NBS Theatre has been able to increase the room hire this year, with two owner-operated businesses and a possible third looking at options to hire the rooms available at the Theatre.

The hiring of the Fred Gregory Screen Room has also increased for private use. Investigation into Theatres in other districts has created an awareness of new strategies for marketing of 'live theatre' which has seen a rise in the number of live shows and a flow-on to increased occupancy rates.

Cinema occupancy is down on last year, due in part to less screenings than the year before, but this is driven by the USA Box Office results and the films that are produced.

Solid Energy Centre (managed by BRL)

The 2012/2013 year has been another successful one for BRL, with membership numbers continuing to remain strong with 16% of the available population holding memberships. This is well above the national average of 13% as quoted by Fitness NZ. It has been great to see so many people across a wide spectrum of ages and abilities start to add exercise to their daily routine and see for themselves the benefits that come from leading a healthy lifestyle.

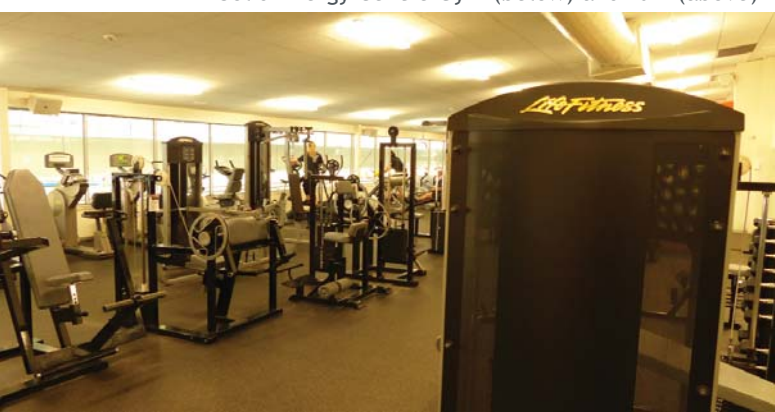
The replacement of the Development West Coast Turf has seen the return of Buller Hockey to the Solid Energy Centre, which has been fantastic for the sport and for the centre. Women's Soccer has been introduced to the turf this season.

During the year an in-depth review of the way energy is used was undertaken. As a result of this review ECO Systems were engaged to undertake a significant makeover of the heating and lighting equipment which will result in significant savings for the business over many years to come.

The work of BRL outside of the SEC continues to grow with staff once again involved in the William Pike Challenge Award at Westport North School and the delivery of another very successful Caltex Westport Marr's Beach Triathlon series.



Solid Energy Centre Gym (below) and Turf (above)



NBS Theatre (above) and Westport Library (below)



Libraries and Aotearoa Peoples Network

Kotui Shared Services

The library system was migrated to the "Kotui" shared library software system in 2012/2013. It is the first subscription-based shared service offering that enables public libraries from across New Zealand to collaborate regardless of geographical location.

Kōtui makes it possible to search most resources of a public library - books, electronic journals, DVDs, magazines etc - from a single search.

Libraries' customers benefit from using the resource discovery tools easily finding what they want from their library's physical and electronic content when searching from home, school, work or on their smartphone as well as from inside their library.

Library staff benefit from access to reliable future-proofed systems. The library no longer has to manage their own library systems, freeing them up to spend more time with their customers. This will be backed up with expert support provided by the Aotearoa People's Network Kaharoa and Kōtui (APNK&K) group within the National Library of New Zealand for all Kōtui services.

Council benefitted from providing a substantially improved service to citizens, at a cost not achievable without collaboration.



District Economic Development and Marketing

The current Economic Development and Marketing (EDM) Officer started in September 2012 these are the achievements until June 2013.

- * Networking sessions have been organised each month
- * Business training sessions have been arranged, eg, "Are you ready for the International Chinese Visitor?"
- * Undertaken an investigation into Buller Multi-Sport Event
- * Research into new Westport town based mini weather station
- * Attended TRENZ (NZ International Tourism Conference) to promote Buller along with other West Coast areas and businesses
- * Developed first Buller Trade Manual for TRENZ and other promotions
- * Organised Buller I-site familiarisation visit to promote the district to other regions
- * Ongoing updates were made to the Buller website www.buller.co.nz
- * Printed second edition of the Buller Visitor Guide
- * Updates to the Westport Street Map
- * A review of current reports on economy provided by DWC and other organisations was undertaken
- * Developed content and images for Buller Guide to Living Well (electronic district profile)
- * Developed concept for better presentation of Buller Events online
- * Developed layout and content for the new section of the BDC website to communicate what the EDM office does and resources for businesses e.g. annual training calendar
- * Re-built and updated Buller Business Directory
- * Increased distribution of the Buller Touring Guide NZ Wide
- * Welcome new business and assist in finding locations and support when enquiries received
- * Continued to work closely with TWC and EDM Working Group

Communications

Council continued to produce a bi-monthly newsletter that is delivered to all households in Buller. The Council website is regularly updated to provide the most up-to-date information to our customers.

Continued to generate the e-newsletter "Council Community Info" which is sent to community members every two weeks.

This allows for communication lines to be kept open for those who want to know about Council activities. Promotion of this e-newsletter was done through the bi-monthly newsletter, Council's website and directly approaching large organisations to send promo information to their staff.

This form of communication is slowly increasing as time progresses and more people become aware of the service.



News and information from the Buller District Council - Te takiwā kaunihera o Kawatiri

Rubbish and Recycling

Issue #71 - June 2013

- Council's Community Grants 2
- Buller Beautification Awards Survey 2
- What's new @ Buller Libraries 3
- NBS Theatre 3
- Solid Energy Centre 3
- Notes and Notices 4
- Public Notices 4
- Creative New Zealand Creative Communities Scheme 4
- Keep in the loop! 4

Buller District Council has four locations around Buller where people can leave their residual rubbish and recycling. These are:

- Westport Transfer Station
- Reefton Transfer Station
- Maruia Landfill
- Karamea Landfill

If you take residual rubbish to any of these locations you will have to pay a fee but did you know recycling is free to dispose of?

Council is gradually increasing the range of products we can receive to recycle. Currently the following items can be recycled, most are even collected kerbside. These are listed below including whether they are collected kerbside or disposed of at either of the Transfer Stations only:

Plastic types 1, 2, 4, 5, 7	Kerbside & Transfer Station
Aluminium and Tin Cans	Kerbside & Transfer Station
Newspaper	Kerbside & Transfer Station
Glossies & Magazines	Kerbside & Transfer Station
Glass	Transfer Station Only
Cardboard	Transfer Station Only
Car Batteries	Transfer Station Only
Paint	Transfer Station Only
Oil	Transfer Station Only

All plastics and cans need to be rinsed before you dispose of them. We also ask that you remove all lids from plastics, the reason for this is that we use a machine to compact the material into a square bale. By having the lids on when the plastic is compressed the lids often fly off from the pressure, this is a hazard for those using the machinery. There is no charge for disposing of recyclables at either of the Transfer Stations.

Council currently trucks all of the residual waste produced from the Transfer Stations in Westport and Reefton to Nelson. The reason for this is because the consent for Land Use from the West Coast Regional Council expired. Therefore Buller District Council cannot dump waste to a landfill.

According to research completed by Council staff, so long as the amount of residual waste produced by Westport and Reefton is less than five thousand tonnes per year, it is cheaper to truck the waste to Nelson to be dumped in their landfill, rather than create a new engineered landfill in Buller.

The average amount of waste transported to Nelson over the last three years has been three thousand tonnes. Recyclable products are sold to buyers from outside the district.

Last year the total amount of recycling produced in Buller was 250 tonnes, it is estimated that the amount for the current year will be 310 tonnes.



A Recycling facility is currently available at the Karamea Landfill, however there is no recycling facility at Maruia Landfill.



Usual hours for the four locations are:

Westport Transfer Station Monday, Thursday, Friday, Saturday Sunday	9am – 4pm 10.30am – 4pm	Reefton Transfer Station Tuesday, Thursday, Saturday, Sunday	1pm – 4pm
Karamea Landfill Wednesday, Friday, Sunday	9am – 5pm	Maruia Landfill Tuesday & Thursday	2pm – 4pm

Kerbside collection days are:

Monday • Westport to Punakaiki along SH 6 as far as Punakaiki River • Beach Road (SH6 to Nile Bridge) • Darkies Terrace (as far as Black's shed) • Charleston Township	Thursday • Almie Road including McPadden Road • Westport through to Mokihinui • Utopia Road to & including Carveys Road • Waimangatao • Ngakawau • Mokihinui • Millerton
Tuesday • Westport Township	Friday • Carters Beach • Tauranga Bay
Wednesday • Inangahua • SH7 • Ross Town • Blacks Point - collection point at Franklin Street	Saturday • Brown Creek Road • SH6 • SH69 • Ikamatua
	Sunday • Grantly • Hector • Seddonville • Birchfield along SH only • Cape Foulwind • Okari Road



www.bullerdc.govt.nz

Key Performance Indicators

What we did	What we measured	TARGET	ACTUAL
To contribute to community development through liaison, funding and support to vital community organisations	Community Grants and Funding:		
	Distribution of national funding in accordance with policies	100% compliance with Council's grants policies	2012/2013: 96% achieved (2011/2012: 92%) The decision to distribute less is a Grants Committee decision Over \$30,000 distributed in contestable funding from Creative New Zealand, Sport New Zealand and Ministry of Youth Development (2011/2012: \$23,500)
	Council Grants distributed and monitored in accordance with our policies	100%	2012/2013: 94% distributed (2011/2012: 100%) This was lower than previous year due to less funding being allocated by the Grants Committee
To support the development and sustainability for district tourism	District Economic Development and Marketing:		
	Key Performance Indicators (KPI's) agreed with all identified grant recipients and monitored	90 - 100% range KPI's monitored and achieved	2012/2013: KPI's have been set per organisation by Council and agreed by the relative parties (2011/2012: no change) 2012/2013: Quarterly reports are provided to the Community Services Officer (2011/2012: quarterly)
	Monitor achievement of strategic tourism objectives	Monitor increase / decrease in guest nights for Buller	2012/2013: Bed nights have increased using the Commercial Accommodation Monitor (CAM). This is not a valid KPI measurement as there are several other contributing factors that affect visitor bed numbers. Examples of other contributing factors are Tourism West Coast and Tourism NZ promotions, local natural disasters, changes in the world economy.
		Ongoing input and development of tourism website	2012/2013: Ongoing search engine optimisation and google ad campaigns initiated for buller.co.nz website
		Monthly reports from Economic Development and Marketing Officer	2012/2013: Consistent reporting in place for all key stakeholders Quarterly reports were given for the first four quarters. There are now monthly meetings with the EDM Working Group. Note: Additional KPI's were added and existing ones updated in February 2013 as part of the Annual Plan process, to be more measurable due to a change of focus from prominently marketing to Economic Development and Marketing
	Completion of Cultural Hub Project	Fundraising strategy developed, implemented and initiation of Cultural Hub construction	2012/2013: Council approved the project and successful tenderer on 27 June 2012 Construction only commenced in August 2012 and the Coaltown Museum officially opened on 12 June 2013. The i-Site was also fully operational at this date.
	Visitor satisfaction	Establish Memorandum of Understanding and/or level of service agreements with I-Site and Museum once construction completed and businesses are operational	2012/2013: The project was completed in June 2013. Formal KPI's still to be agreed with the Coaltown Museum and i-Site

Key Performance Indicators

What we did	What we measured	TARGET	ACTUAL	
To provide services and facilities that meet information, learning, recreational and cultural needs	Community Services and Facilities:			
	Solid Energy Centre			
	Quality of sport and recreation service provision via the Solid Energy Centre	<p>Establishment of Memorandum of Understanding and agreed levels of service for operation and management of the Solid Energy Centre (including all aquatic and dry-sport provision) and the Reefton pool (providing seasonal aquatic services).</p> <p>Agreed levels of service are likely to include attendance, satisfaction, maintenance of ACC Pool Safe quality Management accreditation for the Solid Energy Centre (which includes independent quality assessment of pool management and operation to industry standards) and working towards ACC Pool Safe Quality Management accreditation for the Reefton Pool as the Reefton pool will be managed by the Solid Energy Centre, the measures relative to the Reefton Pool will be included in the Memorandum of Understanding for the Solid Energy Centre.</p> <p>Measures will be agreed and refined once the Memorandum of Understanding has been developed.</p>	<p>2012/2013: Service level agreement finalised between Buller District Council and Buller Recreation Limited. Statements of Intent are submitted and approved by Council. Quarterly reports regarding usage are submitted to Council</p> <p>2012/2013: Monitoring of KPI's done in the half yearly reports submitted by Buller Holdings to Council</p> <p>2012/2013: Performance to the targets in the Statement of Intent reports as reflected under Council Controlled Organisations. (2011/2012: Performance to the targets in the Statement of Intent reports as reflected under Council Controlled Organisations)</p>	
	NBS Theatre			
	Number of performing arts events, exhibitions and shows per year	Number of cinema screenings per week - 26		<p>2012/2013: 26 on average per week (2011/2012: 35 per week)</p> <p><i>(The decrease in screenings has been due to the fact that our Fred Gregory Screen Room projector was non-operational for three months, as well as the type of product (film) that was available during this year.)</i></p>
		Occupancy of cinema - 25% per month		2012/2013: 17.04% occupancy per month (2011/2012: 23.6% occupancy - reason for decrease explained above)
		Number of performances/ shows in auditorium - 30 days per year		<p>2012/2013: 46 days per year (2011/2012: 42 days per year)</p> <p>This increase, can, in part, be due to the fact that during this year the NBS Theatre was part of The Top of the South Consortium and the venue was more widely marketed with professional advice from Creative NZ.</p>
		Occupancy per show - 40%		<p>2012/2013: Overall occupancy 74.79% (2011/2012: 63.6% overall occupancy)</p> <p>New strategies to market theatre shows has led to a marked increase in occupancy.</p>

What we did	What we measured	TARGET	ACTUAL
To provide services and facilities that meet information, learning, recreational and cultural needs (continued...)	Community Services and Facilities (continued...):		
	Number of performing arts events, exhibitions and shows per year	It is planned in year one to undertake analysis of audience attendances to understand how occupancy can be improved	2012/2013: Occupancy is dependent on the type of shows that tour NZ and also whether they are well known. After surveying a number of 'theatres' in Nelson, Ashburton and Greymouth it is now understood that it is unreasonable to expect to fill the theatre for every show. There is also an element of community good in bringing education and different entertainment genres to Westport.
		Room hire - 4.0 hours per week	2012/2013: The average room hire for three rooms is approximately 67 hours per week (2011/2012: 31 hours) This large increase is due to the fact that there are two rooms that are hired on a weekly and fortnightly basis, as well as the birthday party option in the Fred Gregory screen room which has seen an increase in the last 12 months. Positive growth due to regular hiring out of two rooms by health professionals
	Library		
	Satisfaction with Library services	80 - 95% range	2012/2013: 96.6% satisfaction according to a customer satisfaction survey for the overall quality of the library service (2011/2012: 90%) While library patrons expressed a high overall satisfaction with library services (2012/2013: 96.6% customer content satisfaction survey) and value having access to libraries, the number of physical visits to Buller libraries dropped last year by 8.2%.
	Number of active members of libraries	Maintain or increase (0-4%)	2012/2013: 3,143 active members - a decline of 3.2% (2011/2012: 3,247 - 3.2% increase)
	Number of items borrowed	Issues maintained or increased	2012/2013: 70,686 items borrowed a decline of 3.6% (Target 72,000) (2011/2012: 77,248) The number of physical items borrowed is 8.4% lower than the previous year. It reflects a nation-wide trend where visitor counts and issues in libraries fell over 20% in 2012. Another factor contributing to lower usage is the higher fees and charges.
	Number of physical items added to the Library collection per year	Not less than 2,000 new items per year	2012/2013: 2,562 items added (2011/2012: 2,663)
	Number of visitors to the library	64,000 per annum	78,267 visitors to the library (2011/2012: 85,250)
	To keep the community informed	Community engagement - provision of information to community	Distribution of communications as required

Funding Impact Statement

Community Services	Actual 2012/2013 \$000	Budget LTP 2012/2013 \$000	Actual 2011/2012 \$000	Budget 2011/2012 \$000
Sources of Operating Funding				
General rates, Uniform Annual General Charge, rates penalties	3,543	3,542	3,644	3,644
Targeted rates (other than a targeted rate for water supply)	288	293	268	274
Subsidies for operating purposes	33	25	23	26
Fees, charges and targeted rates for water supply	0	0	0	0
Internal charges and overheads recovered	4	0	3	22
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	721	748	789	451
Total Operating Funding	4,589	4,608	4,727	4,417
Applications of Operating Funding				
			0	
Payments to suppliers and staff	2,295	2,278	3,135	2,137
Finance costs	1,147	1,069	1,103	1,278
Internal charges and overheads applied	592	516	566	442
Other operating funding applications	1,128	378	419	363
Total Applications of Operating Funding	5,162	4,241	5,223	4,220
Surplus/ (deficit) of Operating Funding	(573)	367	(496)	197
Sources of Capital Funding				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase/ (decrease) in Debt	2,255	2,286	53	451
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	1,656	1,566	1,505	550
Total Sources of Capital Funding	3,911	3,852	1,558	1,001
Capital Expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	1,578	4,000	0	1,080
- to replace existing assets	199	107	476	186
Increase/ (decrease) in reserves	1,561	112	586	(68)
Increase/ (decrease) in investments	0	0	0	0
Total applications of Capital Funding	3,338	4,219	1,062	1,198
Surplus/ (deficit) of Capital Funding	573	(367)	496	(197)
Funding Balance	0	0	0	0

Variance Explanations

Explanation of Significant Operating Variances

Payments to Suppliers and Staff

Expenditure incurred to obtain legal advice and remediate the turf totalled \$844,000. This expenditure was \$100,000 greater than envisaged.

This was largely offset by lower operating expenditure within the following activities:

- * The late approval of the Cultural Hub project meant the Cultural Hub opened on 1 June 2013. This resulted in \$79,000 lower operating expenditure.
- * The late appointment of the District Marketing and Economic Development Officer resulted in \$45,000 less operating expenditure.

Unbudgeted grants for Vision 2010 projects not owned by Council occurred (Reefton: \$19,000).

Finance Costs

Interest costs were \$78,000 higher than anticipated mainly due to the write-down of the low interest loan to Buller Recreation Limited to improve the energy efficiency of BRL.

Internal Charges and Overheads

A budget classification error in the Long Term Plan resulted in the budget being understated for Internal charges and overhead by \$76,000 whilst Payment to suppliers and staff was equivalently overstated.

Other Operating Funding

Museum fitout and assets associated with the fitout of the museum were transferred to the ownership of the Coaltown Trust (\$742,000). This will prevent the general ratepayer from funding ongoing depreciation.

Significant Capital Expenditure

The relocation of the museum and the i-site into the Cultural Hub was completed in this financial year. The total cost of the project was \$3.4 million which was significantly lower than the budget of \$4 million.

Subsidies and Grants for Capital Expenditure

Total external funding received for the Cultural Hub project to-date totalled \$1.9 million (with \$830,000 being accrued in the 11/12 financial year). Total funding on the project totalled \$3.4 million. This includes the Council contribution of \$1.5 million.

Debt

Debt as at the end of the financial year for the Cultural Hub totalled \$2 million but this will be reduced to Council capped contribution of \$1.5 million when the external funding is received from Lotteries.

What do we do?

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

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

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

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

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

Why we do it

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

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

How Council Performed?

Annual Plan 2013/2014

On 27 June 2013 Council adopted its 2013/2014 Annual Plan. Several workshops were held with Council to review the current level of service for the various Council activities.

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

- * The three Westport water supply upgrade options
- * The new Solid Waste Contracted approach whereby Council has moved away from a Council delivered waste disposal system to a service managed by a contractor
- * Funding of the Punakaiki Beach Camp operating losses
- * Rating Choices

Constructive consultation was held with the community which resulted in Council agreeing to:

- * An accelerated upgrade for the Westport Water Supply over the next 2 years totalling \$9 million
- * The contractor managed refuse and recycling collection and operation of the landfill and transfer stations was approved with the commencement of this service for Westport and Reefton residents from February 2014. The final contract excluded Springs Junction, Karamea and Maruia as it would be cost effective for these ratepayers to “go it alone”
- * Agreement to fund \$65,000 from general rates towards the camp’s operating losses and utilisation of Reserve Fund contributions for the provision of new and improved facilities
- * Reducing the 2013/2014 surplus by \$585,000 to reduce the Uniform Annual General Charge by \$95 per liable ratepayer. This curtailed the average annual rate increase to about \$51 per annum
- * Commitment to proceeding with the long overdue Rating Review

Legislative Changes

Council saw the introduction of the Better Local Government Reforms during 2012/2013.

In March 2012 the Government announced an eight point reform programme for local government. This is part of the Government’s broader programme for building a more productive, competitive economy and better public services. The first four points were part of a work programme which culminated in the first piece of legislation which was passed in December 2012. The Act provides for:

- * A new purpose statement
- * New financial prudence requirements
- * Changes to the way councils are governed, and
- * Changes to the process for reorganising local government.

The new purpose statement and the changes to the reorganisation process came into effect as soon as the Act was passed.

The changes to the governance arrangements also came into effect with the passing of the Act, except for new mayoral powers which apply from the October 2013 elections.

Council submitted and presented to the Select Committee on the Local Government Act Reforms.

Royalties for Regions

The Chief Executive of the Council attended and presented at the Select Committee hearings to support and lobby government for royalties for regions from mining. A new royalties for regions policy was unveiled which would see a percentage of royalties collected by the Government from a region’s natural resources be returned specifically to that region. The money would go into a fund that would be used to fix roads, build health centres, improve water plants and enhance the economic and social quality of life.

Key Performance Indicators

What we did	What we measured	TARGET	ACTUAL
To provide a governance structure and to develop strategic direction for the future of the Buller District	All meetings notified as per legislative requirements (Local Government Official Meetings Act "LGOIMA") and Standing Orders	100%	2012/2013: 100% all meetings notified as required (2011/2012: <i>no change</i>)
	Minimum notification period of five days but this notification period must not exceed 14 days		
	If meeting after the 21st day of the month minimum notification is five days but notification period not to exceed 10 days		
	% of agendas and reports available from Council two clear working days prior to each meeting	100%	2012/2013: 100% (2011/2012: <i>100% - no change</i>)
	% attendance of Council members at various Committee and Working Group meetings	90%	2012/2013: 89% at Council Meetings (2011/2012: <i>88% at Council Meetings</i>)
% of Council meetings that are run according to statutory requirements	100%	2012/2013: All Council meetings are run according to statutory requirements. Nil breaches of legislation noted. (2011/2012: <i>no change</i>)	
To engage and educate members of the community in matters of importance in our district	% Residents who are satisfied with the way Council involves people in decision making	No survey was undertaken	2012/2013: No survey was undertaken
	Number of meetings held with Maori	Two formal meetings per annum	2012/2013: No meetings were held (2011/2012: <i>one meeting was held</i>)
	% of consultations undertaken in compliance with legislation through evaluation of consultation procedure	100%	2012/2013: 100% - consultations were undertaken and all legislative requirements were met (100%). (2011/2012: <i>100% - no change</i>)
	% of Agenda items in open Council	90%	2012/2013: 90% (2011/2012: <i>no change</i>)
Co-ordination of annual budgeting and financial planning processes and preparation of Long Term Plan and Annual Plan	Adoption of Long Term Plan and Annual Plan within statutory timeframes with an unqualified opinion on Long Term Plan	Meet required statutory deadlines for adoption of required reports	2012/2013: Met required statutory deadlines for adoption of required reports. (2011/2012: <i>no change</i>)
Provide timely and accurate financial information to Management and Council to enable effective monitoring and reporting of financial performance	Adoption of Annual Report	Meet required statutory deadlines for adoption of required reports	2012/2013: Met required statutory deadlines for adoption of required Annual Report (2011/2012: <i>no change</i>)

Members Meeting Attendance

Full Council Meetings

Month (2012/2013)	Number of Attendees	Councillor not in Attendance
July	11	<i>Nil</i>
August	10	Campbell
September	9	Hill and Ratahi
October	9	Montgomery and Ratahi
November	8	Campbell, Hill and Ratahi
December	10	Ratahi
January	9	Hill and vacant Seddon seat
February	10	Campbell
March	11	<i>Nil</i>
April	9	Hill and Montgomery
May	11	<i>Nil</i>
June	11	<i>Nil</i>
Summary		12 Meetings Held
Average % of Attendance		89%

Inangahua Community Board

Month (2012/2013)	Number of Attendees	Member not in Attendance
August	4	D Hawes and B Fowler
October	4	M McCarthy and G Neylon
December	4	M McCarthy and G Neylon
February	4	M McCarthy and H Bollinger
April	4	H Bollinger and D Hawes
June	4	M McCarthy and G Neylon

Funding Impact Statement

Democracy	Actual 2012/2013 \$000	Budget LTP 2012/2013 \$000	Actual 2011/2012 \$000	Budget 2011/2012 \$000
Sources of Operating Funding				
General rates, Uniform Annual General Charge, rates penalties	873	873	785	785
Targeted rates (other than a targeted rate for water supply)	0	0	0	0
Subsidies for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	0	0	0	0
Internal charges and overheads recovered	0	0	0	0
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	0	10	0	10
TOTAL Operating Funding	874	883	785	795
Applications of Operating Funding				
Payments to suppliers and staff	316	427	423	228
Finance costs	0	0	0	0
Internal charges and overheads applied	515	456	391	316
Other operating funding applications	0		0	251
Total Applications of Operating Funding	830	883	814	795
Surplus/ (deficit) of Operating Funding	43	0	(29)	0
Sources of Capital Funding				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase/ (decrease) in Debt	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total Sources of Capital Funding	0	0	0	0
Capital Expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	0	0	0	0
Increase/ (decrease) in reserves	43	0	-29	0
Increase/ (decrease) in investments	0	0	0	0
Total applications of Capital Funding	43	0	(29)	0
Surplus/ (deficit) of Capital Funding	(43)	0	29	0
Funding Balance	0	0	0	0

Variance Explanations

Explanation of Significant Operating Variances

Lower than planned expenditure occurred on the Buller 2050 project (\$45,000).

A budget classification error in the Long Term Plan resulted in the LTP budget being understated for Internal charges and overhead by \$54,000 whilst payment to suppliers and staff was equivalently overstated.

Significant Capital Expenditure

No capital expenditure undertaken.

Explanation of Significant Capital Expenditure Variances

Nil

Support Services

What do we do?

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

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

Why do we do it?

The activity is intrinsic to the support and functioning of all Council's activities and service provision.

Contributes to what Community Outcome?

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

How Council Performed

Leasehold Land

Council approved an indefinite discount of 10% off the market value of its Leasehold Endowment Property as an ongoing incentive to freehold this property from Council.

Information Systems

Council has continued to improve and develop information systems. During the financial year a new reporting and budgeting tool was introduced.

A public GIS viewer, developed in partnership with West Coast Regional Council, is also in progress. This partnership enables joint development and has resulted in savings to Council for this development. The core GIS software system has been migrated to a new platform.

Credit card services, linked to the transactional system, were installed at Reefton and Westport.

Health and Safety

Ongoing development of policies, procedures has occurred to show compliance with legislation. Council achieved Secondary Workplace safety Management Practices Accreditation after the audit in November 2011.

Rating Review

When the Long term community plan which was adopted in 2009, Council signalled that a rating review would be undertaken. Corporate Services have produced several reports and held various workshops with the Finance and Audit Committee but limited progress has been made.

The current system of rates, which has developed over time, is based on a very complicated system with over forty four differentials in place. The differentials which have arisen over time impose a premium on general rates in some areas or provide a discount to others. This system is complex to understand and not transparent.

As the rating review will be a highly debated high impact project, it is important that the project is adequately resourced and that realistic timelines are set to ensure that a robust rating model can be developed in consultation with the Council and the community.



Development West Coast Funding

A one-off \$2 million extraordinary distribution was made available to our Council in this financial year. The pool of funds is used for the development of community assets and/or projects that will contribute to sustainable economic benefits for the Buller District. The Grants Committee held meetings during 2012/2013. Council has allocated \$1,945,500 towards various community projects spread throughout the district as shown below:

Organisation	Project details	Status	Funding Allocated	Distributed 2012/2013	Distributed 2011/2012
Buller Rugby Union	To install new lights at Craddock Park Rugby Football Ground to comply with the standard to play night rugby	Completed in 2012/2013	\$25,000	\$7,750	\$17,250
Carters Beach Hall Committee	To upgrade the Carters Beach Community Hall	Completed in 2012/2013	\$50,000	\$50,000	
Karamea Medical Association	Construct a new house for medical staff	Completed in 2012/2013	\$195,000	\$195,000	
Salvation Army	Building Work for 'The Shed' project	Completed in 2011/2012	\$50,000		\$50,000
Sunset Speedway Club	Replacement of outdated safety fence to meet new imposed standards	Completed in 2012/2013	\$25,000	\$25,000	
Westport Kindergarten Association	Construction of a second kindergarten to address large numbers of preschool children that cannot access Early Childhood Education in Buller	Completed in 2012/2013	\$100,000	\$100,000	
Coaltown Trust 'Cultural Hub' project	Construction of Cultural Hub - relocating the museum and i-Site into a central location	Completed in 2012/2013	\$500,000		
Reefton Powerhouse Museum	To reconstruct the original power house and water race to be a complete working unit	In progress	\$400,000	\$112,964	
Mokihinui-Lyell Backcountry Trust	Create an 80km iconic walking/ cycling trial - The Old Ghost Road. Facilities to include huts, toilets and interpretive material.	Completed in 2012/2013	\$250,000	\$250,000	
Seddonville Community Association	To relocate the fire station and Library from flood area to higher ground at the Seddonville Domain	In progress	\$35,500	\$35,500	
O'Connor Institute Trust Board	Assist with the earthquake strengthening of the O'Connor Home	In progress	\$200,000	\$100,000	
Westport Volunteer Fire Brigade	To purchase an operational support vehicle to support the community better, to enable a faster response and to provide support to neighbouring fire brigades	In progress	\$15,000		
Reefton Early Learning Centre	Construction of an early learning centre to address the numbers of preschool children that cannot access Early Childhood Education in Reefton	In progress	\$100,000		
TOTAL			\$1,945,500	\$876,214	\$67,250

Each of the organisations have made significant progress from the hard work and dedication from volunteers and the funding from the Extraordinary Fund to not only kickstart but fully complete these projects across the district.

Key Performance Indicators

WHAT WE DID	WHAT WE MEASURED	TARGET	ACTUAL
Prioritise and manage operating expenditure and capital expenditure	Net operating results and net capital results within overall budget	Regular analysis of budgets and results with the management team to identify, explain and address any overruns in expenditure	Within overall budgets with exceptions have been noted and explanations provided 2012/2013: Council surplus of \$1.076 million versus a budget surplus of \$0.8 million (2011/2012: \$700,000 deficit)
		Quarterly reports to the Finance and Audit Committee	2012/2013: Net Capital Expenditure \$6.6 million (2011/2012: \$5.3 million) Quarterly reports provided to Finance and Audit Committee.
		Operate within 5% of budget	Variances explained in the Financial Performance Review page 17
Maintenance of rating information database in compliance with Local Rating Act 2002	Statutory compliance and availability of rating information to public in Westport and Reefton	Continued information of rating information available to members of the public	Continued availability of rating information to all members of the public
Maintenance of Councils information systems including GIS and financial and regulatory systems	Availability of financial and operational systems including GIS systems to support provision of Council services for effective decision making	99% availability with no extended downtime on all critical applications	2012/2013: 99% availability with no extended downtime on all critical applications (2011/2012: 99%)
Customer Services provides the first point of contact for customers This service includes a website (www.bullerdc.govt.nz), telephone service and face to face contact through the Customer Services desk in Westport	Customer information services are available to all customers. The activity employs highly trained and skilled staff who have local and Council knowledge and can provide clear, consistent and accurate information	Monthly logging and monitoring of all service requests. Expedite all overdue service requests for resolution within agreed deadlines. Monthly reporting on all service requests. Compliance with agreed deadlines except in exceptional circumstances.	Service requests are logged continuously and are monitored weekly
To reduce the incidence of work related accidents and to ensure that Council complied with Health and Safety legislation	Health and Safety	Setup systems, procedures and policies to comply with legislation	Maintain Secondary Level ACC accreditation. Ongoing review of policies and procedures, logging of all incidents and ongoing hazard identification.

Funding Impact Statement

Support Services	Actual 2012/2013 \$000	Budget LTP 2012/2013 \$000	Actual 2011/2012 \$000	Budget 2011/2012 \$000
Sources of Operating Funding				
General rates, Uniform Annual General Charge, Rates penalties	0	0	0	0
Targeted rates (other than a targeted rate for water supply)	0	0	0	0
Subsidies for operating purposes	876	0	67	0
Fees, charges and targeted rates for water supply	0	0	0	0
Internal charges and overheads recovered	3,671	3,848	3,563	3,497
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	1	0	3	0
Total Operating Funding	4,548	3,848	3,633	3,497
Applications of Operating Funding				
Payments to Suppliers and staff	2,613	2,851	2,587	2,633
Finance Costs	179	142	188	142
Internal charges and overheads applied	739	639	717	574
Other operating funding applications	876	0	0	0
Total Applications of Operating Funding	4,407	3,632	3,492	3,349
Surplus/ (deficit) of Operating Funding	141	216	141	148
Sources of Capital Funding				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase/ (Decrease) in Debt	0	55	(7)	462
Gross proceeds from sale of assets	0	0	0	0
Lump Sum contributions	0	0	0	0
Total Sources of Capital Funding	0	55	(7)	462
Capital Expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	412	0	604
- to replace existing assets	276	0	172	0
Increase/ (decrease) in reserves	(135)	(141)	(38)	6
Increase/ (decrease) in investments	0	0	0	0
Total applications of Capital Funding	141	271	134	610
Surplus/ (deficit) of Capital Funding	(141)	(216)	(141)	(148)
Funding Balance	0	0	0	0

Variance Explanations

Explanation of Significant Operating Variances

Subsidies for Operating Purposes and other Operating Fund Applications

Unbudgeted funds received from Development West Coast totalling \$876,000 for allocations made from the Extraordinary Development Fund for community based projects.

Internal Charges and Overheads

A budget classification error in the Long Term Plan which resulted in the budget being understated for Internal charges and overhead applied by \$163,000 whilst the budget payment to suppliers and staff was equivalently overstated.

Significant Capital Expenditure

Replacement of Existing Assets

The following software upgrades were undertaken at a cost of (\$158,000):

- * Migration to shared library system (Kotui)
- * Installation of a budgeting and financial reporting tool
- * GIS system upgrades
- * Updates to Aerial photography
- * Purchase of motor vehicles (\$103,000)

Explanation of Significant Capital Expenditure Variances

Purchase of fleet motor vehicles occurred one month earlier than anticipated in June 2013 when the lease terminated. Budget was available from 1 July 2013 (\$103,000).

Property Management, Amenities and Reserves

What do we do?

Amenities and Reserves

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

These include parks, reserves and sports facilities.

Public Toilets

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

Property Management

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

Cemeteries

Council operates the following cemeteries:

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

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

Punakaiki Beach Camp

The Punakaiki Beach Camp is located in a picturesque setting on the beach, and adjoins the Paparoa National Park. The camp provides various sized cabins, 20 powered sites and 30 tent sites.'

Pensioner Housing

Council provides 44 housing units for the elderly:

- * 2 in Karamea
- * 16 in Reefton
- * 26 in Westport



Why do we do it

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

How we contribute to Strategic Goals and Community Outcomes

This activity supports the following community outcomes:

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

How Council Performed

Council's active and passive recreation areas were available to be used by ratepayers and sporting clubs throughout the year. There were no days in which the facilities were closed for any purpose.

Upgrading of the Derby Street, Seddonville, Hector, and Mokihinui playgrounds were completed in 2012/13. These structural upgrades have been funded from the Reserves Contributions.

Consultation on the proposal to lease the Punakaiki Camp began in October 2011. This resulted in the formation of a working group to consider all options available to the community. Advertisements were placed for leasing out the camp to a private operator but no final decision has yet been recommended as at 30 June 2013.



Property Management, Amenities and Reserves

Key Performance Indicators

What we did	What we measured	Target	Actual
To provide parks and reserves that meets community and environmental needs	% checks on contractors standard of maintenance on active recreation area	95%	2012/2013: Checks were undertaken on the maintenance contractor. Any defects were notified to the contractor who then remediated. (2011/2012: 100%)
	Weekly safety and maintenance inspections of playground equipment	100%	2012/2013: The contractor completed weekly safety checks on all play ground equipment. (2011/2012: 100%) A survey was undertaken before the upgrade was carried out, to determine what playground equipment needed to be upgraded.
	% of occupancy of elderly persons housing	90%	2012/2013: 97% (2011/2012: 98.7%)
	% customer satisfaction on provision of elderly housing	80%	2012/2013: 71% of questionnaire's were returned, with a satisfaction rate of 82% Questionnaire was sent to the occupiers of all 44 units. (2011/2012: 70%)
	Providing and managing cemeteries to provide for community health	Maintain cemetery facilities to the appropriate national standard with public records available on request	2012/2013: Maintaining cemetery facilities to the appropriate national standard with public records available on request. (2011/2012: <i>maintained and available</i>)
	To have sufficient plots available in all wards to meet current and future demands	Providing adequate plots and land to meet the district's burial needs.	Plan and access plot demand and acquire and designate land accordingly.
	Provision of public toilets has health and economic benefits supporting local communities, businesses and visitor destinations	Provide sufficient toilet facilities to meet the districts needs.	Facilities are cleaned, inspected and maintained to serviceable standard. Reduction in public toilet facilities in central Westport
Managing Council property to enable service delivery and		Maintain and administer Council properties for its users	100% of service requests responded to in 10 working days 2012/2013: 100% (2011/2012: 100%)

Funding Impact Statement

Property Management, Amenities and Reserves	Actual 2012/2013 \$000	Budget LTP 2012/2013 \$000	Actual 2011/2012 \$000	Budget 2011/2012 \$000
Sources of Operating Funding				
General rates, Uniform Annual General Charge, Rates penalties	1,208	1,210	1,001	1,001
Targeted rates (other than a targeted rate for water supply)	0	0	0	0
Subsidies for operating purposes	2	0	0	0
Fees, charges and targeted rates for water supply	0	0	0	0
Internal charges and overheads recovered	339	345	313	321
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	1,244	1,246	1,158	783
Total Operating Funding	2,793	2,801	2,472	2,105
Applications of Operating Funding				
Payments to suppliers and staff	1,942	1,908	2,001	1,533
Finance costs	60	57	52	47
Internal charges and overheads applied	295	213	295	209
Other operating funding applications	0	0	0	0
Total Applications of Operating Funding	2,297	2,178	2,348	1,789
Surplus/ (deficit) of Operating Funding	496	623	124	316
Sources of Capital Funding				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase/ (decrease) in debt	178	278	(71)	44
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total Sources of Capital Funding	178	278	(71)	44
Capital Expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	150	500	130	320
- to replace existing assets	226	388	504	403
Increase/ (decrease) in reserves	298	13	(581)	(363)
Increase/ (decrease) in investments	0	0	0	0
Total applications of Capital Funding	674	901	53	360
Surplus/ (deficit) of Capital Funding	(496)	(623)	(124)	(316)
Funding Balance	0	0	0	0

Variance Explanations

Significant Operating Variances

No significant operating variances noted

Significant Capital Expenditure

Improve level of service

Upgrading of the Derby Street, Seddonville, Hector, and Mokihinui playgrounds and playground carparks were completed in 2012/13 (\$93,000 - playgrounds; \$13,000 - playground carparks).

Explanation of Significant Capital Expenditure Variances

Improve level of service

Actual expenditure \$150,000 (versus a capital budget of \$500,000).

The two additional units of pensioner housing at Karamea were not completed at the end of 2012/2013. \$77,000 was carried forward as work in progress at year end, and the remainder of the capital budget (\$323,000) is carried forward to 2013/2014.

Deferral of the upgrade of Flagstaff Road in Karamea (\$30,000).

Replace existing assets

Actual expenditure \$127,000 versus a capital budget of \$388,000. This is mainly due to the deferral of the following projects:

- * Capital budget for earthquake assessments (\$50,000) were carried forward to 2013/2014.
- * Upgrades to various Council properties were deferred until after the earthquake assessments have been completed (\$206,000).
- * Purchase of additional land for cemeteries at Westport in 2012/2013 (\$20,000).

Council Controlled Organisations

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

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

Westport Airport

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

Objective:

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

Nature and Scope of Activities:

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



Performance Targets and Results:

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

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

Westport Airport (half share)	Actual	Budget LTP	Actual	Budget
	2012/2013	2012/2013	2011/2012	2011/2012
	\$000	\$000	\$000	\$000
Sources of Operating Funding				
General rates, Uniform Annual General Charge, Rates penalties	57	57	65	65
Targeted rates (other than a targeted rate for water supply)	0	0	0	0
Subsidies for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	0	0	0	0
Internal charges and overheads recovered	0	0	0	0
Interest and dividends from investments	0	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	58	58	59	50
Total Operating Funding	\$115	\$115	\$124	\$115
Applications of Operating Funding				
Payments to Suppliers and staff	57	51	48	50
Finance Costs	4	0	0	0
Internal charges and overheads applied	11	10	15	9
Other operating funding applications	0	0	0	0
Total Applications of Operating Funding	\$72	\$61	\$63	\$59
Surplus/ (deficit) of Operating Funding	43	54	61	56
Sources of Capital Funding				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase/ (Decrease) in Debt	0	350	(9)	0
Gross proceeds from sale of assets	0	0	0	0
Lump Sum contributions	0	0	0	0
Total Sources of Capital Funding	\$0	\$350	\$(9)	\$0
Capital Expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	210	350	51	0
Increase/ (decrease) in reserves	(167)	54	1	56
Increase/ (decrease) in investments	0	0	0	0
Total applications of Capital Funding	\$43	\$404	\$52	\$56
Surplus/ (deficit) of Capital Funding	\$(43)	\$(54)	\$(61)	\$(56)
Funding Balance	\$0	\$0	\$0	\$0

Non-Financial Performance and Targets

A commitment to the environment

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

A commitment to service

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

A commitment to the community

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

Significant Capital Expenditure

Construction of the seawall (\$526,000; Council share \$263,000) to remedy the significant sea erosion occurring.



Rock Protection works - Westport Airport

Buller Holdings Limited

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

Objective

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

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

Nature and Scope of Activities

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

Financial Targets and Results

Description	Actual	Budget
	2012/2013	2012/2013
	\$000	\$000
Group revenue	13,535	12,959
Net surplus	882	1,092
Return on revenue	6.5%	8.4%
Dividends	0	825
Subvention Payment	942	0

Service Performance

Objective	Target	Actual
Financial Performance	The company is committed to operate as a successful business and achieve a commercial rate of return on the investment in the business. This will mean meeting the targets of subsidiaries as stated in the Statements of Intent.	<p>2012/2013: Buller Holdings has continued to pursue all opportunities to increase revenue and contain costs. The main focus was to look for sustainable growth opportunities that reduce the reliance upon Council contracts.</p> <p>WestReef has pursued a growth strategy and continued to make good progress in obtaining competitively tendered works.</p> <p>Competitively procured revenue streams made up 41% of WestReef revenue, up 11% of total revenue on the previous year.</p>
	To actively pursue additional revenue streams resulting in the increased profitability of BHL so as to increase the dividend payable to Council.	<p>2012/2013: Westport Harbour Ltd has had a strong year with a substantial growth in before tax profit. The loss of Holcim in the next 2-3 years will prove challenging but Directors will work to secure alternative revenue streams.</p> <p>Buller Recreation uptake of services by customers continues to compare favourably with the national average. Significant focus was on reviewing energy costs.</p>
		<p>2012/2013: During the year a total of \$942,000 (2011/2012: \$825,000) in subvention payments were paid to Council.</p> <p>The Statement of Intent estimated a subvention payment to Council of \$825,000.</p>
		<p>2012/2013: 3 meetings held during the period with Directors.</p>
		<p>2012/2013: CEO's have met 5 times during the period and three with the chairman present.</p> <p>2012/2013: The BDC CEO is now a Director which has afforded the opportunity for monthly communication at Board meetings.</p>
Service	3 meetings per year between Council and BHL Board	2012/2013: 3 meetings held during the period with Directors.
	CEO's meet 6 times per year	2012/2013: CEO's have met 5 times during the period and three with the chairman present.
	Formal monthly reporting to Council	2012/2013: Quarterly reports to Council and two other reports provided to Council.
	Compliance with charter and protocols	2012/2013: All charter and protocol requirements adhered to.

WestReef Services Limited

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

Objective

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

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

Nature and Scope of Activities

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

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



WestReef Services - Derby Street reconstruction, Westport

How WestReef Services performed?

This past year has been challenging in terms of financial outcomes. Despite operating revenues increasing to \$9.2 million, up 8% on the previous year, WestReef have experienced only a 3% growth in corresponding earnings for the same period. Revenue from the Buller District Council (BDC) maintenance contracts continues to trend downwards under the cost plus contract model with a combined reduction of 13% achieved across these contracts on the previous year.

In spite of the reduction in revenue from Council maintenance contracts WestReef has continued to grow the external revenue streams via construction and contracting avenues, with competitively procured revenue streams making up 41% of WestReef's revenue for the year - up 11% on total revenue on the previous year.

The 2012/2013 year also saw WestReef complete a number of construction contracts. The largest of these being the Derby Street service upgrade and pavement reconstruction, this being the third consecutive year now that WestReef have been successful with tendering this contract, along with the completion of the Mokihinui Gorge section of the Old Ghost Road cycleway and a number of small residential developments. It is disappointing to note the loss of our Refuse Collection and Transfer Station Contract with BDC. However, this highlights the risk faced by WestReef's dependence on BDC revenue streams in the past and further strengthens our strategy of widening our external client base.

A number of non-financial achievements have been made during the year, including further development and training of our existing staff members, a funding application to the Ministry of Economic Developments Waste Minimisation Fund and the construction of our new Reefton Depot.

Looking Ahead WestReef has made a strong start to the 2013/2014 year with favourable weather conditions ensuring a good forward workload across all departments, we have also been successful in securing Stage 1 of the Westport Water Treatment plant upgrade, the successful completion of this contract will provide significant growth for WestReef in terms of contract size and project management and it is an exciting time for WestReef to be involved in this project.

Performance Targets and Results

Performance Measure	Target	ACHIEVEMENT
Profitability	10% of gross revenue before subvention payment	2012/2013: 14.6%
	To grow gross revenue by 5%	2012/2013: 9%
Growth	Grow revenue from competitively procured work - target 30% of gross revenue	2012/2013: 41% successful in tendering major outside contracts including Derby Street upgrade, Coaltown, Punakaiki treatment site
Quality	Renewal of TQA1 certification	2012/2013: Achieved May 2013
Client satisfaction	Meet monthly with major client, BDC engineers, to obtain feedback on specific contract performance	2012/2013: Achieved
Community support	Support at least six community activities	2012/2013: 12 supported community activities
		2012/2013: Target was conservative
Employee satisfaction	Employee turnover <15% per annum excluding retirement	2012/2013: 20% for year based on FTE
	Weekly staff meetings with minutes kept	2012/2013: Achieved
	Ensure succession plans are put in place for all senior management positions	2012/2013: Succession plans in place
Safety	Lost time injuries >5% of total hours	2012/2013: 0.38% for year
Growth	Grow revenue from competitively procured work - target 30% of gross revenue	2012/2013: 41%
		2012/2013: Successful in tendering major outside contracts including Derby Street upgrade, Coaltown and Punakaiki Treatment Plant

Westport Harbour Limited

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

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

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

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

Objective

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

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

Nature and Scope of Activities

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

How Westport Harbour Limited performed?

The company had a strong year resulting in a before tax profit of \$436,000 compared to a loss of \$82,000 in 2011/2012. This is a pleasing result considering that coal shipping revenue did not eventuate as budgeted due to the changing market conditions for export coal.

Long term planning was completed for major asset items with forecasts now in place for the next ten years estimating maintenance and replacement costs. Major capital projects included work to restore the coal loader which will now be viable to complete several years work. A substantial investment was also made in improving the productivity of the dredge *Kawatiri*. Over the year a total of \$685,000 was invested in capital projects.

A substantial amount of work has been completed to draft joint venture agreements with Bathurst Resources Ltd with a term of 20 years with two ten year renewal periods. Unfortunately Bathurst has been plagued by consenting delays and the joint venture remains in limbo until the escarpment mining can be commenced. The future of the port remains uncertain, particularly with the announcement by Holcim NZ Ltd that their Westport Cement Works will close within 3 years. During the 2014 year it will be a priority to secure long term alternative business streams to counter the loss of Holcim.

Key Performance Indicators

Performance Targets and Results

Performance Measure	Target	ACHIEVEMENT
Profitability	9% of gross revenue (pretax)	2012/2013: 14% achieved
	15% on BHL's investment before subvention payment (post tax)	2012/2013: 29% achieved
Growth	Pursue all opportunities for practical growth	2012/2013: Substantial work has been undertaken to draft a joint venture for a 40 year venture with Bathurst Resources for coal shipping
		2012/2013: This will be finalised once mining consents are in place
Service performance	Maintain by dredging:	2012/2013: During the year there were two occasions where bar depths reduced to under 2.8m necessitating the implementation of the bar management plan
	A bar depth of >2.8m at chart datum	
	An average river depth in the main channel of 3.8m at chart datum	River depth and all berths were sounded regularly and dredged as required to maintain depths
	A cement berth depth of 5.6m to 6m	
	The floating basin main berth and Talley's wharf at 5m	24 hour service was available at all times to shipping and fishing vessel customers
	To consistently deliver services to customers in accordance with contracts	
Succession planning	Maintain succession plans for key positions	2012/2013: Succession plans are in place for key positions
Policies	Engage policies to assist in recruiting and retaining staff	2012/2013: HR policies in place to promote good employee relations
Training	0.5% total work hours per employee (119 hours per annum)	2012/2013: Training for the year totalled 186 hours
Safety	Promote a safety first/zero harm culture	2012/2013: All staff participating in monthly meeting to identify and address any hazards or safety concerns
	Lost time incidents of nil	2012/2013: Two LTI incidents during the year both of which were at the lower end of the spectrum with employees fully recovered
Environment	Avoid harm to environment as consequence of port operations	No environmental incidents during the year
	Maintain oil spill response capability	Oil spill response exercise completed with WCRC in June

Buller Recreation Limited

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

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

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

Objective

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

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

Nature and Scope of Activities

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

Its activities will include provision of services for:

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

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

How has Buller Recreation Limited performed

The 2012/2013 year has been another successful one for Buller Recreation Limited (BRL), with membership numbers continuing to remain strong with 16% of the available population holding memberships. This is well above the national average of 13% as quoted by Fitness NZ.

The replacement of the Development West Coast Turf has seen the return of Buller Hockey to the Solid Energy Centre (SEC), which has been fantastic for the sport and for the centre. We have also seen Women's Soccer introduced to the turf this season.

During the year an in-depth review of the way energy is used in the building was undertaken. As a result of this review ECO Systems were engaged to undertake a significant makeover of much of the heating and lighting equipment.

The work of BRL outside the SEC continues to grow with staff once again involved in the William Pike Challenge Award at Westport North School and the delivery of another very successful Caltex Westport Marr's Beach Triathlon series. We are very grateful to the sponsors who make these activities possible. The CACTUS youth programme has also been reintroduced to Buller in conjunction with the Buller High School and St Vincent de Paul.

Key Performance Indicators

Performance Targets and Results

Performance Measure	Target	ACHIEVEMENT
Profitability	Revenue and expenditure in line with budget	2012/2013: Revenue in line with budget (-0.1%)
		2012/2013: Expenditure above budget by 5%
Fitness membership	320 members	2012/2013: Achieved
		625 as at 30 June 2013
		This is due to an increase in multi-memberships
		2012/2013: Average was 634
Aquatic centre usage	4,000 visits per month	2012/2013: Average 5,102 visits per month due to higher multi-membership numbers
		Achieve 135 swimming students (averaged over twelve months)
Safety	Nil serious harm incidents	2012/2013: Nil
	100% compliance with Health and Safety procedures	2012/2013: Achieved
Employee satisfaction	Employee turnover <15% per annum	2012/2013: 48% based on all staff during the year, however if seasonal workers are excluded this is 33%
		2012/2013: This figure would be 19% if based on employees working greater than 20 hours
	Develop structure of leadership and succession	2012/2013: Achieved
	Develop staff to meet customer expectations	2012/2013: Achieved
	Fortnightly staff meetings	2012/2013: Achieved

Buller Health Trust

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

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

Objective

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

Nature and Scope of Activities

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

Performance Targets and Results

TARGET	ACTUAL
To support provision of appropriate medical services to the Buller community.	2012/2013: Dental services were available 100% of the year (2011/2012: 100%)
To operate on a breakeven basis	2012/2013: Annual result was a \$64,441 surplus (2011/2012: \$102,845 surplus)

Tourism West Coast

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

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

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

Objective

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

Nature and Scope of Activities

Tourism promotion at a regional level.

Performance Targets and Results

TARGET	ACTUAL
The Chairperson of the Board and Chief Executive of Tourism West Coast will address Council on an annual basis	2012/2013: Presentation completed to Council during Annual Plan process.
The Annual Report is to be presented to Council within two months of adoption	2012/2013: As at balance date Council had not yet received the 2013/2014 Annual Report. 2011/2012: Annual report provided and adopted on 25 July 2012.

Financial Statements

Contains:

- Statement of Comprehensive Income
- Statement of Changes in Equity
- Statement of Financial Position
- Statement of Cashflows
- Council Funding Impact Statement

Statement of Comprehensive Income

For the year ended 30 June 2013	Note	Parent			Group	
		2012/2013 Actual \$000	2012/2013 Budget \$000	2011/2012 Actual \$000	2012/2013 Actual \$000	2011/2012 Actual \$000
OPERATING REVENUE						
General Rates	1	6,989	7,013	6,835	6,989	6,835
Targeted Rates (excluding Metered Water)	1	5,025	5,026	4,486	5,025	4,486
Metered Water Charges		229	277	229	229	229
Rate Penalties	1	214	200	231	214	231
Subsidies and Grants		6,669	4,920	5,162	6,669	5,162
Investment Income	2	1,605	1,553	1,764	586	612
Other Income	2	76	0	159	72	2
Development and Financial Contributions		389	0	91	389	91
Fees and Charges		4,284	4,351	4,100	9,652	9,115
Gain on Derivative Contracts	16	469	0	0	469	0
Vested Assets		635	100	122	635	122
Profit on Sale of Assets		0	0	6	0	35
Gain on Revaluations of Investment Land	12	0	285	532	0	532
Share in Profit (Loss) of Associate		0	0	0	(13)	(1)
TOTAL Operating Revenue	3	\$26,584	\$23,725	\$23,717	\$30,916	\$27,451
OPERATING EXPENDITURE						
Employee Benefit Expense		4,063	4,019	4,015	9,443	9,110
Depreciation and Amortisation		5,198	5,559	5,015	6,257	6,118
Finance Costs		1,322	1,339	1,219	1,248	1,217
Other Expenses		13,957	11,301	12,509	11,894	10,328
Loss on Derivative Contracts	16	0	0	259	0	259
Impairment of Assets	12	0	696	679	0	744
Assets Written Off		815	0	461	815	461
Loss on Sale of Assets		0	0	9	20	9
Loss on Revaluations of Investment Land	12	132	0	0	132	0
Loss on Sale of Investment Property		21	0	52	21	52
TOTAL Operating Expenditure	4	\$25,508	\$22,914	\$24,218	\$29,830	\$28,298
NET Surplus (Deficit) Before Taxation	5	1,076	811	(501)	1,086	(847)
Income Tax Expense	6	0	0	0	(30)	97
NET Surplus (Deficit) After Taxation		\$1,076	\$811	\$(501)	\$1,116	\$(944)
OTHER COMPREHENSIVE INCOME						
Increase / (Decrease) in Infrastructure Revaluation Reserves		0	0	13,823	0	14,345
Gain / (Loss) on Investment Recognised in Asset Revaluation Reserve		8		(11)	8	(11)
TOTAL Comprehensive Income		\$1,084	\$811	\$13,311	\$1,124	\$13,390

The accompanying Notes form part of these Financial Statements

Statement of Changes in Equity

For the year ended 30 June 2013	Parent			Group	
	2012/2013 Actual \$000	2012/2013 Budget \$000	2011/2012 Actual \$000	2012/2013 Actual \$000	2011/2012 Actual \$000
	Equity as at 1 July	\$308,821	\$331,651	\$295,510	\$307,085
Total Comprehensive Income	1,084	811	13,311	1,124	13,390
Transactions with Owners recorded directly in Equity	0	0	0	0	0
TOTAL Equity at End of Year	\$309,905	\$332,462	\$308,821	\$308,209	\$307,085

Components of Equity					
Accumulated Funds	171,741	184,451	171,516	169,364	169,099
Reserves	2,723	(17)	1,872	2,723	1,872
Asset Revaluation Reserve	135,441	148,028	135,433	136,122	136,114
TOTAL Equity at End of Year	\$309,905	\$332,462	\$308,821	\$308,209	\$307,085

Statement of Financial Position

As at 30 June 2013	Note	Parent			Group	
		2012/2013	2012/2013	2011/2012	2012/2013	2011/2012
		Actual \$000	Budget \$000	Actual \$000	Actual \$000	Actual \$000
CURRENT ASSETS						
Cash and Cash Equivalents	8	2,084	1,629	1,986	3,341	2,560
Trade and Other Receivables	9	5,608	4,093	4,645	5,872	4,708
Tax Receivable		0	109	0	0	0
Inventories		18	14	16	295	188
Other Current Assets	10	12	9	9	195	44
Short Term Investments		11,972	12,764	10,938	12,496	12,241
Assets Held for Sale	11	378	0	415	378	415
TOTAL Current Assets		\$20,072	\$18,618	\$18,009	\$22,577	\$20,156
NON CURRENT ASSETS						
Investment in Council Controlled Organisations	12	20,316	19,742	20,069	39	31
Other Investments	12	80	3,280	80	154	167
Investment Property	12	10,777	9,799	11,410	10,777	11,410
Infrastructural Assets	13	269,028	294,403	269,692	268,853	269,692
Other Non Current Assets	13	21,049	25,293	19,683	38,841	36,458
Deferred Tax	6	0	0	0	173	0
Intangible Assets	14	197	433	140	932	882
TOTAL Non Current Assets		\$321,447	\$349,750	\$321,074	\$319,769	\$318,640
TOTAL Assets		\$341,519	\$368,368	\$339,083	\$342,346	\$338,796

As at 30 June 2013	Note	Parent			Group	
		2012/2013	2012/2013	2011/2012	2012/2013	2011/2012
		Actual \$000	Budget \$000	Actual \$000	Actual \$000	Actual \$000
CURRENT LIABILITIES						
Trade and Other Payables	15	3,132	5,534	4,051	3,400	3,379
Derivative Financial Instruments	16	20	55	0	20	0
Employee Benefits	17	589	448	468	1,168	1,063
Provisions	19	33	0	33	33	33
Current Portion of Term Debt	18	80	263	0	80	0
TOTAL Current Liabilities		\$3,854	\$6,300	\$4,552	\$4,701	\$4,475
NON CURRENT LIABILITIES						
Derivative Financial Instruments	16	414	0	902	414	902
Provisions	19	1,455	1,906	1,503	1,455	1,503
Bond Deposits		83	82	82	83	82
Employee Entitlements	17	238	161	199	350	303
Deferred Tax	6	0	0	0	1,564	1,422
Term Debt	18	25,570	27,457	23,024	25,570	23,024
TOTAL Non Current Liabilities		\$27,760	\$29,606	\$25,710	\$29,436	\$27,236
EQUITY						
Accumulated Funds	20	171,741	184,451	171,516	169,364	169,099
Reserves	21	2,723	(17)	1,872	2,723	1,872
Asset Revaluation Reserve	22	135,441	148,028	135,433	136,122	136,114
TOTAL Equity		\$309,905	\$332,462	\$308,821	\$308,209	\$307,085
TOTAL Liabilities and Equity		\$341,519	\$368,368	\$339,083	\$342,346	\$338,796

The accompanying Notes form part of these Financial Statements

Statement of Cashflows

For the year ended
30 June 2013

	Parent			Group		
	Note	2012/2013 Actual \$000	2012/2013 Budget \$000	2011/2012 Actual \$000	2012/2013 Actual \$000	2011/2012 Actual \$000
CASHFLOWS FROM OPERATING ACTIVITIES						
<i>Cash was provided from:</i>						
Rates		12,126	12,239	11,695	12,126	11,666
Other Income		10,961	9,549	9,089	16,573	13,948
Interest Received		644	703	680	566	629
Tax Received		0	0	0	0	1
Dividends and Subvention Payments Received		850	850	825	0	0
		\$24,581	\$23,341	\$22,289	\$29,265	\$26,244
<i>Cash was applied to:</i>						
Payments to Suppliers and Employers		18,353	15,185	15,024	21,242	18,581
Interest Paid		1,371	1,339	1,328	1,345	1,325
Net GST Movement		167	0	408	198	443
		\$19,891	\$16,524	\$16,760	\$22,785	\$20,349
NET CASH from Operating Activities	7	\$4,690	\$6,817	\$5,529	\$6,480	\$5,895

CASHFLOWS FROM INVESTING ACTIVITIES

Cash was provided from:

Disposal of Fixed Assets		481	0	2,210	481	2,283
Investment Realised		10,941	480	10,376	12,011	11,229
		\$11,422	\$480	\$12,586	\$12,492	\$13,512

Cash was applied to:

Purchase of Fixed Assets		6,264	9,598	5,096	8,457	5,718
Purchase of Investments		12,215	2,018	11,190	12,199	12,586
Purchase of Intangibles		161	0	133	161	145
		\$18,640	\$11,616	\$16,419	\$20,817	\$18,449

NET CASH from Investing Activities		\$(7,218)	\$(11,136)	\$(3,833)	\$(8,325)	\$(4,937)
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For the year ended
30 June 2013

	Note	Parent			Group	
		2012/2013 Actual \$000	2012/2013 Budget \$000	2011/2012 Actual \$000	2012/2013 Actual \$000	2011/2012 Actual \$000
CASHFLOWS FROM FINANCING ACTIVITIES						
<i>Cash was provided from:</i>						
Loans Raised		2,626	3,257	0	2,626	0
<i>Cash was applied to:</i>						
Repayment of loans		0	263	0	0	0
Net Cash From Financing Activities		\$2,626	\$2,994	\$0	\$2,626	\$0
NET INCREASE (DECREASE) IN CASH		\$98	\$(1,325)	\$1,696	\$781	\$958
OPENING CASH AS AT 1 JULY		\$1,986	\$2,954	\$290	\$2,560	\$1,602
CLOSING CASH AS AT 30 JUNE		\$2,084	\$1,629	\$1,986	\$3,341	\$2,560

The accompanying Notes form part of these Financial Statements

Funding Impact Statement

Council	Actual 2012/2013 \$000	Budget LTP 2012/2013 \$000	Actual 2011/2012 \$000	Budget 2011/2012 \$000
Sources of Operating Funding				
General rates, Uniform Annual General Charge, Rates penalties	6,989	7,013	6,835	6,790
Targeted rates (other than a targeted rate for water supply)	5,025	5,026	4,486	4,447
Subsidies for operating purposes	3,414	1,753	1,847	1,970
Fees, charges and targeted rates for water supply	229	277	229	234
Interest and dividends from investments	1,605	1,553	1,764	1,551
Local authorities fuel tax, fines, infringements fees and other receipts	4,497	4,520	4,479	3,723
Total Operating Funding	21,759	20,142	19,640	18,715
Applications of Operating Funding				
Payments to Suppliers and staff	16,003	14,735	16,105	13,634
Finance Costs	1,322	1,339	1,219	1,490
Other operating funding applications	2,016	585	431	626
Total Applications of Operating Funding	19,341	16,659	17,755	15,750
Surplus/ (deficit) of Operating Funding	2,418	3,483	1,885	2,965
Sources of Capital Funding				
Subsidies and grants for capital expenditure	1,599	1,601	1,674	2,817
Development and financial contributions	389	0	91	0
Increase/ (Decrease) in Debt	2,626	2,994	0	3,971
Gross proceeds from sale of assets	518	480	2,194	0
Lump Sum contributions	1,656	1,566	1,505	550
Total Sources of Capital Funding	6,788	6,641	5,464	7,338
Capital Expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	2,453	6,044	1,120	6,235
- to replace existing assets	4,286	3,554	3,995	3,979
Increase/ (decrease) in reserves	1,435	98	1,670	89
Increase/ (decrease) in investments	1,032	428	564	0
Total applications of Capital Funding	9,206	10,124	7,349	10,303
Surplus/ (deficit) of Capital Funding	(2,418)	(3,483)	(1,885)	(2,965)
Funding Balance	0	0	0	0

Notes to the Financial Statements

Contains:

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

Note 1 ~ Rates Revenue

Rates Revenue	Parent	
	Actual	Actual
	2012/2013	2011/2012
	\$000	\$000
General Rates	\$6,989	\$6,835
Targeted Rates Attributable to Activities:		
Water	1,902	1,538
Refuse and Sanitation	2,835	2,633
Roading	0	47
Economic Development	288	268
Penalties	\$214	\$231
TOTAL Revenue from Rates	\$12,228	\$11,552

Rates Remissions	Parent	
	Actual	Actual
	2012/2013	2011/2012
	\$000	\$000
TOTAL Rates Revenue	\$12,295	\$11,598
Rates Remissions:		
Land used for sport	37	29
Land protected for historical or cultural purposes	30	17
TOTAL Remissions	\$67	\$46
Rates Revenue Net of Remissions	\$12,228	\$11,552

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

Note 2 ~ Investment Income

Investment Income	Parent		Group	
	Actual 2012/2013	Actual 2011/2012	Actual 2012/2013	Actual 2011/2012
	\$000	\$000	\$000	\$000
Interest	1,309	1,313	1,232	1,262
Dividend Income and Subvention Income	942	1,101	0	0
	2,251	2,414	1,232	1,262
Less: Internal Interest	646	650	646	650
TOTAL Investment Income	\$1,605	\$1,764	\$586	\$612

Other Income	Parent		Group	
	Actual 2012/2013	Actual 2011/2012	Actual 2012/2013	Actual 2011/2012
	\$000	\$000	\$000	\$000
Investment Loan Discount Amortisation Revenue	4	69	0	2
Sundry Income	72	90	72	0
TOTAL Other Income	\$76	\$159	\$72	\$2

Note 3 ~ Operating Revenue

REVENUE BY ACTIVITY	Parent			Group	
	2012/2013	2012/2013	2011/2012	2012/2013	2011/2012
	Actual \$000	Budget \$000	Actual \$000	Actual \$000	Actual \$000
Democracy	0	10	0	0	0
Community Services	2,701	2,632	2,379	2,701	2,379
Regulatory Services	1,729	1,377	1,336	1,729	1,336
Amenities and Reserves	1,585	1,591	1,471	1,585	1,471
Roading and Urban Development	4,061	3,121	2,988	4,061	2,988
Solid Waste	1,423	1,439	1,460	1,423	1,460
Water Supplies	2,331	2,516	2,435	2,331	2,435
Wastewater	2,164	2,182	1,973	2,164	1,973
Stormwater	10	8	10	10	10
Harbour	0	0	208	0	208
Airport	58	58	59	58	59
In House Professional Services	683	705	615	683	615
Support Services	4,548	3,848	3,633	4,548	3,633
	\$21,293	\$19,487	\$18,567	\$21,293	\$18,567
PLUS:					
General Rates	6,989	7,013	6,835	6,989	6,835
Rates Penalties	214	200	231	214	231
Investment Income	1,605	1,553	1,764	586	612
Profit on Sale of Assets	0	0	6	0	35
Gain on Derivative Contracts	469	0	0	469	0
Vested Assets	635	100	122	635	122
Sundry Income	76	0	159	72	2
Gain on Revaluation of Investment Land	0	285	532	0	532
Group Income	0	0	0	5,368	5,014
Share in Profit/(Loss) of Associate	0	0	0	(13)	(1)
	\$31,281	\$28,638	\$28,217	\$35,613	\$31,951
LESS: Internal Recoveries	(4,697)	(4,913)	(4,500)	(4,697)	(4,500)
TOTAL Income	\$26,584	\$23,725	\$23,717	\$30,916	\$27,451

Note 4 ~ Operating Expenditure

EXPENDITURE BY ACTIVITY	Parent			Group	
	2012/2013	2012/2013	2011/2012	2012/2013	2011/2012
	Actual \$000	Budget \$000	Actual \$000	Actual \$000	Actual \$000
Democracy	830	883	814	830	814
Community Services	5,162	4,241	5,224	5,162	5,224
Regulatory	2,282	2,117	2,241	2,282	2,241
Amenities and Reserves	2,297	2,178	2,347	2,297	2,347
Roading and Urban Development	4,083	3,332	3,431	4,083	3,431
Solid Waste	1,954	1,920	1,782	1,954	1,782
Water Supplies	1,320	1,458	1,222	1,320	1,222
Wastewater	1,482	1,515	1,561	1,482	1,561
Stormwater	233	228	191	233	191
Harbour	0	0	0	0	0
Airport	72	61	61	72	61
In House Professional Services	562	624	524	562	524
Support Services	4,407	3,632	3,494	4,407	3,494
	\$24,684	\$22,189	\$22,893	\$24,684	\$22,893
PLUS:					
Depreciation and Amortisation					
- Democracy	0	0	0	0	0
- Community Services	360	406	213	360	213
- Regulatory	55	104	54	55	54
- Amenities and Reserves	451	524	441	451	441
- Roothing and Urban Development	2,648	2,747	2,606	2,648	2,606
- Solid Waste	98	96	95	98	95
- Water Supplies	552	608	525	552	525
- Wastewater	640	626	602	640	602
- Stormwater	194	170	155	194	155
- Harbour	0	0	154	0	154
- Airport	54	54	54	54	54
- In House Professional Services	8	8	8	8	8
- Support Services	139	216	109	139	109
- Group Depreciation	0	0	0	1,059	1,103
Other Group Expenses	0	0	0	3,243	2,912
Assets Written Off	815	0	461	815	461
Loss on Derivative Contracts	0	0	259	0	259
Impairment of Assets	0	696	679	0	744
Loss on Sale of Assets	0	0	9	20	9
Loss on Revaluations of Investment Land	132	0	0	132	0
Loss on Sale of Investment Property	21	0	52	21	52
LESS:					
Internal Recoveries	(4,697)	(4,913)	(4,500)	(4,697)	(4,500)
Internal Interest	(646)	(617)	(650)	(646)	(650)
Total Expenditure	\$25,508	\$22,914	\$24,218	\$29,830	\$28,298

Note 5 ~ Operating Surplus

	Parent		Group	
	Actual 2012/2013 \$000	Actual 2011/2012 \$000	Actual 2012/2013 \$000	Actual 2011/2012 \$000
OPERATING SURPLUS WAS DETERMINED AFTER ACCOUNTING FOR:				
Fees to principal auditor:				
Audit fees for financial statement audit	101	98	204	198
Additional Audit fees for 2011/2012 financial statement audit	10	0	10	0
Audit fees for long term plan audit	0	72	0	72
Additional audit fees (cost recoveries long term plan)	0	17	0	17
Audit fees (1/2 share WAA)	4	4	4	4
Grants and Donations Expense	2,018	491	2,018	491
Lease Income	398	383	104	114
Lease Expense	133	147	137	170
Movement in provision doubtful debts:				
Accounts Receivable	11	(58)	11	(58)

(i) Remuneration

During the year to 30 June 2013, the total remuneration and value of non-financial benefits received by or payable to the Mayor, other Councillors and the Chief Executive of the Council were as follows:

	Actual 2012/2013 \$	Actual 2011/2012 \$
Chief Executive:		
Gary Murphy (resigned 27 Jul-11)	0	32,525
Paul Wylie (commenced 05 Dec-11)	232,000	125,300
Craig Scanlon (Acting CEO 27 Jul-11 to 30 Sep-11)	0	34,977
Angela Oosthuizen (Acting CEO 03 Oct-11 to 02 Dec-11)	0	30,753
Mayor: Pat McManus	\$66,819	\$64,713
Councillors:		
David Barnes	17,182	18,171
Peter Campbell	14,462	13,091
Jim Halsall	14,394	13,091
Dave Hawes	14,462	13,091
John Hill	14,462	13,091
Graham Howard	14,462	13,091
Richard Marsh (from 27 February 2013)	4,468	0
Margaret Montgomery	17,938	16,145
Graeme Neylon	14,462	13,091
Fred Ratahi (resigned (29 November 2012)	6,643	13,091
Rosalie Sampson	19,742	18,019
	\$219,496	\$208,685

(ii) Severance Payments

During the year to 30 June 2013 no severance payments were made to staff (2011/2012: no severance payments made).

(iii) Employee Staffing Levels and Remuneration

Number of Employees	2012/2013	2011/2012
Fulltime	41.0	40.0
Fulltime Equivalent of other employees	10.5	12.3

Buller District Council defines a full time equivalent employee as one that works a minimum of 40 hours per week. However there are a number of employees who work 37.5 hours per week under historic employment agreements. In 2013 there were 3 employees (2011/2012: 5 employees). These employees are regarded as full time employees for the purposes of this disclosure. The total number of employees employed by Council in 2013 was 66 (2011/2012: 69).

Remuneration Levels

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

Number of Employees	2011/2012			
	less than \$60,000	\$60,000 to \$79,999	\$80,000 to \$139,999	\$220,000 to \$239,999
	41	19	8	1

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

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

In 2011/2012 there were 5 or fewer employees in the \$80,000 to \$99,999 and \$100,000 to \$119,999 band hence inclusion of those employees in a \$80,000 to \$139,999 remuneration band.

Note 6 ~ Income Tax

	Parent		Group	
	Actual	Actual	Actual	Actual
	2012/2013	2011/2012	2012/2013	2011/2012
	\$000	\$000	\$000	\$000
Components of Tax Expense				
Current Tax Expenses	0	0	0	0
Adjustments to Current Tax in Prior Year	0	0	0	0
Deferred Tax Expenses	0	0	(30)	97
Income Tax Expense	\$0	\$0	\$(30)	\$97

	Parent		Group	
	Actual	Actual	Actual	Actual
	2012/2013	2011/2012	2012/2013	2011/2012
	\$000	\$000	\$000	\$000
Relationship Between Tax and Accounting Profit				
Surplus/(Deficit) Before Tax	1,076	(501)	1,086	(847)
Tax @ 28%	302	(140)	304	(237)
Non-Deductible Expenditure	0	21	0	279
Non-Taxable Income	(555)	0	(330)	0
Change in Building Depreciation	0	0	3	0
Prior Year Adjustment	0	0	3	0
Group Loss Offset	264	77	0	0
Temporary Differences Not Recognised	(11)	55	0	0
Tax Losses Not Recognised	0	(13)	0	0
Deferred Tax Adjustments	0	0	(10)	55
Tax Expense	\$(0)	\$(0)	\$(30)	\$97

Deferred Tax Assets/(Liabilities)

Parent	Property, Plant and Equipment	Financial Instruments	Employee Entitlements	Other Provisions	Tax Losses	Total
Balance at 1 July 2011	0	0	0	0	0	0
Charged to Profit and Loss	0	0	0	0	0	0
Balance at 1 July 2012	\$0	\$0	\$0	\$0	\$0	\$0
Charged to Profit and Loss	0	0	0	0	0	0
Charged to Equity	0	0	0	0	0	0
Balance at 1 July 2013	\$0	\$0	\$0	\$0	\$0	\$0

Group	Property, Plant and Equipment	Financial Instruments	Employee Entitlements	Other Provisions	Tax Losses	Total
Balance at 1 July 2011	(2,167)	0	187	16	640	(1,324)
Charged to Profit and Loss	(43)	0	(12)	4	(46)	(97)
Balance at 1 July 2012	\$(2,210)	\$0	\$175	\$20	\$594	\$(1,421)
Charged to Profit and Loss	62	0	(10)	(22)	0	30
Charged to Equity	0	0	0	0	0	0
Balance at 1 July 2013	\$(2,148)	\$0	\$165	\$(2)	\$594	\$(1,391)

Additional disclosures

2013: Council has an unrecognised deferred tax asset in relation to temporary timing differences of \$129,605 (2011/2012: \$91,132) and tax losses of \$2,120,347 (2011/2012: \$2,120,244). This deferred tax asset has been recognised at the group level.

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

	Parent		Group	
	2012/2013 \$000	2011/2012 \$000	2012/2013 \$000	2011/2012 \$000
Surplus/(Deficit) after Tax	\$1,076	\$(501)	\$1,116	\$944
Add/(less) non-cash items:				
Depreciation and Amortisation Expense	5,198	5,015	6,257	6,118
Impairment	0	679	0	744
Movement in Provisions	(48)	(108)	(48)	(108)
Movement in Deferred Taxation	0	0	(31)	98
Other Non Cash Items	0	0	0	425
Vested Assets	(635)	(122)	(635)	(122)
Loan Amortisation	(4)	(69)	0	(2)
(Gains)/Losses in Fair Value of Investment Property	132	(532)	132	(532)
(Gains)/Losses on Derivative Financial Instruments	(469)	259	(469)	259
	\$4,174	\$5,122	\$5,206	\$6,880
Add/(less) Items Classified as Investing Activities:				
(Gains)/Losses on Disposal of Investment Property and PPE	21	52	41	26
Assets Written Off	815	463	815	461
Movement in fixed asset prepayment	0	230	0	230
Movement in Fixed Asset Accounts Payable	330	(98)	552	(52)
	1,166	647	1,408	665
Add/(less) Movements in Working Capital Items:				
Trade and Other Receivables	(963)	(386)	(1,164)	(374)
Inventories	(2)	(0)	(109)	(17)
Other Current Assets	(3)	228	(151)	253
Trade and Other Payables	(919)	349	21	(673)
Employee Benefits	160	69	152	105
	\$(1,727)	\$261	\$(1,251)	\$(706)
Net Cash Inflow/(Outflow) from Operating Activities	\$4,690	\$5,529	\$6,480	\$5,895

Note 8 ~ Cash and Cash Equivalents

	Parent		Group	
	Actual 2012/2013 \$000	Actual 2011/2012 \$000	Actual 2012/2013 \$000	Actual 2011/2012 \$000
Cash at bank and in hand	2,084	1,986	2,841	2,560
Short term deposits maturing three months or less from the date of acquisition	0	0	500	0
Total cash and cash equivalents	\$2,084	\$1,986	\$3,341	\$2,560

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

Cash and bank overdrafts include the following for the purposes of the Cashflow Statement:

	Parent		Group	
	Actual 2012/2013 \$000	Actual 2011/2012 \$000	Actual 2012/2013 \$000	Actual 2011/2012 \$000
Cash at bank and in hand	2,084	1,986	2,841	2,560
Short term bank deposits maturing within three months	0	0	500	0
Bank overdrafts	0	0	0	0
	\$2,084	\$1,986	\$3,341	\$2,560

Note 9 ~ Trade and Other Receivables

	Parent		Group	
	Actual	Actual	Actual	Actual
	2012/2013	2011/2012	2012/2013	2011/2012
	\$000	\$000	\$000	\$000
Trade Receivables	\$3,131	\$2,337	\$3,907	\$2,935
<i>Amounts Due from Controlled Entities (excluding GST)</i>				
WestReef Ltd	11	71	0	0
Buller Holdings Ltd	88	88	0	0
Buller Recreation Ltd	0	16	0	0
Buller Arts and Recreation Trust	0	0	0	0
Buller Health Trust	0	2	0	0
Westport Harbour Ltd	45	82	0	0
NZTA Roding Subsidies	667	576	667	576
Interest Receivable	87	67	87	67
Subvention Receivable	368	276	0	0
Rates Receivable	1,298	1,206	1,298	1,206
	\$5,695	\$4,721	\$5,959	\$4,784
<i>Less: Provisions for Doubtful Debts</i>	<i>(87)</i>	<i>(76)</i>	<i>(87)</i>	<i>(76)</i>
	\$5,608	\$4,645	\$5,872	\$4,708
<i>Represented By:</i>				
Current Portion	5,608	4,645	5,872	4,708
Term Portion	0	0	0	0

Fair Value

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

Impairment

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

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

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

	2012/2013			2011/2012		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
Council						
Not past due	4,402	0	4,402	3,301	0	3,301
Past due 1-60 days	380	0	380	352	0	352
Past due 61-120 days	46	0	46	20	0	20
Past due > 120 days	867	87	780	1,048	76	972
TOTAL	\$5,695	\$87	\$5,608	\$4,721	\$76	\$4,645
Group						
Not past due	4,469	0	4,469	3,255	0	3,255
Past due 1-60 days	465	0	465	443	0	443
Past due 61-120 days	157	0	157	38	0	38
Past due > 120 days	868	87	781	1,048	76	972
TOTAL	\$5,959	\$87	\$5,872	\$4,784	\$76	\$4,708

The doubtful debt provision has been calculated based on expected losses for Council's pool of debtors. Expected losses have been determined based on an analysis of Council's losses in previous periods, and review of specific debtors as detailed *below*:

	Parent		Group	
	2012/2013 \$000	2011/2012 \$000	2012/2013 \$000	2011/2012 \$000
Individual Impairment	87	76	87	76
Collective Impairment	0	0	0	0
Total Provision for Impairment	\$87	\$76	\$87	\$76

Individually impaired receivables have been determined to be impaired because of the significant financial difficulties being experienced by the debtor. An analysis of these individually impaired debtors are as follows:

	Parent		Group	
	2012/2013 \$000	2011/2012 \$000	2012/2013 \$000	2011/2012 \$000
Past Due 1-60 days	0	0	0	0
Past due 61-120 days	0	0	0	0
Past due > 120 days	87	76	87	76
Total Individual Impairment	\$87	\$76	\$87	\$76

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

	Parent		Group	
	2012/2013 \$000	2011/2012 \$000	2012/2013 \$000	2011/2012 \$000
At 1 July	76	134	76	44
Additional provisions made during the year	11	32	11	32
Provisions reversed during the year	0	(90)	0	0
Receivables written-off during the period	0	0	0	0
At 30 June	\$87	\$76	\$87	\$76

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

Note 10 ~ Other Current Assets

	Parent		Group	
	Actual 2012/2013 \$000	Actual 2011/2012 \$000	Actual 2012/2013 \$000	Actual 2011/2012 \$000
Work In Progress	7	3	11	8
Prepayments	5	6	184	36
	\$12	\$9	\$195	\$44

Note 11 ~ Non Current Assets held for Sale

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

	Parent		Group	
	Actual	Actual	Actual	Actual
	2012/2013	2011/2012	2012/2013	2011/2012
	\$000	\$000	\$000	\$000
Non-current assets held for sale are:				
Investment Land	342	379	342	379
Westport Transfer Station Portable Weighbridge	36	36	36	36
Total Assets Held for Sale	\$378	\$415	\$378	\$415

Note 12 ~ Investments

	Parent		Group	
	Actual	Actual	Actual	Actual
	2012/2013	2011/2012	2012/2013	2011/2012
	\$000	\$000	\$000	\$000
Investment in CCO's (Buller Holdings Ltd)	16,909	16,909	0	0
Investment in CCO's (Loans to subsidiaries))	3,368	3,129	0	0
Investments in other CCO's (NZ Local Government Insurance Corporation Ltd)	39	31	39	31
Total Investment in CCO's	\$20,316	\$20,069	\$39	\$31
Other Investments:				
Investment in Associate	0	0	74	87
Bond Deposits	80	80	80	80
Total Other Investments	\$80	\$80	\$154	\$167

2012/2013: There were no capital transactions with Council subsidiaries. (2011/2012: on 22 August Council exchanged an advance of \$300,000 made to Buller Holdings Limited for a consideration of \$300,000 shares capital.)

2012/2013: Buller District Council's investment in Buller Holdings Limited was not impaired. (2011/2012: Buller District Council investment in Buller Holdings Limited was impaired by \$679,000 due to the write down in the value of Buller Holdings' investment in Buller Recreation Limited assets.)

	2012/2013	2011/2012
	\$000	\$000
Investments acquired - Shares issued by Buller Holdings Limited	0	300
Investments acquired (disposed of) - Advances and Loans	0	(300)
	\$0	\$0

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

The fair value of loans to related parties is \$3,368,576 (2011/2012: \$3,129,017). Fair value has been determined using cash flows discounted at a rate based on market interest rates including an additional risk to take into account the specific risks of each loan. The interest rate on the loan of \$2,363,860 to Buller Holdings Ltd is 3.71%. The interest rate on the loan of \$200,000 to Westport Harbour Ltd is 4.01%.

Investment Property	Parent		Group	
	Actual	Actual	Actual	Actual
	2012/2013	2011/2012	2012/2013	2011/2012
	\$000	\$000	\$000	\$000
Balance at 1 July	\$11,410	\$12,003	\$11,410	\$12,003
Transfers to Non Current Assets Held for Sale	(342)	(279)	(342)	(279)
Disposals/Adjustments	(159)	(846)	(159)	(846)
Fair value gains/(losses) on valuation	(132)	532	(132)	532
Balance 30 June	\$10,777	\$11,410	\$10,777	\$11,410

Investment Property - Income and Expenses	Parent		Group	
	Actual	Actual	Actual	Actual
	2012/2013	2011/2012	2012/2013	2011/2012
	\$000	\$000	\$000	\$000
Rental Income from Investment Property	101	87	101	87
Direct Expenses of Income Generating Investment Property	0	0	0	0
Direct Expenses of Non-income Generating Investment Property	0	0	0	0

Buller District Council investment properties are valued annually at fair value effective 30 June. All investment properties were valued based on open market evidence in July 2013. The valuation was performed by Quotable Value, an independent valuer. Quotable Value are an experienced valuer with extensive market knowledge in the types of investment properties owned by Council. The total value of investment property valued by Quotable Value as at 30 June 2013 was \$10,777,000 (2011/2012: \$11,410,000)

As at 30 June 2013 there were a total of 5 leasehold properties with a sale value of \$342,000 lodged at Council's solicitors pending completion of sale, these are disclosed in Note 11 (2011/2012: 5 properties total sale value \$379,050).

- Council 2013

Note 13 ~ Property, Plant and Equipment

	Cost/ Revaluation 01-07-12	Accumulated depreciation	Carrying Amount 01-07-12	Current year Addition	Current year Disposals / Impairment Charges	Transfer (to)/from Assets Held for Sale	Accumulated Depreciation on disposals	Current Year Depreciation	Transfers/ Others	Revaluation Gains	Cost/ Revaluation 30-06-13	Accumulated Depreciation 30-06-13	Carrying Amount 30-06-13
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land under roads	19,303	0	19,303	0	0	0	0	0	0	0	19,303	0	19,303
Sewerage	25,545	0	25,545	274	(47)	0	1	(600)	0	0	25,772	(599)	25,173
Stormwater	9,096	0	9,096	362	(77)	0	1	(194)	0	0	9,381	(193)	9,188
Roads and Bridges	192,360	0	192,360	2,254	(222)	0	0	(2,641)	0	0	194,392	(2,641)	191,751
Water supplies	19,294	0	19,294	712	(178)	0	5	(548)	561	0	20,389	(543)	19,846
Airport runway	174	(79)	96	0	0	0	0	(8)	0	0	174	(87)	87
Landfills/Transfer Stations	1,860	(426)	1,434	54	(83)	0	67	(87)	0	0	1,831	(446)	1,385
Wharves	2,103	(526)	1,577	0	0	0	0	(35)	0	0	2,103	(561)	1,542
Work in Progress	987	0	987	327	0	0	0	0	(561)	0	753	0	753
	270,722	(1,031)	269,692	3,983	(607)	0	74	(4,113)	0	0	274,098	(5,070)	269,028

	Cost/ Revaluation 01-07-10	Accumulated depreciation	Carrying Amount 01-07-10	Current year Addition	Current year Disposals / Impairment Charges	Transfer (to)/from Assets Held for Sale	Accumulated Depreciation on disposals	Current Year Depreciation	Transfers/ Others	Revaluation Gains	Cost/ Revaluation 30-06-13	Accumulated Depreciation 30-06-13	Carrying Amount 30-06-13
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	4,324	0	4,324	0	0	0	0	0	100	0	4,424	0	4,424
Leasehold Improvements	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings	14,711	(3,879)	10,832	1,817	(341)	0	104	(446)	1,223	0	17,410	(4,221)	13,189
Office Equipment, Furniture and Fittings	1,655	(1,384)	271	22	(2)	0	1	(78)	21	0	1,598	(1,363)	235
Vehicles	516	(239)	278	215	0	0	0	(62)	0	0	731	(301)	430
Library Books	651	(414)	237	60	0	0	0	(68)	0	0	711	(482)	229
Plant and Equipment	2,005	(1,465)	540	14	(107)	0	87	(129)	0	0	1,761	(1,356)	405
Other Assets	2,701	(1,036)	1,665	356	(34)	0	9	(146)	58	0	3,081	(1,173)	1,908
Vessels	4,385	(4,177)	208	0	0	0	0	(52)	0	0	4,385	(4,229)	156
Work in Progress	1,329	0	1,329	146	0	0	0	0	(1,402)	0	73	0	73
	32,277	(12,594)	19,684	2,630	(484)	0	201	(981)	0	0	34,174	(13,125)	21,049
Total	302,999	(13,625)	289,376	6,613	(1,091)	0	275	(5,094)	0	0	308,272	(18,195)	290,077

- Group 2013

Infrastructure Assets	Cost/ Revaluation 01-07-12	Accumulated depreciation 01-07-12	Carrying Amount 01-07-12	Current year Addition	Current Disposals	Transfer (to)/from Assets Held for Sale	Accumulated Depreciation on disposals	Current Year Depreciation/ Impairment Charges	Transfers/ Others	Revaluation Gains	Cost/ Revaluation 30-06-13	Accumulated Depreciation 30-06-13	Carrying Amount 30-06-13
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Land under roads	19,303	0	19,303	0	0	0	0	0	0	0	19,303	0	19,303
Sewerage	25,545	0	25,545	256	(47)	0	1	(600)	0	0	25,754	(599)	25,155
Stormwater	9,123	0	9,123	346	(77)	0	1	(194)	(30)	0	9,362	(193)	9,169
Roads and Bridges	192,362	0	192,362	2,171	(222)	0	0	(2,641)	0	0	194,311	(2,641)	191,670
Water supplies	19,294	0	19,294	661	(178)	0	5	(548)	561	0	20,338	(543)	19,795
Airport runway	174	(79)	95	0	0	0	0	(8)	0	0	174	(87)	87
Landfills/Transfer Stations	1,832	(426)	1,406	47	(83)	0	67	(87)	29	0	1,825	(446)	1,379
Wharves	2,104	(526)	1,578	0	0	0	0	(35)	0	0	2,104	(561)	1,543
Work in Progress	986	0	986	327	0	0	0	0	(561)	0	752	0	752
	270,723	(1,031)	269,692	3,808	(607)	0	74	(4,113)	(1)	0	273,923	(5,070)	268,853

Other Fixed Assets	Cost/ Revaluation 01-07-12	Accumulated depreciation	Carrying Amount 01-07-12	Current year Addition	Current Disposals / Impairment Charges	Transfer (to)/from Assets Held for Sale	Accumulated Depreciation on disposals	Current Year Depreciation	Transfers/ Others	Revaluation Gains	Cost/ Revaluation 30-06-13	Accumulated Depreciation 30-06-13	Carrying Amount 30-06-13
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Land	5,341	0	5,341	380	0	0	0	0	68	0	5,789	0	5,789
Leasehold Improvements	88	(8)	80	741	0	0	0	(64)	0	0	829	(72)	757
Buildings	29,486	(6,550)	22,936	2,405	(1,135)	0	953	(1,085)	2,688	0	33,447	(6,685)	26,762
Office Equipment, Furniture and Fittings	2,086	(1,607)	479	52	(42)	0	43	(157)	21	0	2,118	(1,722)	396
Vehicles	3,813	(1,926)	1,887	484	0	0	0	(441)	(2)	0	4,295	(2,367)	1,928
Library Books	651	(414)	237	60	0	0	0	(68)	0	0	711	(482)	229
Plant and Equipment	3,050	(1,947)	1,103	111	(154)	0	120	(75)	(155)	0	2,852	(1,902)	950
Other Assets	3,951	(1,092)	2,859	337	(34)	0	9	(91)	(1,278)	0	2,976	(1,174)	1,802
Vessels	4,385	(4,177)	208	0	0	0	0	(52)	0	0	4,385	(4,229)	156
Work in Progress	1,328	0	1,328	146	0	0	0	0	(1,402)	0	72	0	72
	54,179	(17,721)	36,458	4,716	(1,365)	0	1,125	(2,033)	(60)	0	57,474	(18,633)	38,841
Total	324,902	(18,752)	306,150	8,524	(1,972)	0	1,199	(6,146)	(61)	0	331,397	(23,703)	307,694

- Council 2012

Infrastructure Assets	Cost/ Revaluation 01-07-11	Accumulated Depreciation	Carrying Amount 01-07-11	Current Year Addition	Current Year Disposals/ Impairment Charges	Transfer (to)/from Assets Held for Sale	Accumulated Depreciation on Disposals	Current Year Depreciation	Transfers/ Others	Revaluation Gains	Cost/ Revaluation 30-06-12	Accumulated Depreciation 30-06-12	Carrying Amount 30-06-12
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land under roads	19,246	0	19,246	30	(4)	0	0	0	31	0	19,303	0	19,303
Sewerage	24,926	(563)	24,362	409	(28)	0	0	(563)	0	1,364	25,545	0	25,545
Stormwater	7,635	(155)	7,480	140	(52)	0	0	(155)	582	1,100	9,096	0	9,096
Roads and Bridges	186,711	(2,603)	184,107	1,757	(68)	0	0	(2,603)	(576)	9,743	192,360	0	192,360
Water supplies	18,056	(521)	17,535	774	(109)	0	0	(521)	0	1,615	19,294	0	19,294
Airport runway	174	(71)	103	0	0	0	0	(8)	0	0	174	(79)	96
Landfills/Transfer Stations	1,860	(339)	1,521	0	0	0	0	(87)	0	0	1,860	(426)	1,434
Wharves	2,103	(491)	1,612	0	0	0	0	(35)	0	0	2,103	(526)	1,577
Work in Progress	1,217	0	1,217	516	(90)	0	0	0	(657)	0	987	0	987
	\$261,928	\$(4,743)	\$257,183	\$3,626	\$(351)	\$0	\$0	\$(3,972)	\$(620)	\$13,822	\$270,722	\$(1,031)	\$269,692

Other Fixed Assets	Cost/ Revaluation 01-07-11	Accumulated Depreciation	Carrying Amount 01-07-11	Current year Addition	Current Year Disposals/ Impairment Charges	Transfer (to)/from Assets Held for Sale	Accumulated Depreciation on Disposals	Current Year Depreciation	Transfers/ Others	Revaluation Gains	Cost/ Revaluation 30-06-12	Accumulated Depreciation 30-06-12	Carrying Amount 30-06-12
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	3,563	0	3,563	286	0	0	0	0	475	0	4,324	0	4,324
Leasehold Improvements	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings	14,423	(3,448)	10,975	241	(77)	0	8	(439)	124	0	14,711	(3,879)	10,832
Office Equipment, Furniture and Fittings	1,574	(1,316)	258	82	(1)	0	1	(69)	0	0	1,655	(1,384)	271
Vehicles	540	(217)	323	12	(36)	0	36	(58)	0	0	516	(239)	278
Library Books	594	(352)	242	57	0	0	0	(62)	0	0	651	(414)	237
Plant and Equipment	1,976	(1,384)	592	86	(65)	0	53	(134)	8	0	2,005	(1,465)	540
Other Assets	2,310	(902)	1,408	231	0	0	0	(134)	160	0	2,701	(1,036)	1,665
Vessels	4,385	(4,107)	278	0	0	0	0	(70)	0	0	4,385	(4,177)	208
Work in Progress	1,068	0	1,068	440	(32)	0	0	0	(147)	0	1,329	0	1,329
	\$30,433	\$(11,726)	\$18,707	\$1,435	\$(211)	\$0	\$98	\$(966)	\$620	\$0	\$32,277	\$(12,594)	\$19,684

Total	\$292,361	\$(16,469)	\$275,890	\$5,062	\$(562)	\$0	\$98	\$(4,938)	\$0	\$13,822	\$302,999	\$(13,625)	\$289,376
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- Group 2012

Infrastructure Assets	Cost/ Revaluation 01-07-11	Accumulated Depreciation	Carrying Amount 01-07-11	Current Year Addition	Current Year Disposals	Transfer (to)/from Assets Held for Sale	Accumulated Depreciation on Disposals	Current Year Depreciation / Impairment Charges	Transfers/ Others	Revaluation Gains	Cost/ Revaluation 30-06-12	Accumulated Depreciation 30-06-12	Carrying Amount 30-06-12
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land under roads	19,246	0	19,246	30	(4)	0	0	0	31	0	19,303	0	19,303
Sewerage	24,908	(563)	24,345	394	(28)	0	0	(563)	0	1,397	25,545	0	25,545
Stormwater	7,610	(155)	7,455	132	(52)	0	0	(155)	610	1,133	9,123	0	9,123
Roads and Bridges	186,557	(2,603)	183,954	1,644	(68)	0	0	(2,603)	(575)	10,010	192,362	0	192,362
Water supplies	17,968	(521)	17,447	717	(109)	0	0	(521)	0	1,760	19,294	0	19,294
Airport runway	174	(71)	103	0	0	0	0	(8)	0	0	174	(79)	95
Landfills/Transfer Stations	1,850	(339)	1,511	0	0	0	0	(87)	(18)	0	1,832	(426)	1,406
Wharves	2,104	(491)	1,613	0	0	0	0	(35)	0	0	2,104	(526)	1,578
Work in Progress	1,217	0	1,217	516	(90)	0	0	0	(657)	0	986	0	986
	\$261,634	\$(4,743)	\$256,891	\$3,433	\$(351)	\$0	\$0	\$(3,972)	\$(609)	\$14,300	\$270,723	\$(1,031)	\$269,692

Other Fixed Assets	Cost/ Revaluation 01-07-11	Accumulated Depreciation	Carrying Amount 01-07-11	Current Year Addition	Current Year Disposals	Transfer (to)/from Assets Held for Sale	Accumulated Depreciation on Disposals	Current Year Depreciation	Transfers/ Others	Revaluation Gains	Cost/ Revaluation 30-06-12	Accumulated Depreciation 30-06-12	Carrying Amount 30-06-12
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	4,547	0	4,547	319	0	0	0	0	475	0	5,341	0	5,341
Leasehold Improvements	0	0	0	88	0	0	0	(8)	0	0	88	(8)	80
Buildings	29,196	(4,806)	24,390	220	(77)	0	8	(1,752)	147	0	29,486	(6,550)	22,936
Office Equipment, Furniture and Fittings	1,983	(1,461)	522	115	(12)	0	7	(153)	0	0	2,086	(1,607)	479
Vehicles	3,597	(1,796)	1,801	543	(327)	0	289	(419)	0	0	3,813	(1,926)	1,887
Library Books	594	(352)	242	57	0	0	0	(62)	0	0	651	(414)	237
Plant and Equipment	2,932	(1,796)	1,136	186	(76)	0	63	(214)	8	0	3,050	(1,947)	1,103
Other Assets	3,620	(958)	2,662	222	0	0	0	(134)	109	0	3,951	(1,092)	2,859
Vessels	4,385	(4,107)	278	0	0	0	0	(70)	0	0	4,385	(4,177)	208
Work in Progress	1,066	0	1,066	440	(32)	0	0	0	(146)	0	1,328	0	1,328
	\$51,920	\$(15,276)	\$36,644	\$2,190	\$(524)	\$0	\$367	\$(2,812)	\$593	\$0	\$54,179	\$(17,721)	\$36,458

Total	\$313,554	\$(20,019)	\$293,535	\$5,623	\$(875)	\$0	\$367	\$(6,784)	\$(16)	\$14,300	\$324,902	\$(18,752)	\$306,150
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Note 14 ~ Intangible Assets

	Parent		Group		
	Computer Software and Licences	Total	Goodwill	Software Licences	Total
	\$000	\$000	\$000	\$000	\$000
Cost					
Balance at 1 July 2011	288	288	728	10	1,026
Transfers	0	0	0	0	0
Additions	133	133	0	12	145
Disposals	0	0	0	0	0
Balance at 30 June 2012	\$421	\$421	\$728	\$22	\$1,171
Balance at 1 July 2012	421	421	728	22	1,171
Transfers	0	0	0	0	0
Additions	161	161	0	0	161
Disposals	0	0	0	0	0
Balance at 30 June 2013	\$582	\$582	\$728	\$22	\$1,332
Accumulated Amortisation and Impairment					
Balance at 1 July 2011	203	203	0	4	207
Transfers	0	0	0	0	0
Amortisation charge	78	78	0	4	82
Disposals	0	0	0	0	0
Balance at 30 June 2012	\$281	\$281	\$0	\$8	\$289
Balance at 1 July 2012	281	281	0	8	289
Transfers	0	0	0	0	0
Amortisation charge	104	104	0	7	111
Disposals	0	0	0	0	0
Balance at 30 June 2013	\$385	\$385	\$0	\$15	\$400
Carrying Amounts					
Balance at 30 June 2012	140	140	728	14	882
Balance at 30 June 2013	\$197	\$197	\$728	\$7	\$932

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

Note 15 ~ Trade and Other Payables

	Parent		Group	
	Actual 2012/2013 \$000	Actual 2011/2012 \$000	Actual 2012/2013 \$000	Actual 2011/2012 \$000
Trade payables	\$1,861	\$1,909	\$3,034	\$2,994
Amounts due to related parties:				
WestReef Ltd	747	828	0	0
Buller Arts and Recreation Trust	0	0	0	0
Buller Health Trust	0	0	0	0
Buller Holdings Ltd	0	0	0	0
Buller Recreation Ltd	0	745	0	0
Westport Harbour Ltd	0	0	0	0
Revenue Received in Advance	524	569	366	385
TOTAL Trade and Payables	\$3,132	\$4,051	\$3,400	\$3,379

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

Note 16 ~ Derivative Financial Instrument

	Parent		Group	
	Actual 2012/2013 \$000	Actual 2011/2012 \$000	Actual 2012/2013 \$000	Actual 2011/2012 \$000
Current Liability Portion				
Interest Rate Swaps	20	0	20	0
Total Current Liability Portion	\$20	\$0	\$20	\$0
Non Current Liability Portion				
Interest Rate Swaps	414	902	414	902
Total Non Current Liability Portion	\$414	\$902	\$414	\$902

The notional principal amounts of the outstanding interest rate swap contracts at 30 June 2013 were \$17,000,000 (2011/2012: 15,000,000).

At 30 June 2013 the fixed interest rates of interest rate swaps vary from 3.18% to 5.42% (2011/2012: 4.89% to 5.59%).

The interest rate swaps have been included at fair value.

The termination date of the interest rate swap contracts of \$17,000,000 at 30 June 2013 vary from 31 March 2014 to 31 March 2019 (2011/2012: 31 March 2014 to 31 March 2017).

Note 17 ~ Employment Benefit Liabilities

	Parent		Group	
	Actual	Actual	Actual	Actual
	2011/2012	2010/2011	2011/2012	2010/2011
	\$000	\$000	\$000	\$000
Accrued pay	161	150	192	172
Annual leave and long service leave	489	368	1,057	941
Retirement gratuities	177	149	269	253
Sick leave	0	0	0	0
Total Employee Benefit Liabilities	\$827	\$667	\$1,518	\$1,366
<i>Comprising:</i>				
Current	589	468	1,168	1,063
Non-current	238	199	350	303
Total Employee Benefit Liabilities	\$827	\$667	\$1,518	\$1,366

Note 18 ~ Borrowings

	Parent		Group	
	Actual	Actual	Actual	Actual
	2012/2013	2011/2012	2012/2013	2011/2012
	\$000	\$000	\$000	\$000
Current				
Bank overdraft	0	0	0	0
Secured loans	80	0	80	0
Total current borrowings	\$80	\$0	\$80	\$0
Non-current				
Secured loans	25,570	23,024	25,570	23,024
Total non-current borrowings	\$25,570	\$23,024	\$25,570	\$23,024
Total Borrowings	\$25,650	\$23,024	\$25,650	\$23,024

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

Buller District Council's has debt of \$8,323,860 (2011/2012; \$8,023,860) on floating interest rates. The interest is set quarterly at the 90-day bill rate + 0.11%.

Council has interest rate swaps and floating rates for fixed interest rates for \$17,000,000 (2011/2012; \$15,000,000) of this debt. For more details of the swaps refer to note 16 in the financial accounts.

Council has a \$397,914 interest free loan from the Energy Efficiency and Conservation Authority for 5 years due to be repaid on 15 May 2018.

Security

The overdraft is secured by a general security agreement. The maximum amount that can be drawn down against the overdraft facility is \$1,250,000 (2011/2012: \$1,250,000). There are no restrictions on the use of this facility.

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

Refinancing

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

Maturity analysis and effective interest rates

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

	Overdraft Council \$000	Overdraft Group \$000	Secured Loans Council and Group \$000
2012/2013			
Less than one year	0	0	0
weighted average effective interest rate	7.95%	7.95%	0
Later than one year but not more than five years	0	0	25,650
weighted average effective interest rate	0%	0%	5.50%
Later than five years	0	0	0
weighted average effective interest rate	0%	0%	0%
	\$0	\$0	\$25,650

	Overdraft Council \$000	Overdraft Group \$000	Secured Loans Council and Group \$000
2011/2012			
Less than one year	0	0	0
Weighted average effective interest rate	7.95%	7.95%	0
Later than one year but not more than five years	0	0	23,024
Weighted average effective interest rate	0%	0%	5.85%
Later than five years	0	0	0
Weighted average effective interest rate	0%	0%	0%
	\$0	\$0	\$23,024

Fair value of non-current borrowings

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

Internal Borrowings

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

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

	2011/2012 \$000	2011/2012 \$000	2011/2012 \$000	2011/2012 \$000
	Loans Repaid during Period	Loans Drawn down during Period	Interest Paid for the year	Balance as at 30 June
Community Services	18	71	26	438
Regulatory Services	17	52	13	192
Property Management , Amenities and Reserves	107	36	45	677
Water Supplies	63	0	122	1,745
Solid Waste	44	245	82	1,378
Wastewater	553	0	328	5,769
Stormwater	15	0	29	423
Professional Services Business Unit	5		2	30
	\$822	\$404	\$649	\$10,652

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

Note 19 ~ Provisions

	Landfill Aftercare Provision	Contaminated Site Remediation	Total Environmental Provisions	Total Environmental Provisions
ENVIRONMENTAL PROVISION	2012/2013 \$000	2012/2013 \$000	2012/2013 \$000	2011/2012 \$000
Opening Balance	\$1,527	\$9	\$1,536	\$1,644
Additional Provisions	0	0	0	0
Amounts Used	(26)	0	(26)	(18)
Unused Provision Reversed	(8)	0	(8)	(35)
Discounting Changes	(14)	0	(14)	(55)
Closing Balance	\$1,479	\$9	\$1,488	\$1,536

	Parent		Group	
TOTAL PROVISIONS	2012/2013 \$000	2011/2012 \$000	2012/2013 \$000	2011/2012 \$000
Council and Group				
Current Liability	33	33	33	33
Non-current Liability	1,455	1,503	1,455	1,503
	\$1,488	\$1,536	\$1,488	\$1,536

in 2012/2013 the group provision (current portion) includes a provision for maintenance on the Harbour dredge vessel of \$104,000, see below (2011/2012: Nil).

	Parent	
PROVISION FOR SLIPPING	2012/2013 \$000	2011/2012 \$000
Opening Balance	\$0	\$0
Additional Provisions	104	0
Amounts Used	0	0
Unused Provision Reversed	0	0
Closing Balance	\$104	\$0

Landfill Aftercare Provision

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

Closure responsibilities:

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

Post Closure responsibilities:

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

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

Westport	- <i>Closed 2008 - now capped</i>
Birchfield	- <i>Closed 2005</i>
Karamea	- <i>2040</i>
Ikamatua	- <i>Closed 2005</i>
Charleston	- <i>Closed 2010 - now capped</i>
Mawheraiti	- <i>Closed 2005</i>
Inangahua	- <i>Closed 2010 - now capped</i>
Reefton	- <i>Closed 2005</i>
Maruia	- <i>2021</i>

The cash outflows for post-closure costs have been estimated to occur for a period of 35 years from the closure of the site. The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred.

The provision has been estimated taking into account existing technology and is discounted using a discount rate of 5.45% which is based on the rolling monthly average NZ Government 10 Year Bond rate over the last ten years (2011/2012: 5.7%).

Note 20 ~ Accumulated Funds

	Parent		Group	
	2012/2013 \$000	2011/2012 \$000	2012/2013 \$000	2011/2012 \$000
Opening Balance as at 1 July	\$171,516	\$171,948	\$169,099	\$169,974
Net Surplus (Deficit) for the Period	1,076	(501)	1,116	(422)
Transfer from Reserves	798	1,093	798	1,093
Transfer to Reserves	(1,649)	(1,024)	(1,649)	(1,546)
Balance at 30 June	\$171,741	\$171,516	\$169,364	\$169,099

Note 21 ~ Reserves

	Parent		Group	
	2012/2013 \$000	2011/2012 \$000	2012/2013 \$000	2011/2012 \$000
Balance as at 1 July	\$1,872	\$1,941	\$1,872	\$1,941
Add: Transfer from Accumulated Funds	1,649	1,024	1,649	1,024
	\$3,521	\$2,965	\$3,521	\$2,965
Less: Transfer to Accumulated Funds	(798)	(1,093)	(798)	(1,093)
Balance at 30 June	\$2,723	\$1,872	\$2,723	\$1,872

Reserve Fund Disclosures

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

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

Separate Reserves	Activity that the Reserve relates to	Purpose of the Reserve	Opening Balance 1 July 2011		Transfers to Reserves		Balance at 30 June 2012		Opening Balance 1 July 2012		Transfers to Reserves		Balance at 30 June 2013	
			\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Amenities Reserve	Various not specified	Proceeds from general ratepayer to fund various infrastructure where there was no government subsidy available	365	0	0	0	365	0	365	0	0	0	365	
Community Development - Other	Various not specified	Funds from depreciation used for the upgrade and construction of replacement Council assets	799	932	743	0	989	1,255	989	1,255	690	0	1,554	
Reserve Contributions	Regulatory	Proceeds from subdivision for public reserve upgrades	660	91	271	0	480	387	480	387	107	0	760	
Miles Bequest	Property Management, Amenities & Reserves	Funds set aside for the purchase of engraved seats at the Westport cemetery	2	0	0	0	2	0	2	0	0	0	2	
Powell Bequest	Property Management, Amenities & Reserves	Funds bequested to Council for the purchase of public seating in Westport	3	0	0	0	3	0	3	0	0	0	3	
Mayor's Relief Fund	Democracy	Funds for providing grants for relief at the discretion of the Mayor	5	1	3	0	2	5	2	5	2	0	6	
Boiler Replacement Fund	Property Management, Amenities & Reserves	Funds set aside to go toward replacement of boiler at Brougham Street offices	7	0	0	0	7	0	7	0	0	0	7	
Development Contributions	Regulatory	Proceeds from commercial and industrial development to provide for social and recreation need of the area	14	0	0	0	14	0	14	0	0	0	14	
Sale of Gifted Property	Various not specified	Funds set aside from the sale of property gifted to Council	11	0	0	0	11	0	11	0	0	0	11	
Infrastructure Contributions	Regulatory	Funds set aside for upgrading infrastructure where appropriate	76	0	76	0	0	3	0	3	0	0	3	
TOTAL Reserves Only			\$1,941	\$1,024	\$1,093	\$1,872	\$1,872	\$1,649	\$1,872	\$1,649	\$798	\$2,723		
Refuse Collection	Solid Waste	Separates all funding and expenditure and surpluses or deficits for the refuse collection activity	(200)	431	387	(156)	(156)	440	(156)	440	391	(107)		
Recycling	Solid Waste	Separates all funding and expenditure and surpluses or deficits for the recycling activity	(149)	571	541	(119)	(119)	723	(119)	723	600	4		
Contracted Refuse/ Recycling	Solid Waste	Separates all funding and expenditure and surpluses or deficits for the refuse collection and recycling activities	0	0	0	0	0	0	0	0	97	(97)		
Westport Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	(1,553)	1,300	1,345	(1,599)	(1,599)	2,591	(1,599)	2,591	1,499	(506)		
Reefton Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	(39)	852	506	307	307	335	307	335	834	(193)		
Little Wanganui Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	37	12	10	39	39	11	39	11	6	45		
Mokihinui Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	14	11	3	21	21	11	21	11	4	29		
Ngakawau Hector Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	161	43	28	176	176	49	176	49	23	203		
Waimangaroa Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	43	24	40	27	27	37	27	37	36	28		

Separate Reserves	Activity that the Reserve relates to	Purpose of the Reserve	Opening Balance 1 July 2011		Transfers to Reserves		Transfers from Reserve		Balance at 30 June 2012	
			\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cape Foulwind Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	278	68	68	57	288	14	342	
Punakaiki Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	(30)	110	60	20	228	228	4	
Inangahua Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	13	9	7	14	17	17	5	
South Gravity Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	10	8	4	15	2	2	22	
Westport Sewerage	Wastewater/Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	(1,396)	1,678	1,977	(1,695)	1,753	1,753	(1,593)	
Reefton Sewerage	Wastewater/Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	(2)	261	200	59	194	194	142	
Little Wanganui Sewerage	Wastewater/Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	3	34	57	(20)	26	26	(14)	
Inangahua Junction Sewerage	Wastewater/Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	(1)	0	0	(1)	0	0	(1)	
Punakaiki Sewerage	Wastewater/Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	(16)	0	0	(16)	0	0	(16)	
Punakaiki Camp	Property Management, Amenities & Reserves	Separates all funding and expenditure and surpluses or deficits for the Punakaiki Camp activity	(139)	244	273	(168)	276	276	(204)	
Punakaiki Sea Wall	Property Management, Amenities & Reserves	Separates all funding and expenditure and surpluses or deficits for the Punakaiki seawall activity	2	0	0	2	0	0	2	
Dog Control	Regulatory	Separates all funding and expenditure and surpluses or deficits for the dog control activity	(133)	192	215	(156)	236	236	(185)	
Promotion & Development	Community Services	Separates all funding and expenditure and surpluses or deficits for the promotion and development activity	-	446	457	(11)	448	448	3	
TOTAL Separate Balances Only			\$(3,098)	\$6,292	\$6,167	\$(2,973)	\$6,682	\$6,682	\$(2,088)	
TOTAL Reserves and Separate Balances			\$(1,157)	\$7,316	\$7,261	\$(1,101)	\$9,216	\$7,480	\$635	

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

Note 22 ~ Asset Revaluation Reserves

	Parent		Group	
	2012/2013 \$000	2011/2012 \$000	2012/2013 \$000	2011/2012 \$000
Opening Balance as at 1 July	\$135,433	\$121,621	\$136,114	\$121,780
Change in Asset Values through Comprehensive Income	8	13,812	8	14,334
Closing Balance as at 30 June	\$135,441	\$135,433	\$136,122	\$136,114
<i>Comprising:</i>				
Library Books	258	258	258	258
Roads and Bridges	111,686	111,685	112,122	112,122
Sewerage	8,088	8,088	8,170	8,170
Stormwater	6,636	6,636	6,681	6,681
Water Supplies	8,761	8,761	8,860	8,860
Landfill	0	0	19	19
Investment Revaluation Reserve	12	4	12	4
Balance at 30 June	\$135,441	\$135,433	\$136,122	\$136,114

Note 23 ~ Related Party Transactions and Balances

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

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

The *following* transactions were carried out with related parties:

	Actual 2012/2013 \$000	Actual 2011/2012 \$000
WestReef Services Limited		
Services provided by Council during the year	153	182
Services provided to Council during the year	7,230	7,044
Accounts payable to Council at 30 June	11	71
Accounts receivable from Council at 30 June	747	828
Sponsorship towards Vision 2010	0	64
Subventions revenue to Council during the year	368	276
Subventions payable to Council at 30 June	368	276
Buller Recreation Limited		
Service level fee paid by Council to Buller Recreation	853	780
Energy Subsidy paid by Council to Buller Recreation	0	157
Council Contribution towards Hockey Turf	598	0
Services provided to Council during the year	2	1
Services provided by Council during the year	21	22
Accounts payable to Council at 30 June	0	16
Accounts receivable from Council at 30 June	0	745
Loans owed to Council at 30 June	326	0
Buller Holdings Limited		
Accounts payable to Council at 30 June	88	88
Loans owed to Council at 30 June	2,364	2,364
Dividends paid to Council during the year	0	825
Subventions revenue to Council during the year	574	0
Interest Expenses paid to Council	88	88
Total Shares Issued to Council	18,988	18,988
Shares Issued during the year	0	300

	Actual 2012/2013 \$000	Actual 2011/2012 \$000
Westport Airport Authority Limited		
Services provided by Council during the year	31	34
Services provided by WestReef during the year	29	22
Rates, lease and interest charges paid to Council during the year	10	1
Current account balance owed (to) from Council at 30 June	76	113
Accounts payable to WestReef at 30 June	0	2
Lease Payments made to Westport Harbour Ltd during the year	3	3
Westport Harbour Limited		
Services provided by Council during the year (including interest and lease payments)	346	342
Loans owed to Council at 30 June	200	200
Advances relating to purchase of business as at 30 June	479	479
Accounts payable to Council at 30 June	45	82
Advances relating to purchase of business (current receivable)		0
Buller Health Trust		
Interest paid to Council during the year	3	10
Loans owed to Council at 30 June	0	86
Accounts payable to Council at 30 June	0	2
Buller Arts and Recreation Trust		
Funds paid to Council during the year	40	80

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

No debts or transactions were written off between parties during the period. (2011/2012: A \$67,000 write down in advances to Westport Harbour Limited was reversed during the period as a commercial interest rate for the loan was established.)

Key Management and Members of Council

During the year Councillors and Key Management, as part of a normal customer relationship, were involved in minor transactions with Council (such as payments of rates, purchase of rubbish bags, etc).

Mayor Pat McManus is a Director/Owner of Rainbow Cake Kitchen. During the period goods to the value of \$746 were provided to Council (2011/2012: \$1,726). In addition no services were provided by Gibbys Café (related party as guarantor to a loan) (2011/2012: Nil)

Councillor Margaret Montgomery is an Owner of Westport Holiday Park. During the period goods and services to the value of \$1,370 were provided to Council (2011/2012: \$Nil)

Councillor Peter Campbell is a Principal of Campbell and Associates. During the period no goods or services were provided to Council (2011/2012: Nil). At a Group level goods and services to the value of \$10,761 were provided to Council controlled entities (2011/2012: \$6,743).

Council Chief Executive Paul Wylie is a Director of Buller Holdings Limited and its subsidiaries from 31 October 2012. In this capacity he received directors fees of \$5,833.

Key Management Personnel Compensation

	Actual 2012/2013 \$000	Actual 2011/2012 \$000
Salaries and other short term employee benefits	872	772
Post employment, other long term benefits and share-based payments	0	0
	\$872	\$772

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

Note 24 ~ Council Subsidiaries, Associates and Joint Ventures

The Council has a significant interest in the *following* entities:

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

CCTO: Council Controlled Trading Organisation

CCO: Council Controlled Organisation

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

Westport Airport Authority

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

In 2012/2013 there were contributions totalling \$526,334 made by the joint venture holders (2011/2012: Nil).

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

	2012/2013 \$000	2011/2012 \$000
Current Assets	4	5
Long Term Assets (represented by Equity)	3,016	2,819
Current Liabilities	3	34
Long Term Liabilities	0	0
Income	58	59
Expenses	126	117

Note 25 ~ Statement of Commitments, Contingent Liabilities and Contingent Assets

Commitments	Parent		Group	
	2012/2013 \$000	2011/2012 \$000	2012/2013 \$000	2011/2012 \$000
Capital Commitments Approved and Contracted	\$414	\$83	\$634	\$83
Non-cancellable Operating Lease Commitments				
<i>Motor Vehicles:</i>				
Not later than a year	12	85	12	85
Later than one year but not later than five years	10	5	10	5
Later than five years	0	0	0	0
	\$22	\$90	\$22	\$90
<i>Office Equipment:</i>				
Not later than a year	54	31	54	31
Later than one year but not later than five years	54	103	54	103
Later than five years	0	0	0	0
	\$108	\$134	\$108	\$134

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

Lease Revenue commitments with Westport Harbour Limited

	2012/2013 \$000	2011/2012 \$000
Less than a year	206	206
More than 1 year less than 2	206	206
More than 2 years less than 5	341	439
Greater than 5 years	3,474	3,582
	\$4,227	\$4,433

Lease Revenue commitments with Coaltown Trust

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

	2012/2013 \$000	2011/2012 \$000
Less than a year	67	0
More than 1 year less than 2	67	0
More than 2 years less than 5	201	0
Greater than 5 years	335	0
	\$670	\$0

Other Contracts

The *following* contracts (except for the Refuse, Recycling and Landfill contract which will end in 2014) were renewed with WestReef Services Limited in 2011/2012 for another 7 years and expire on 30 June 2019. These contracts are rolled over annually. The following amounts are for one year:

	2012/2013 \$000	2011/2012 \$000
Utility Services and Fire Fighting	990	942
Parks, Reserves, and Cemeteries	834	846
Refuse Collection, Recycling and Landfill Operation	471	891
	\$2,295	\$2,679

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

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

Rooding

	2012/2013 \$000	2011/2012 \$000
Not later than one year	\$2,250	\$2,242

Contingent Liabilities

Contingent Liabilities for Council and the Group are as *follows*:

- * Council has a suspensory loan as at 30 June 2013 of \$400,000 owing to Housing New Zealand. If Council decides not to proceed with planned pensioner housing upgrades then this amount is required to be paid back (2011/2012: \$400,000).
- * Council has provided the Coaltown Trust with a guarantee for \$500,000.
- * Council has no outstanding leaky home claims for which it may be liable (2011/2012: no leaky home claims).
- * There is a currently a claim against Council by a commercial property owner. The owner claims a building that they purchased in 2007 should have been signed off as meeting earthquake standards by Council when it issued a building consent for alterations performed on the building in 2007. The matter is being handled by Council's insurers and Council's exposure is limited to the excess on Councils insurance policy (2011/ 2012 There was a legal dispute between Council and developer Swordfish Co Limited. The company sued the Buller District Council in regard to the standard of two sections that the company purchased in 2007 on a newly formed subdivision. The company claims that Council had signed off the subdivision, but it was subsequently revealed that it has inadequate fill and lacked flood protection, both measures being conditions of the resource consent. The company has alleged that Council had a duty of care to ensure that the sections were compliant with the terms of the consent. The matter was handled through Council's insurers and Council's exposure was limited to the excess on the policy).
- * Council has a potential liability under its Local Authority Protection Programme (LAPP) Fund. The LAPP trustees resolved this year to do all in their power to reduce the impact on members of the self-funding component of the programme. The contribution factor in the event of a major catastrophic loss has been reduced to four (down from five) times individual contributions. The maximum any member will be exposed to is twice in any one year (being for two major events per year), ie, eight times its individual contributions. The maximum Council has a potential liability for at this point in time is \$603,000 based on the contribution for the 2013/2014 financial year.
- * Council is a participating employer in the National Provident Fund's Defined Benefit Plan Contributors Scheme (the scheme) which is a multi-employer defined benefit superannuation scheme. In the unlikely event that the other participating employers cease to participate in the scheme, the Council could be responsible for the entire deficit of the scheme. Similarly, if a number of employers ceased to participate in the scheme, Council could be responsible for an increased share of the deficit. The Fund has advised that insufficient information is available to use defined benefit accounting as it is not possible to determine, from the terms of the scheme, the extent to which the deficit will affect future contributions by employers, as there is no prescribed basis for allocation.
- * WestReef had \$64,000 in Performance Bonds outstanding with Westpac as at 30 June 2013 (2011/2012: \$64,000).
- * Buller Health Trust has no contingent liabilities as at 30 June 2013 (2011/2012: rework or settlement on a patient treated in 2007. No values were known at 30 June 2012).
- * Buller Holdings Limited has no contingent liabilities as at 30 June 2013 (2011/2012: Nil).
- * Westport Harbour Ltd has no contingent liabilities as at 30 June 2013 (2011/2012: Nil).
- * Buller Arts and Recreation Trust and Tourism West Coast (INC) also have no contingent liabilities as at 30 June 2013 (2011/2012: Nil).

Contingent Assets

Buller District Council has a contingent asset relating to construction of the Solid Energy Centre hockey turf. The turf has not met expectations as a playing surface. Council has met with contractors involved in the original construction of the hockey ground to seek settlement. However no estimate of a settlement can be made at balance date. The Group has no other contingent assets as at 30 June 2013.

Note 26 ~ Capital Management

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

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

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

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

Buller District Council has the following Council created reserves:

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

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

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

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

Note 27 ~ Financial Instruments

Financial Instrument Risks

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

Market Risk

Price Risk

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

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

Currency Risk

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

Interest Rate Risk

The interest rates on Council's investments are disclosed in Note 12 and on Council's borrowings in Note 18.

Fair Value Interest Rate Risk

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

Cashflow Interest Rate Risk

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

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

Credit Risk

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

Liquidity Risk

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

In meetings its liquidity requirements Council maintains a target level of investments that must mature within the next 12 months. Council manages its borrowings in accordance with its funding and financial policies, which includes a Liability Management Policy. These policies have been adopted as part of Council's Long Term Plan.

Council has a maximum amount that can be drawn against its overdraft facility of \$1,250,000 (2011/2012: \$1,250,000). There are no restrictions on the use of this facility.

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

	Parent		Group	
	2012/2013 \$000	2011/2012 \$000	2012/2013 \$000	2011/2012 \$000
Financial Assets				
<i>Loans and Receivables:</i>				
Cash and Cash Equivalents	2,084	1,986	3,341	2,560
Debtors and Other Receivables	5,608	4,645	5,872	4,708
<i>Other Financial Assets:</i>				
- Short Term Deposits	11,972	10,938	12,496	12,241
- Community Loans	0	0	0	0
- Loans to Related Parties	3,369	3,129	0	0
Total Loans and Receivables	\$23,033	\$20,698	\$21,709	\$19,509
Fair Value Through Other Comprehensive Income				
<i>Other Financial Assets:</i>				
- Unlisted shares	39	31	39	31
Total Fair Value Through Other Comprehensive Income	\$39	\$31	\$39	\$31
Financial Liabilities				
Fair Value Through Surplus or Deficit - Held For Trading				
Derivative Financial Instrument Liabilities	434	902	434	902
Total Financial Liabilities At Fair Value Through Surplus or Deficit	\$434	\$902	\$434	\$902
Financial Liabilities At Amortised Cost				
Creditors And Other Payables	3,132	4,051	3,400	3,379
<i>Borrowings:</i>				
- Bank Overdraft	0	0	0	0
- Secured Loans	25,650	23,024	25,650	23,024
Total Financial Liabilities At Amortised Cost	\$28,782	\$27,075	\$29,050	\$26,403

Fair Value Heirarchy Disclosures

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

Valuation techniques using observable inputs (level 2) - Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Valuation techniques with significant non-observable inputs (level 3) - Financial instruments valued using models where one or more significant inputs are not observable.

	Observable Inputs \$000	Significant Non- observable Inputs \$000	Total \$000
Parent 2012/2013			
<i>Financial Assets:</i>			
Unlisted Shares	0	39	39
<i>Financial Liabilities:</i>			
Derivative Financial Instrument Liabilities	434	0	434
Group 2013/2013			
<i>Financial Assets:</i>			
Unlisted Shares	0	39	39
<i>Financial Liabilities:</i>			
Derivative Financial Instrument Liabilities	434	0	434
Parent 2011/2012			
<i>Financial Assets:</i>			
Unlisted Shares	0	31	31
<i>Financial Liabilities:</i>			
Derivative Financial Instrument Liabilities	902	0	902
Group 2011/2012			
<i>Financial Assets:</i>			
Unlisted Shares	0	31	31
<i>Financial Liabilities:</i>			
Derivative Financial Instrument Liabilities	902	0	902

Maximum Exposure to Credit Risk

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

	Parent		Group	
	2012/2013 \$000	2011/2012 \$000	2012/2013 \$000	2011/2012 \$000
Cash at Bank and Term Deposits	14,056	12,924	15,837	14,801
Debtors and Other Receivables	5,608	4,645	5,872	4,708
Community and Related Party Loans	3,369	3,129	0	0
Total Credit Risk	\$23,033	\$20,698	\$21,709	\$19,510

Credit Quality of Financial Assets

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

	Parent		Group	
	2012/2013 \$000	2011/2012 \$000	2012/2013 \$000	2011/2012 \$000
Counterparties With Credit Ratings				
<i>Cash at Bank and Term Deposits:</i>				
AA	10,588	9,456	12,369	11,335
BB	3,468	3,468	3,468	3,468
Total Cash at Bank and Term Deposits	\$14,056	\$12,924	\$15,837	\$14,801
Counterparties Without Credit Ratings				
<i>Cash at Bank and Term Deposits:</i>				
Existing counterparty with no defaults in the past	0	0	0	0
Total Cash at Bank and Term Deposits	\$0	\$0	\$0	\$0
<i>Community and Related Party Loans:</i>				
Existing counterparty with no defaults in the past	3,369	3,110	0	0
Total Community and Related Party Loans	\$3,369	\$3,110	\$0	\$0

Contractual Maturity Analysis of Financial Liabilities

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

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

PARENT 2011/2012						
Creditors and Other Payables	4,051	4,051	4,051	0	0	0
Net Settled Derivative Liabilities	902	902	0	45	857	0
Bank Overdraft	0	0	0	0	0	0
Secured Loans	23,024	26,010	1,059	10,083	14,868	0
Total	\$27,977	\$30,963	\$5,110	\$10,128	\$15,725	\$0

GROUP 2011/2012						
Creditors and Other Payables	3,379	3,379	3,379	0	0	0
Net Settled Derivative Liabilities	902	902	0	45	857	0
Bank Overdraft	0	0	0	0	0	0
Secured Loans	23,024	26,010	1,059	10,083	14,868	0
Total	\$27,305	\$30,291	\$4,438	\$10,128	\$15,725	\$0

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

Future interest payments on floating rate debt is based on the floating rate on the instrument at balance date. The amounts disclosed are the contractual undiscounted cashflows.

Contractual Maturity Analysis of Financial Assets

	Carrying Amount \$000	Contractual Cashflows \$000	Less than 1 Year \$000	1-2 Years \$000	2-5 Years \$000	More Than 5 Years \$000
PARENT 2012/2013						
Cash and Cash Equivalents	2,084	2,084	2,084	0	0	0
Debtors and Other Receivables	5,608	5,608	5,608	0	0	0
<i>Other Financial Assets:</i>						
- Short Term Deposits	11,972	12,291	12,291	0	0	0
- Loans to Related Parties	3,369	3,556	3,238	80	239	0
Total	\$23,033	\$23,539	\$23,221	\$80	\$239	\$0
GROUP 2012/2013						
Cash and Cash Equivalents	3,341	3,341	3,341	0	0	0
Debtors and Other Receivables	5,872	5,872	5,872	0	0	0
<i>Other Financial Assets:</i>						
- Short Term Deposits	12,496	12,496	12,496	0	0	0
- Loans to Related Parties	0	0	0	0	0	0
Total	\$21,709	\$21,709	\$21,709	\$0	\$0	\$0
PARENT 2011/2012						
Cash and Cash Equivalents	1,986	1,986	1,986	0	0	0
Debtors and Other Receivables	4,645	4,645	4,645	0	0	0
<i>Other Financial Assets:</i>						
- Short Term Deposits	10,938	11,220	11,220	0	0	0
- Loans to Related Parties	3,129	3,247	3,000	247	0	0
Total	\$20,698	\$21,098	\$20,851	\$247	\$0	\$0
GROUP 2011/2012						
Cash and Cash Equivalents	2,560	2,560	2,560	0	0	0
Debtors and Other Receivables	4,708	4,708	4,708	0	0	0
<i>Other Financial Assets:</i>						
- Short Term Deposits	12,241	12,242	12,242	0	0	0
- Loans to Related Parties	0	0	0	0	0	0
Total	\$19,509	\$19,510	\$19,510	\$0	\$0	\$0

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

Financial Instrument Risks

Sensitivity Analysis

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

Council - Interest Rate Risk	Note	2012/2013 \$000				2011/2012 \$000			
		-100bps		+100bps		-100bps		+100bps	
		Profit	Other Equity	Profit	Other Equity	Profit	Other Equity	Profit	Other Equity
Financial Assets									
Cash and Cash Equivalents	1	(12)	0	12	0	(14)	0	14	0
Other Financial Assets - Short Term Deposits	2	(119)	0	119	0	(109)	0	109	0
Financial Liabilities									
Cash and Cash Equivalents - Bank Overdraft	3	0	0	0	0	0	0	0	0
Derivatives - Held for Trading	4	(170)	0	170	0	(150)	0	150	0
Borrowings - Secured Loans	5	83	0	(83)	0	80	0	(80)	0
Total Sensitivity to Interest Rate Risk		\$(218)	\$0	\$218	0	\$(193)	\$0	\$193	\$0

Explanation of Sensitivity Analysis - Council

Financial Assets

1. Cash and Cash Equivalents

Cash and cash equivalents of \$2,084,000 (2011/2012: \$1,986,000) of which \$934,000 (2011/2012: \$586,000) are held in non-interest bearing cheque deposit accounts. A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$12,000 (2011/2012: \$14,000).

2. Other Financial Assets - Short Term Deposits

Short Term Deposits consist of term deposits at financial institutions and total \$11,972,000 (2011/2012: \$10,940,000). A movement in interest rates of plus or minus 1.0% has an effect on investment income of \$119,700 (2011: \$109,400).

Financial Liabilities

3. Bank Overdraft

There were no bank overdrafts in 2012/2013 (2011/2012: Nil). Bank overdrafts are at floating interest rates. Therefore a movement in interest rates of plus or minus 1.0% has no effect on interest expense (2011/2012: Nil).

4. Derivatives - Held For Trading

Derivative financial instruments held for trading consist of interest rate swaps with a fair value totalling \$434,000 (2011/2012: \$902,000). A movement in interest rates of plus or minus 1.0% has an effect on realised receipts/(payments) on the derivatives during the period of \$170,000 (2011/2012: \$150,000).

5. Borrowings - Secured Loans

Council has floating rate debt with a principal amount totalling \$8,324,000 (2011/2012: \$8,024,000). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$83,000 (2011/2012: \$80,000). a movement in market interest rates on fixed rate debt does not have any impact on interest expense.

Group - Interest Rate Risk	Note	2012/2013 \$000				2011/2012 \$000			
		-100bps Profit	-100bps Other Equity	+100bps Profit	+100bps Other Equity	-100bps Profit	-100bps Other Equity	+100bps Profit	+100bps Other Equity
Financial Assets									
Cash and Cash Equivalents	1	(17)	0	17	0	(14)	0	14	0
Other Financial Assets - Short Term Deposits	2	(124)	0	124	0	(122)	0	122	0
Financial Liabilities									
Cash and Cash Equivalents - Bank Overdraft	3	0	0	0	0	0	0	0	0
Derivatives - Held for Trading	4	(170)	0	170	0	(150)	0	150	0
Borrowings - Secured Loans	5	83	0	(83)	0	80	0	(80)	0
Total Sensitivity to Interest Rate Risk		(228)	0	228	0	(206)	0	206	0

Explanation of Sensitivity Analysis - Group

Financial Assets

1. Cash and Cash Equivalents

Cash and cash equivalents of \$3,341,000 (2011/2012: \$2,560,000) of which \$1,691,000 (2011/2012: \$1,160,000) are held in non-interest bearing cheque deposit accounts. A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$17,000 (2011/2012: \$14,000).

2. Other Financial Assets - Short Term Deposits

Short Term Deposits consist of term deposits at financial institutions and total \$12,496,000 (2011/2012: \$12,242,000). A movement in interest rates of plus or minus 1.0% has an effect on investment income of \$124,000 (2011/2012: \$122,000).

Financial Liabilities

3. Bank Overdraft

There are no bank overdrafts in 2013 (2011/2012: nil) Bank overdrafts are at floating interest rates. Therefore a movement in interest rates of plus or minus 1.0% has no effect on interest expense (2011/2012: nil).

4. Derivatives - Held For Trading

Derivative financial instruments held for trading consist of interest rate swaps with a fair value totalling \$434,000 (2011/2012: \$902,000). A movement in interest rates of plus or minus 1.0% has an effect on realised receipts/(payments) on the derivatives during the period of \$170,000 (2011/2012: \$150,000).

5. Borrowings - Secured Loans

The Group has floating rate debt with a principal amount totalling \$8,324,000 (2011/2012: \$8,024,000). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$83,000 (2011/2012: \$80,000). A movement in market interest rates on fixed rate debt does not have any impact on interest expense.

Note 28 ~ Post Balance Date Events



There are no significant events occurring after balance date that impact on the reported financial information for the year ending 30 June 2013 for Buller District Council and the Group (2011/2012: Nil)

Note 29 ~ Reclassification and Restatement

Council and Group has changed the presentation of items within Operating Revenue to comply with the new presentation requirements of the Local Government (Financial Reporting) Regulations 2011.

The effect of the changes to income for the comparative figures for 2011/20102 are shown in the table below:

COUNCIL	Before Reclassification	Reclassification	After Classification
	\$000	\$000	\$000
OPERATING REVENUE			
General Rates	6,835	0	6,835
Targeted Rates (excluding Metered Water)	4,486	0	4,486
Metered Water Charges	0	229	229
Rate Penalties	231	0	231
Subsidies and Grants (previously Financial Assistance)	5,162	0	5,162
Investment Income	1,764	0	1,764
Other Income	159	0	159
Development and Financial Contributions	0	91	91
Fees and Charges	4,420	(320)	4,100
Gain on Derivative Contracts	0	0	0
Vested Assets	122	0	122
Profit on Sale of Assets	6	0	6
Gain on Revaluations of Investment Land	532	0	532
Share in Profit (Loss) of Associate	0	0	0
Total Operating Revenue	\$23,717	\$0	\$23,717

GROUP	Before Reclassification	Reclassification	After Classification
	\$000	\$000	\$000
OPERATING REVENUE			
General Rates	6,835	0	6,835
Targeted Rates (excluding Metered Water)	4,486	0	4,486
Metered Water Charges	0	229	229
Rate Penalties	231	0	231
Subsidies and Grants (previously Financial Assistance)	5,162	0	5,162
Investment Income	612	0	612
Other Income	2	0	2
Development and Financial Contributions	0	91	91
Fees and Charges	9,435	(320)	9,115
Gain on Derivative Contracts	0	0	0
Vested Assets	122	0	122
Profit on Sale of Assets	35	0	35
Gain on Revaluations of Investment Land	532	0	532
Share in Profit (Loss) of Associate	(1)	0	(1)
Total Operating Revenue	\$27,451	\$0	\$27,451

Note 30 ~ Explanations of Major Variances against Budget

Explanations of major variations from the Councils budget figures in the 2012/2013 Annual Plan are as follows:

Statement of Comprehensive Income

Total revenue was \$26.5 million, \$2.8 million above budget of \$23.7 million. This was primarily due to the following:

- * Additional financial assistance totalling \$780,000 to fund the emergency reinstatement works associated with the December 2012 flood.
- * \$876,000 grants income being received from Extraordinary Fund of Development West Coast to be distributed to community projects.
- * Unanticipated Reserve Contributions from subdivisions totalling \$389,000.
- * Gain on Derivative Contracts totalling \$468,000.
- * Vested Assets mainly associated with the Mountain View subdivision totalling \$635,000 (2012/2013 budget \$100,000).

Operating Expenditure totalled \$25.5 million as compared with \$22.9 million. This was attributable to the following:

This was mainly in other operating expenses.

- * Granting of the Coaltown fitout and associated assets to the Coaltown Trust (\$742,000). This was done to prevent the general ratepayer from having to fund ongoing depreciation.
- * \$876,000 grants expenditure being distributed to fund community based projects benefitting the region. This was funded from the Extraordinary Fund of development West Coast.
- * Emergency reinstatement roading repairs and maintenance associated with the December 2012 flood totalled \$780,000.
- * Unbudgeted legal expenses associated with resource consents appealed to the Environment Court where Council is obliged to defend its decisions totalled \$201,000. The majority of these costs were associated with high profile cases involving the Bathurst mine proposal.
- * The workload associated with the high profile Environmental Consents resulted in a reliance on the use of external consultants. This led to higher than anticipated expenditure on external consultants (\$118,000). All of this expenditure is fully recoverable.
- * External consultants used for the changes to the Council Waste Management proposals exceeded budgeted by \$92,000.

These areas of over expenditure were offset by lower than anticipated repairs and maintenance costs in Reefton and Westport (\$148,000).

Statement of Financial Position

- * Total current assets totalled \$20 million and exceeded budget by \$1.4 million. The growth in trade and other receivables is due to funding for grants and capital projects being invoiced but not yet received by Council (\$837,000).
- * Short term investments were \$792,000 lower than budget due to timing differences in drawing down loans for capital projects.
- * Trade and trade payables were \$2.4 million lower than forecast, this is due to the deferral of capital projects (mainly the Westport water supply upgrade).
- * Non current liabilities are lower than forecast by \$1.7 million. This is due to lower gross debt than anticipated, due to the deferral of capital projects.

Cashflow Statement

- * Other Income was \$1.4 million higher than anticipated due to additional financial assistance than anticipated from NZTA due to flooding, contributions from Solid Energy towards the Millerton track and Development West Coast grants as well.
- * Payment to Suppliers and Employers were higher than budget largely due to higher other operating expenses and employee benefit expenses which totalled \$18 million versus a budget \$15.3 million (\$2.7 million).
- * Purchase of Fixed Assets were \$3.3 million lower than budget due to the deferral of capital projects (Westport Water Supply upgrade, deferral of roading capital works due to flooding, deferral of property upgrades) and savings on relocation of i-site and Coaltown museum into the Cultural Hub).
- * Loans raised were lower than budget due to the deferral of capital projects.
- * Overall the Council cash position was in a stronger cash position of \$455,000.

Reporting Entity

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

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

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

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

Basis of Preparation

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

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

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

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

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

Subsidiaries

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

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

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

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

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

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

Associates

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

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

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

Joint Ventures

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

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

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

Revenue

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

Rates Revenue.

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

Other Revenue

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

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

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

Rental income is recognised on a straight line basis.

Interest income is recognised using the effective interest method.

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

Borrowing Costs

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

Grant Expenditure

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

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

Income Tax

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

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

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

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

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

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

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

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

Leases

Finance Leases

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

At the commencement of the lease term, Buller District Council recognises finance leases as assets and liabilities in the Statement of Financial Position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

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

Operating leases

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

Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held on call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

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

Trade and other receivables

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

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

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

Inventories

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

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

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

Non Current Assets Held for Sale

Non current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through the sale transaction rather than through continuing use. Non current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

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

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

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

Financial Assets

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

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

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

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

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

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

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

Financial Assets at Fair Value Through Surplus or Deficit

This category has two sub-categories:

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

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

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

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

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

Held to Maturity Investments

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

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

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

Loans and Receivables

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

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or de-recognised are recognised in the surplus or deficit. Loans and receivables are classified as “trade and receivables” and short and long term investments in the Statement of Financial Position.

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

Fair Value Through Other Comprehensive Income

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

This category encompasses:

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

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

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

Investments in this category include shares in other companies.

Impairment of Financial Assets

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

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

Derivative Financial Instruments

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

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each balance date.

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

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

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

Property, Plant and Equipment

Property, plant and equipment consist of:

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

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

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

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

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

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

Additions

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

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

Disposals

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

Subsequent Costs

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

Depreciation

Depreciation is provided on a straight line basis on all property, plant and equipment, other than land or erosion protection assets, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Council Assets

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

Infrastructure Assets

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

Harbour Assets

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

WestReef Services Limited Assets

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

Buller Health Trust Assets

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

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

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

Revaluation

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

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

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

Infrastructural Assets - The infrastructural assets are valued on a three yearly valuation cycle at fair value determined on a depreciated replacement cost basis by an independent valuer. At balance date Buller District Council assesses the carrying values of its infrastructural assets to ensure that they do not differ materially from the assets fair value. The most recent valuation was performed by GHD Limited and the valuation is effective as at 30 June 2012. All infrastructural asset classes carried at valuation were valued. The total value of infrastructural assets valued by GHD Limited on 30 June 2012 was \$246,295,000.

Accounting for Revaluation

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

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

Intangible Assets

Goodwill

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

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

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

Investment Property

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

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

After initial recognition, Buller District Council measures all investment property at fair value as determined annually by an independent valuer. The most recent valuation of investment property was carried out by Darroch Valuations with an effective date as at 30 June 2013.

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

Impairment of Non Financial Assets

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

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

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

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

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

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

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

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

Employee Entitlements

Short Term Benefits

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

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

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

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

Long Term Benefits

- Long Service Leave and Retirement Leave

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

- * Likely future entitlements accruing to staff, based on years of service, years to entitlement and the likelihood that staff will reach the point of entitlement; and
- * The present value of the estimated future cashflows. A discount rate of 5.5%, and a inflation factor of 2.4% were used. The discount rate is based on the weighted average of Government interest rates for stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long term increase in remuneration for employees

Superannuation Schemes

- Defined Contributions Schemes

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

Provisions

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

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

Borrowings

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

Equity

Equity is the communities interest in Buller District Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

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

Goods and Services Tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Budget Figures

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

Cost Allocation

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

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

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using an appropriate cost driver.

Critical Accounting Estimates and Assumptions

In preparing these financial statements Buller District Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that form a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

Landfill Aftercare Provision

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

Infrastructural Assets

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

- * The physical deterioration and condition of an asset, eg Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible such as stormwater, wastewater and water supply pipes that are underground. The risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- * Estimating any obsolescence or surplus capacity of an asset; and
- * Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by local conditions, eg weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the surplus or deficit. To minimize the risk, Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructure Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition 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 prepare Council's infrastructural asset revaluations. The last valuation was prepared by GHD Limited on 30 June 2012.

Standards and Interpretations Not Yet Adopted

Standards, amendments, and interpretations but not yet effective that have not been early adopted, and which are relevant to the Council and group, are:

NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments:

Recognition and Measurement. NZ IAS 39 is being replaced through the following 3 mainphases:

- * Phase 1: Classification and Measurement
- * Phase 2: Impairment Methodology,
- * 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 IFRS9 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 new standard also requires a single impairment method to be used, replacing the many different impairment methods in NZ IAS 39. The new standard is required to be adopted for the year ended 30 June 2014. Buller District Council has not yet assessed the effect of the new standard and expects it will not be early adopted.

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 1 reporting entity and it will be required to apply full Public Benefit Entity Accounting Standards (PAS). 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.

Independent Auditor's Report

To the readers of Buller District Council and group's annual report for the year ended 30 June 2013

The Auditor-General is the auditor of Buller District Council (the District Council) and group. The Auditor-General has appointed me, Scott Tobin, using the staff and resources of Audit New Zealand to audit:

- the financial statements of the District Council and group that comprise:
 - the statement of financial position as at 30 June 2013 on pages 106 to 107;
 - the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ending 30 June 2013 on pages 104 to 105 and 108 to 109;
 - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 111 to 174;
- the non-financial performance information of the District Council and each group of activities carried out by the District Council on pages 21 to 88;
- the funding impact statements in relation to each group of activities of the District Council on pages 21 to 88;
- the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 21 to 88; and
- the funding impact statement of the District Council on page 110.

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

- information about:
 - internal borrowing on page 140;
 - reserve funds on page 144 to 146;
 - remuneration paid to the elected members and certain employees of the District Council on page 117;
 - employee staffing levels and remuneration on page 118;
 - severance payments on page 117; and
 - council-controlled organisations on page 89 to 102;

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 the non-financial performance information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the District Council and group's preparation of the information we audited 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 and group's internal control.

An audit also involves evaluating:

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

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

When reporting on whether the annual report complies with the *Other Requirements* of schedule 10 of the Local Government Act 2002, our procedures were limited to making sure the information required by schedule 10 was included in the annual report, where relevant, and identifying material inconsistencies, if any, with the information we audited. This work was carried out in accordance with International Standard on Auditing (New Zealand) 720; *The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements*. As a result we do not express an audit opinion on the District Council's compliance with the requirements of schedule 10.

We did not evaluate the security and controls over the electronic publication of the information we are required to audit and report on.

We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate evidence to provide a basis for our opinion.

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 the non-financial performance information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the District Council and group's preparation of the information we audited 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 and group's internal control.

An audit also involves evaluating:

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

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

When reporting on whether the annual report complies with the *Other Requirements* of schedule 10 of the Local Government Act 2002, our procedures were limited to making sure the information required by schedule 10 was included in the annual report, where relevant, and identifying material inconsistencies, if any, with the information we audited. This work was carried out in accordance with International Standard on Auditing (New Zealand) 720; *The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements*. As a result we do not express an audit opinion on the District Council's compliance with the requirements of schedule 10.

We did not evaluate the security and controls over the electronic publication of the information we are required to audit and report on.

We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate evidence to provide a basis for our opinion.

Responsibilities of the Council

The Council is responsible for preparing:

- financial statements and the non-financial performance information that:
 - comply with generally accepted accounting practice in New Zealand;
 - fairly reflect the District Council and group's financial position, financial performance and cash flows; and
 - 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

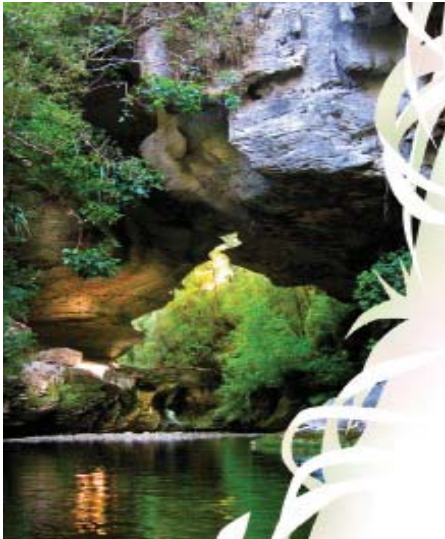
We are responsible for expressing an independent opinion on, the information we are required to audit, and whether the Council has complied with the *Other Requirements* of schedule 10, and reporting that opinion to you. Our responsibility arises under section 15 of the Public Audit Act 2001 and section 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, which includes our report on the *Other Requirements*, we have no relationship with or interests in the District Council or any of its subsidiaries.



Scott Tobin
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand



welcome

Buller *District*
top of the **West Coast**



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