



Buller District Council

Annual Report

2014/2015





Buller District Council

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Message from the Mayor

It is with pleasure that I present you with the 2014/2015 Buller District Council Annual Report and thank you for taking the time to read it.

It represents Council's report on the achievements during the period 1 July 2014 to 30 June 2015. It is an important aspect of Council's accountability to you, our constituents.

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

- Financial Statements and notes to these statements. This outlines Council's overall financial result and position as at 30 June 2015
- Group Activity Statements

These statements report on financial performance and other non-financial performance at an activity level. Council is responsible for a wide range of activities and this report groups activities with a similar output together. This is not only practical, but is also a statutory requirement.

It is a timely reminder that in life you can control some aspects but the environment be it financial, social or natural are often outside of your direct control. A first glance at the statement of comprehensive revenue and expense shows an overall deficit of \$1m for the year against a budgeted surplus of \$1.6m. However there is good news if you look closer at the figures. Council Management and staff have achieved a very good result in terms of controllable income and expenditure with a \$56,000 favourable variance to budget. This includes an expensing of Karamea Drinking Water Standards investigation (\$93,000) as a result of the community vote to not proceed with their drinking water upgrade. In addition movement in the environmental provision because of the change in interest rates resulted in \$75,000 in discounting interest being expensed. This resulted in a net saving of \$149,000 of controllable items expenditure compared to budget.

The uncontrollable market forces on property and asset revaluations have resulted in a book value loss of \$1.5m with asset disposals accounting for a further \$1.1m. In reality Council is not selling those assets and has incurred \$3.6m capital expenditure replacing assets so these are book losses only and with cyclical revaluations, we expect recovery over time. Revaluations on investment property are largely market driven, beyond the control of the Council and do not impact rates.

This year has continued to be a trying year for the District with continued job losses in mining both in Westport and Reefton. We must however ensure as a district we move forward, be positive and put in place good quality amenities for our communities. Our Council has continued to do this by investing in core infrastructure and advocating for our future. This year we have spent \$1.9m on service level improvements and \$3.6m on asset replacements.

We have completed Stage I of the Westport Water Supply Upgrade and we are working with the communities in Waimangaroa and Ngakawau-Hector to progress the upgrades for the smaller schemes.

We have worked on key projects highlighted in the Annual Plan – some projects have been completed while others are still progressing.

Rates Overhaul

We knew this would be a difficult and a contentious project. Given the number of submissions and the feedback we received in January 2015, our Council listened to ratepayers who asked Council to take more time to understand all implications of any new rating proposal.

We have continued to work on this project and we hope to consult on a new rating system in early 2016. We want to make sure we get it right and we end up with a fairer, more equitable rating system, given the Rating Act limits options on how rates can be applied.

Long Term Plan 2015 to 2025

Council adopted its 2015-2025 Long Term Plan on 30 June 2015. We kept rates affordable while still maintaining momentum. The Long Term Plan showed a small decrease in the average rates bill for 2015/2016 and any increases in the years after that, are predicted to be less than the rate of inflation.

On the expenditure side, we clearly set out as priorities improved water supplies throughout the District, and getting the long awaited urban design improvements underway. While we are maintaining the capital programme to bring our infrastructure up to scratch, we have been able to keep debt down and balance the books to ensure a good financial position.

New airline partnership for Westport

In 2015 our Council and Sounds Air announced their partnership in bringing the West Coast a new airline service following the departure of Air New Zealand in April 2015. The advantages for Coasters are a schedule which we determined, a guaranteed six year term with rights of renewal, and the potential to negotiate further flights and/or destinations as demand dictates - all within the security of a long term partnership. The Sounds Air service has been very well received with good patronage from business, residents and visitors.

Inangahua Community Board (ICB)

Retirements from Barry Fowler and Kim Bolton resulted in a by-election for the community board. Voters in the Inangahua Ward voted for two new members to join the Board. We congratulate Susan Barnett and Alun Bollinger on their appointment to our community board. We also wish to thank Barry and Kim for their contributions on the Community Board in Reefton.

Our Future will be what we make it

There is absolutely no doubt that the Buller District is facing critical challenges. Our economic base is changing. Mining, cement manufacture, and the dairy industry all have their own hurdles to overcome in the near future. Many will say we have been through this before and we always resurface. That is true but the recovery is based on those who shrug off the setbacks and go out and make things happen.

Your Council has a key role to advocate on behalf of the Buller community, and to facilitate development, while ensuring the required facilities are in place to allow for new opportunities that will almost certainly arise.

Below are some of the key things that Buller District Council has been focussing on to assist our region move forward.

Facilitation of Existing & New business

If we are to keep the successful businesses that we already have, and attract new business we have to have the right attitude, be positive, welcoming and open doors, to allow existing business to thrive and new business to establish.

Our Council has embraced the philosophy of "red carpet not red tape". We agreed to have a dedicated person for Economic Development Project Assistance, as part of a combined strategy with the four West Coast Councils and Development West Coast.

Advocating for funding of Information Technology

Without good broadband we are not in the game. Possibly one of the biggest enablers of business on the West Coast will be the provision of broadband at speeds compatible to anywhere else in New Zealand.

All four West Coast Councils combined their efforts, and with the assistance of Tai Poutini Polytechnic, are bidding to access funding from the Government Ultra-Fast Broadband, Rural Broadband and Mobile Blind Spot Funds. If we are successful we hope to achieve high speed broadband for 90% of the West Coast and mobile coverage over the Main State Highway network. This will not only help existing business but will encourage new business to set up anywhere in the district, and may even allow people to work from home even if their job is based out of the district.

Councillors, Management and Staff have worked hard throughout the 2014/15 year. Our mission is to serve residents of the Buller District conscious of their needs, by providing facilities and services and creating an environment for progress while preserving the distinctive natural environment, as well as the cultural and historical environments.

All the best.



A handwritten signature in black ink, appearing to read "G. Howard". The signature is stylized and written over a white background.

**Garry Howard
Mayor**

Chief Executive's Report

This Annual Report covers the performance of the Buller District Council Group operations for the period 1 July 2014 to 30 June 2015.

The annual report describes how the Group has performed over the past year, what we've done well, what needs more work, the challenges, and where we're heading. The report includes our financial position, our non-financial performance, and highlights for the year.

The overall accrual accounting result was lower than expected. However, a review of the operating expenditure confirms that financial discipline has been exercised by the Council, management and staff over controllable expenditure items that can be managed.

It is a matter of regret that some financial assistance applications have not been successful. Little Wanganui and South Granity drinking water upgrades did not achieve the assistance requested.

A severe storm event that washed away the Conns Creek intake, meant the planned upgrade for Waimangaroa was not viable, while ownership issues and concerns about design have delayed the South Granity and Ngakawau-Hector Drinking Water upgrades. Costs for Karamea incurred to date that would have been capitalised had the project proceeded, have now had to be expensed and this impacts on the operating results rather than the balance sheet.

The downturn in the economy reduced regulatory income in building and resource consents. Fortunately this was able to be offset by proactive management of the expenditure.

This year saw the completion of the accelerated Westport Water Upgrade (\$5m spent to end of June 2015). The contract progressed well in terms of budget and timelines.

There has been continued investment in all areas of the core infrastructure areas (\$1.9m on improving the level of service and \$3.6m on asset replacements).

Net debt remains significantly below that predicted in the Annual Plan. Interest cover remained at 6%, well within the financial prudence benchmarks for a low growth Council. Cash flow remains positive.

In conclusion, I would like to record my thanks to the Council staff. It has not been an easy year and the willingness of staff to be flexible and go the extra mile has been a major benefit to ratepayers.

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



A handwritten signature in black ink, appearing to read 'Paul Wylie'.

Paul Wylie
Chief Executive

Mayor & Councillors

Mayor

Garry Howard

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



Inangahua Ward

Dave Hawes

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



Graeme Neylon

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



Seddon Ward

Lynn Brooks

First Elected: 2013
| [03] 789-9820 (private)
| [027] 260-1326 (mobile)
connscreek@vodafone.co.nz



Sheryl Rhind

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



Westport Ward

Andrew Basher

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



Greg Hart

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



Graham Howard

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



Robyn Nahr

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



Sharon Roche

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



Phil Rutherford

First Elected: 2013
| [03] 789-7087 (private)
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Inangahua Community Board

Chairperson

Jenette Hawes

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

Board Members

Helen Bollinger

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

Two Board positions were vacant as at 30 June 2015.

Statement of Compliance & Responsibility

Compliance

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

Responsibility

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

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

In the opinion of the Council and Management of the Buller District Council, the Annual Financial Statements for the year ended 30 June 2015 fairly reflect the financial position and operations of the Buller District Council and Group.



Garry Howard - Mayor
28 October 2015



Paul Wylie - Chief Executive
28 October 2015



Consultation with Maori

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

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



Performance Review

An overview of our Financial Performance

Overall Result

Total Revenue was \$24.4m, \$0.7m below budget and total operating expenditure was \$25.5m. Overall this has meant Council has a \$1m net deficit compared to a predicted surplus of \$1.6m.

Operating revenue (excluding non-capital related income items namely asset revaluations and write-offs), was reduced mainly due to the development slowdown that resulted from the economic decline in the District. The anticipated financial assistance was not achieved due to the delayed onset of drinking water upgrade projects in Waimangaroa, Ngakawau-Hector and South Granity for reasons not solely attributable to the Council. Expenditure was higher than budget due to asset disposals, losses on investment property and a loss on derivative contracts.

Although the overall accounting result was significantly lower than expected, reviewing the controllable expenditure reveals a \$56,000 favourable variance. The under expenditure includes expenses for the Karamea

Drinking Water Standards investigation (\$93,000) as a result of the community vote to not proceed with their drinking water upgrade. The net under expenditure for controllable items totalled \$149,000 below budget. The uncontrollable market forces on property, asset and derivative revaluations have resulted in a book value loss of \$1.5m with asset disposals accounting for a further \$1.1m. This demonstrates success with one of the key elements of the financial strategy which is stringent financial discipline by the Council, management and staff.

Losses on derivative contracts and on revaluations of investment land are directly related to the market conditions, not within the control of the Council. Depreciation and asset write-offs are non-cash items. These entries while they impact the overall accounting deficit have no immediate impact on the ratepayer.

Statement of Performance

Operating revenue

Subsidies and Grants

Drinking Water Subsidies (\$1.4m lower than budget)

Rural Drinking Water Upgrade:

A large portion of the decline in operating revenue is attributable to lower than expected financial assistance received caused by the drinking water upgrades in Ngakawau-Hector, Waimangaroa, and Inangahua-Junction (\$749,000) not being completed during the year. Slower progress than anticipated was made for a variety of reasons. Severe storm events on 6 and 7 March 2015, that resulted in floodwater washing away the Conns' Creek Water Supply intake completely and altered the creek bed dramatically. Re-instating that intake was not an option. This meant that the planned and approved upgrade for Waimangaroa water supply was no longer viable. The Ngakawau-Hector drinking water supply upgrade was deferred due to lack of community support and issues around schemes design and ownership.

Westport Water Upgrade:

The 2012-2022 Long Term Plan had assumed a phased upgrade of the Westport Water Supply of 10 years. This was changed during the 2013/2014 Annual Plan to an upgrade over 2 years. Overall a subsidy of \$1.4m was approved.

When the 2014/2015 Annual Plan was approved, due to timing of the anticipated project milestones, an amount of \$1.1 million was expected to be received in the 2014/2015 financial year. In the 2013/2014 year an amount of \$1m subsidy was accrued as the project progressed quicker than envisaged. The balance of the MOH grant was received in 2014/2015. The timing difference in the project milestones versus the planned income resulted in a \$726,000 variance to budget.

Roading Subsidies (\$285,000 lower than budget)

In 2014/2015 Council received \$3.7m in NZTA subsidies. While this may have been slightly lower than budget due to variations in the roading programme, \$2.3m was spent on local road repairs and \$1.25m was spent on repairs and remedial works to the Karamea Highway.

Sponsorship Contributions

Additional sponsorship proceeds above that predicted was received (\$150,000).

Fees and Charges (below budget by \$164,000)

Council received \$3.25m compared to a budget of \$3.4m in fees and charges from a variety of Council activities. A general economic decline and lower development activity in the district impacted certain activities in Council:

- Lower patronage of the theatre.
- Less development across the District resulted in lower resource consent and building consent fees.

Development and Financial Contributions

Reserves contributions exceeded budget by \$121,000.

Investment Income

A higher subvention payment than anticipated from the Holding Company resulted in a favourable variance (\$541,000).

Operating Expenditure

Employee Benefit Expenses (\$175,000 favourable variance to budget)

The favourable variance to budget is due to savings in Resource Management, Asset Management and Professional Services Business Unit. The savings arose through a proactive re-organisation of staff in planning to mitigate the effects of the lower income from Resource and Building consents.

Depreciation and Amortisation (\$255,000 favourable variance to budget)

This is lower than planned due to the deferral of Drinking Water Upgrade Projects.

Finance Costs (\$134,000 unfavourable variance to budget)

This is mainly due to the movement in the closure liability provision (\$75,000) due to a number of factors including movement in interest rates used and allocation of fixed interest contracts to repaid debt.

Assets written off (\$788,000 unfavourable variance to budget)

Write-off of investment properties and disposals of Infrastructure assets.

Loss on Revaluation of Investment Property (\$854,000 unfavourable variance to budget)

A decline in the valuation of the investment property portfolio was related to cyclical market variations.

Loss on the Derivative Contracts

A decline in interest rates in early 2015 resulted in a loss on interest rate swaps of \$681,000. The decline in interest rates was not anticipated by forecasters.

Statement of Position

Net debt has remained fairly static at \$10.1m. The budget estimated that net debt would have risen to \$16.7m.

The lower debt levels are due to repayment of debt during 2014/2015 and deferrals of the Drinking Water Upgrades and other minor capital projects.

Capital Expenditure

Major projects this year have included:

- Completion of Stage I of the Westport Water supply (\$5m, \$3.3m was work in progress in 2013/2014).
- Roothing (\$1.8m being replacements of assets and \$200,00 improving the level of service).
- Remedial upgrades to the Karamea Highway (\$509,000). This is still progressing.









Overall Council replaced \$3.6m of Infrastructure Assets and spent \$1.9m on Capital Expenditure that improved the level of service provided. This is across all areas of infrastructure; roading, water and wastewater, and all other Council activities.

Financial Prudence Benchmarks

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

- Assist in identifying local authorities where further enquiry is warranted in relation to their financial management; and
- Promote prudent financial management by local authorities
- The regulations prescribe how Councils must report these benchmarks and indicators in their Annual Plans, Annual Reports, and Long Term Plans.

The following benchmarks were introduced:

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

Benchmark met	
Benchmark not met	

For the 2014/2015 Annual Report Council has met 5 of the 8 financial prudence benchmarks.

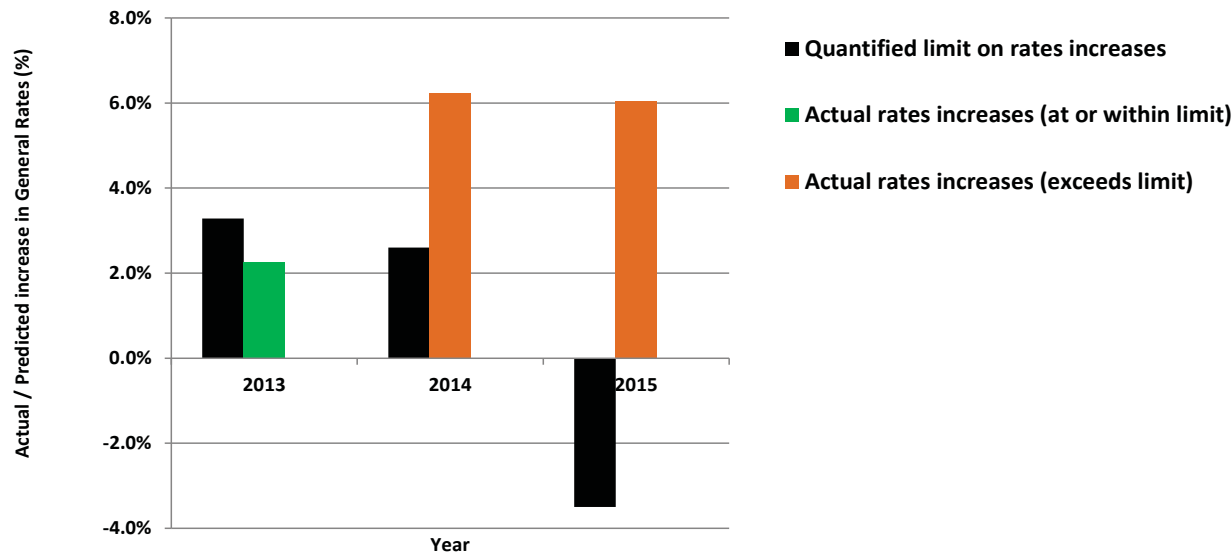
Council met two of the 3 affordability benchmarks, 2 of the sustainability benchmarks and 1 of the 2 predictability benchmarks.

Overall Council is managing its debt and rates income affordability well. There have been approved budget changes which meant that the rates increases limits set in the Long Term Plan were not achieved. Council continues to work towards meeting the balanced budget, but external weather events in 2013/2014, and market conditions, resulted in large movements in the revaluation of investment properties and interest rate swaps. Council continues its investment in infrastructure and has completed Stage I of the Westport Water Upgrade.

Council is meeting its debt servicing costs and operates well below the low growth benchmarks. Debt levels have varied to the 2012-2022 Long Term Plan due to the agreed accelerated water upgrade, but Council has maintained stringent discipline as evidenced in the Operations Control Benchmark.

Rates increases affordability benchmark

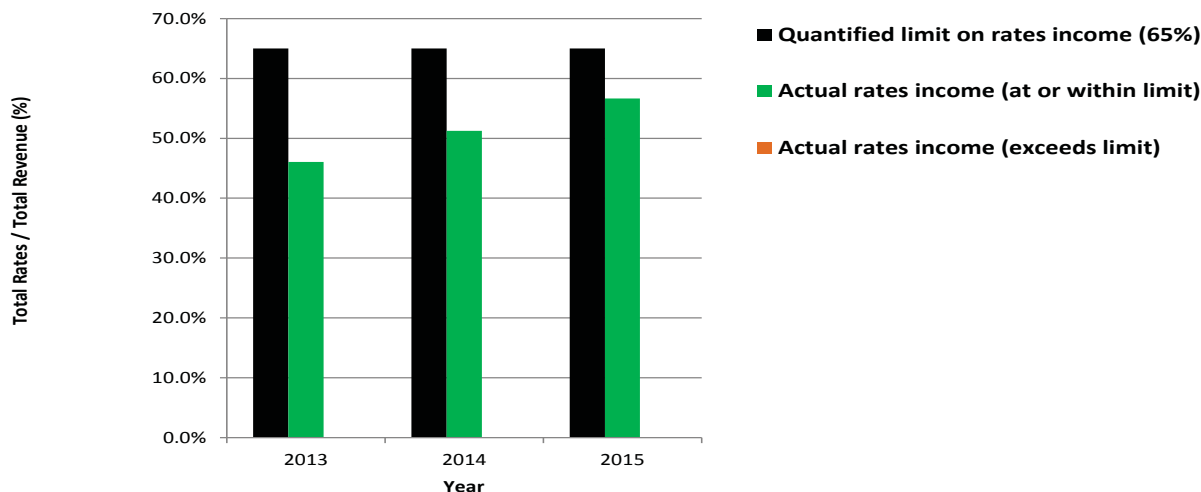
We had stated in the Long Term Plan that our rates limits were what we had forecast in the LTP.



Year	Main drivers why benchmark not met
2013/2014	<ul style="list-style-type: none"> Delay in the commencement of the contracted waste management approach resulted in additional costs which were unbudgeted.
2014/2015	<ul style="list-style-type: none"> The Long Term Plan had predicted a decline. Slower economic activity resulted in a reduction in planning income (\$399,000). A change in the way Council funds Solid Waste increased General Rates (\$313,000). Assistance for the Rates Overhaul project increased General Rates.

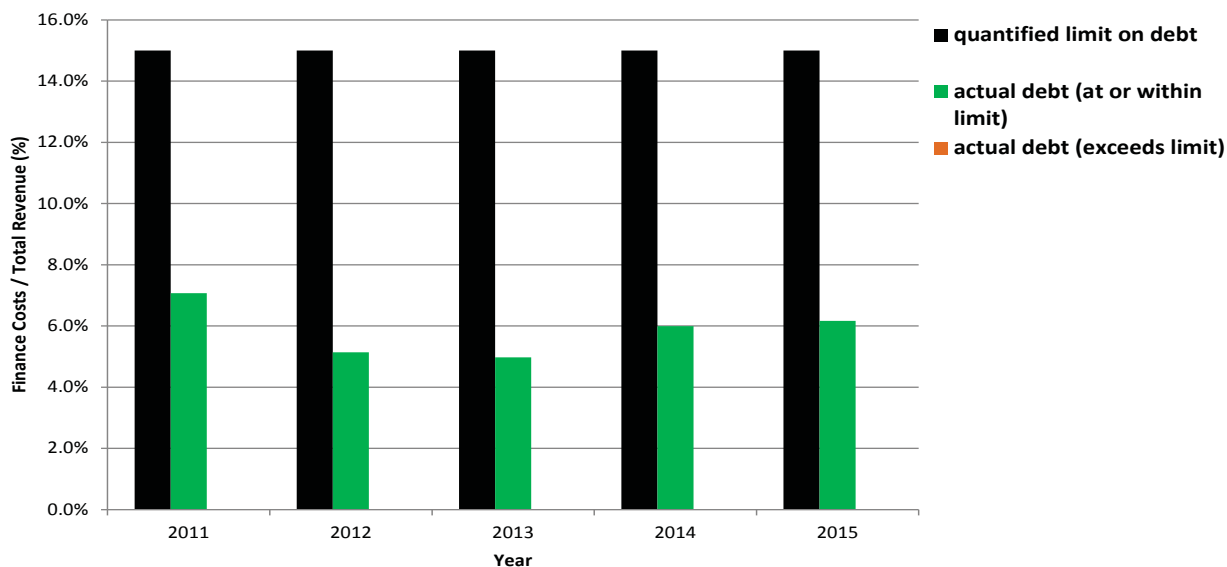
Rates income affordability benchmark

We had agreed that rates income would not exceed 65% of total.

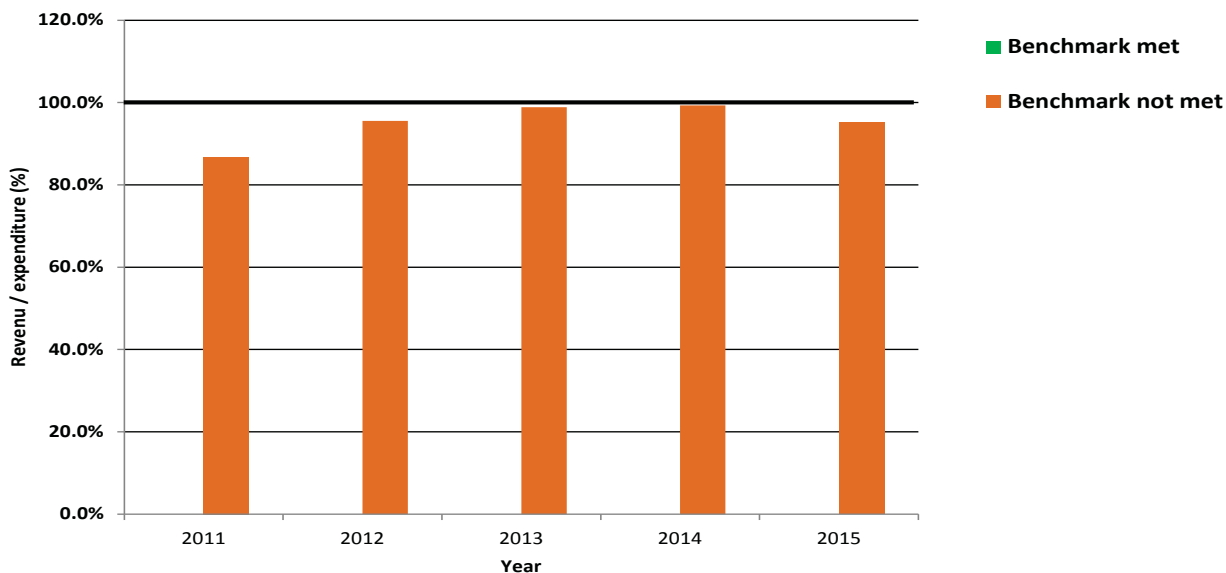


Debt affordability benchmark

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



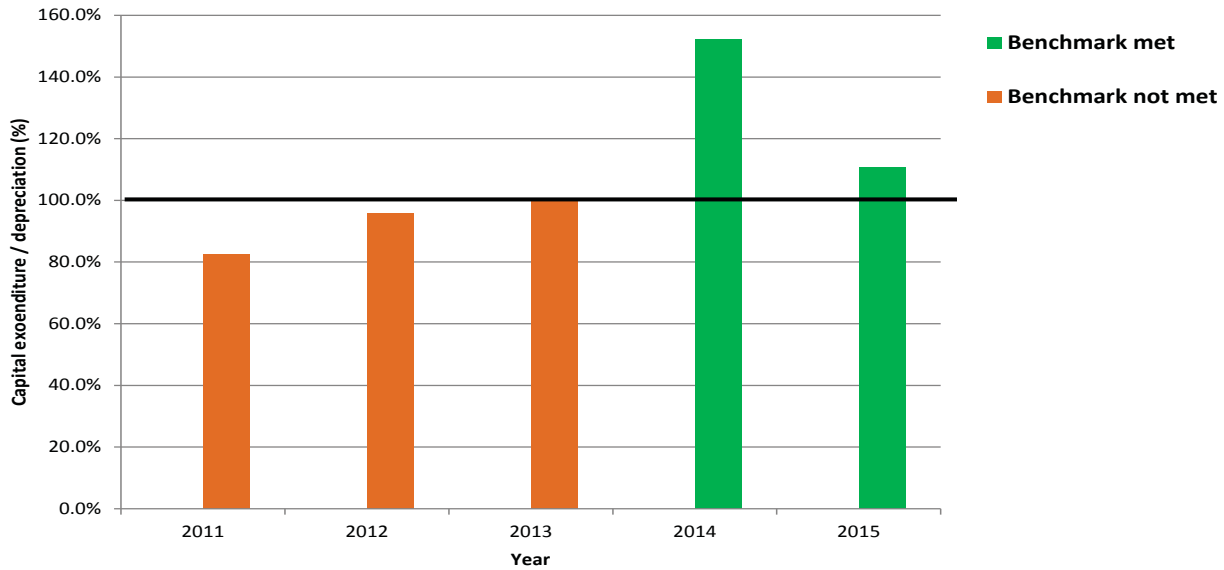
Balanced budget benchmark



Year	Main Driver why benchmark not met
2011/2012	<ul style="list-style-type: none"> One-off events, such as the impairment of Council's shareholding in Buller Recreation, changes in accounting treatment of Council maintenance expenditure, assets write-offs and loss on derivative contracts.
2012/2013	<ul style="list-style-type: none"> Granting of the fitout and associated costs to the Coaltown Trust. There was a great deal of uncertainty regarding the funding of the project when the budget was approved. Legal and staff costs associated with high profile mining consents. Council had made a conscious decision to not budget for legal costs.
2013/2014	<ul style="list-style-type: none"> One-off events such as extra repairs and maintenance as a result of Cyclone Ita. And lower income from fees and charges due to an economic slowdown were the main contributors to not meeting the benchmark.
2014/2015	<ul style="list-style-type: none"> This is attributable to the infrastructure and investment property asset disposals and the loss on the interest rate swaps.

Essential services benchmark

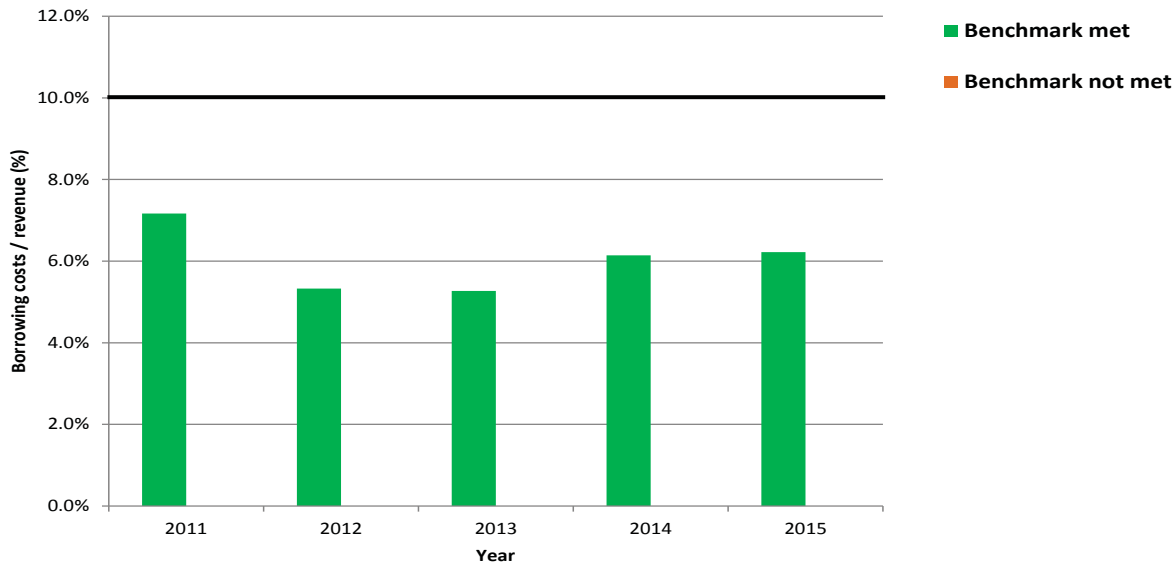
Capital expenditure on the five network infrastructure services has not exceeded depreciation in the following years due to:



Year	Main drivers why benchmark not met
2010/2011	<ul style="list-style-type: none"> Delays in drinking water upgrades associated with Westport and Reefton. Modelling of the separation of stormwater from the sewerage reticulation and treatment was deferred.
2011/2012	<ul style="list-style-type: none"> Minor variations in renewals programme compared to depreciation.
2012/2013	<ul style="list-style-type: none"> This difference was marginal (\$13,000) and is not considered material.
2013/2014	<ul style="list-style-type: none"> This is mainly due to the accelerated drinking water upgrade of the Westport Water Supply.
2014/2015	<ul style="list-style-type: none"> This is mainly due to the accelerated drinking water upgrade of the Westport Water Supply.

Debt servicing benchmark

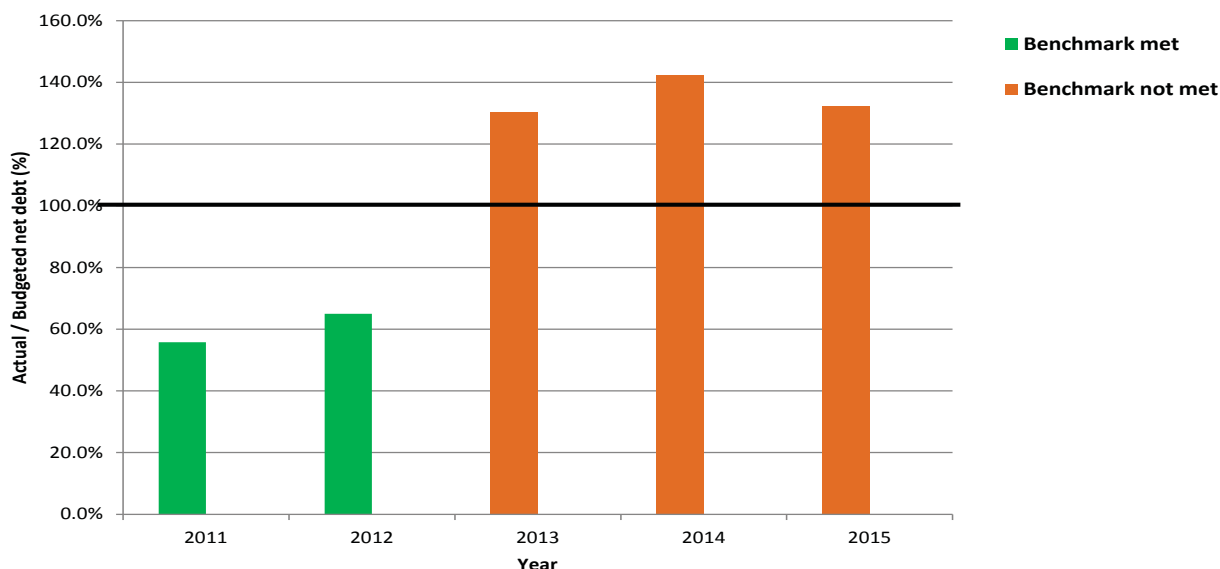
Council has continued to operate well within the low growth Council benchmark of 10%.



Debt control benchmark

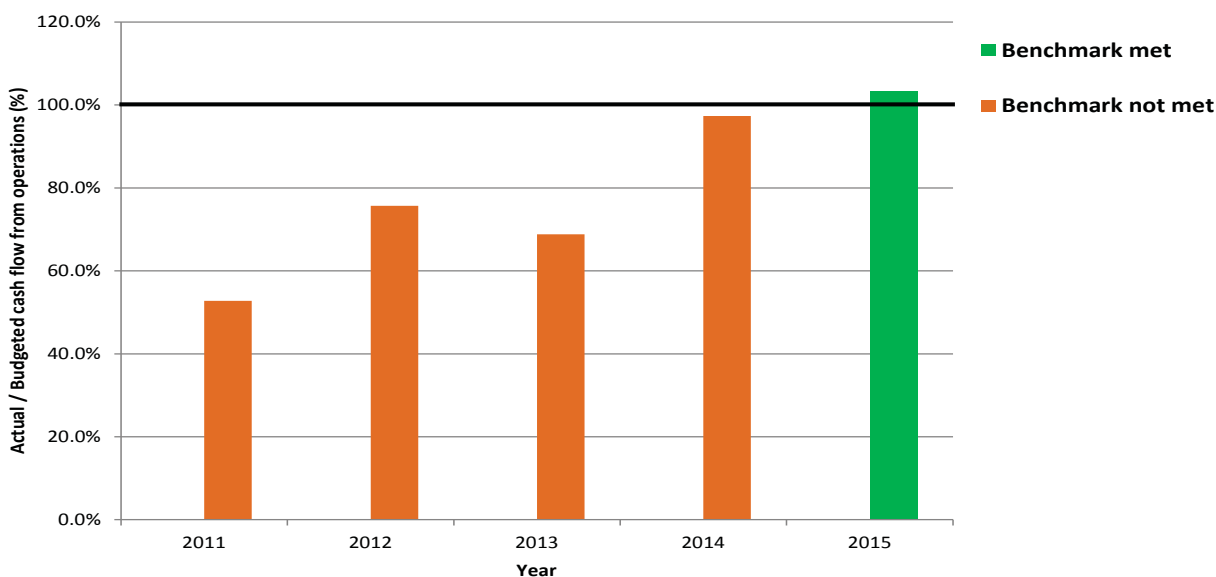
The reason for the higher net debt to that forecasted in the LTP for years 2012/2013 and 2013/2014 is due to the approved acceleration of the Westport Water Supply drinking water upgrade. The decision to accelerate the upgrade of the Westport Water Supply was only made in 2013/2014.

The 2012-2022 Long Term Plan assumed a phased upgrade of the Westport Water Supply over 10 years.



Operations control benchmark

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



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

Council Activities

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

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

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

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



Regulatory Services



Activities in this group include:

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

Why are we involved in these activities?

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

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

The **planning service** ensures the District is able to promote development to support a prosperous community without compromising rights of residents and the District's physical and natural assets/resources. It achieves this aim by appropriate application of the Resource Management Act, through the review and implementation of the District Plan and its resource consent and monitoring functions.

Council's **building control services** ensures that the District's buildings and other associated structures (such as swimming pools) are safe, habitable and meet national legislative requirements.

Compliance and enforcement management activities focus on working with the community to ensure the District remains a peaceful and attractive place to live and work. By the careful application of Bylaws and other legal mechanisms, Council aims to reduce littering, effectively manage freedom camping and respond to noise nuisances, as well as encourage residents to maintain tidy sections.

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

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

The new **Emergency Regional Manager** position has created a working plan to enhance professional development for all **emergency management** personnel through training, exercises and workshops. It also strengthens the coordination and cooperation amongst all relevant sectors in planning for responding to an emergency.

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

Environmental Health ensures that operators meet required public health standards.

How do we contribute to Strategic Goals & Community Outcomes?

This activity supports the following community outcomes:

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



Statement of Service Performance

Alcohol Licensing

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

Local Alcohol Policy

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

District Plan Review

Council held a number of workshops over the 2014/2015 financial year to progress the review of the Buller District Plan, focusing on Parts 1-4 of the Plan. It is intended that the proposed changes arising from this review will be publicly notified in early 2016.

Civil Defence

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



Rural Fire

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

Key Performance Indicators

Achieved

What we did	What we measured	Target	Actual	Achieved
Building				
To maintain quality of life through ensuring compliance with building and development regulations.	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.	2014/2015: Achieved 100% (2013/2014: 100%). 2014/2015: 638 inspections have been recorded (2013/2014: 1,023). 2014/2015: Building inspections are scheduled and carried out in accordance with bookings made, 100% achieved (2013/2014: 100%).	●
	Building consents and LIMs issued within statutory timeframes of 10 working days for LIMs and 20 working days for Building Consents.	Target 100%.	2014/2015: 256 Building Consents issued with 99.22% completed within the statutory 20 working day timeframe (2013/2014: 352, 99.43%).	●
			2014/2015: 96 LIM's issued 100% completed within the 10 working day timeframe, with an average of 3 days processing time (2013/2014: 147 issued with 100% completed within timeframe).	●
	Audit compliance schedules.	No sampling undertaken. Not currently a requirement under the Building Act.	No sampling was undertaken.	●
	Meet earthquake policy objectives.	Council is due to review its earthquake prone policy in December 2014. Buildings will be identified when a consent application is received, change of use occurs or complaint received.	There have been no changes to this policy, however Council has been proactive by sending letters to building owners encouraging them to undertake earthquake assessments. Building (Earthquake-prone Buildings) Amendment Bill has been examined by the Local Government and Environment Committee who has recommended that it be passed with some amendments. No further action will be taken until the Bill is passed.	●
	Ensure quality assurance requirements for building consent authorities are met as required by Regulation 17 of Building Consent Authorities Regulation 2006.	Continue to retain accreditation by passing bi-annual IANZ Audits.	2014/2015: The next audit is due December 2015 (2013/2014: IANZ audit was carried out during 3-5 December 2013 with no corrective actions identified and accreditation as a Building Consent Authority has been continued for a further two years).	●
Resource Management				
To maintain quality of life through ensuring compliance with regulations.	Process non-notified resource consents within statutory timeframes.	Target 100%.	2014/2015: 100% achieved within statutory timeframes (2013/2014: 100%).	●

Key Performance Indicators

Achieved

What we did	What we measured	Target	Actual	
Environmental Health				
To maintain quality of life through ensuring the health and safety of licenced activities.	Inspect all food premises, hairdressers, funeral homes, camping grounds and offensive traders.	Target 100%.	2014/2015: 100%, 124 premises inspected (2013/2014: 100%, 116 premises). No significant findings. These premises met the standards set by the Food Hygiene Regulations 1974.	●
Animal Control				
To maintain quality of life through ensuring the effects of dogs and livestock are minimised.	Investigate all animal related complaints.	Target 100%.	2014/2015: 100%, 351 complaints investigated by BDC staff, 51 after-hour calls regarding stock were attended by Allied Security Contractors (2013/2014: 100%, 399 complaints investigated). This is measured by the use of the service request system and all complaints are loaded through this system. Continued education for animal owners occurs.	●
Noise Control				
To address non-compliance or nuisance activities in ways that uphold the community outcomes.	Respond to 90% of all noise complaints within 30 minutes.	Target 90%.	2014/2015: Achieved 96% - 125 complaints received with 120 being responded to within 30 minutes (2013/2014: Achieved 95% - 136 complaints received with 129 being responded to within 30 minutes).	●
Policy and Strategy				
Maintain quality of life in Buller and ensure that future planning rules reflect community needs and legislative requirements.	Conduct a rolling review of the District Plan to ensure it reflects the changing needs of our community.	Continue work on the priority issues identified during the content review of the District Plan. Continue to align the District Plan with Vision 2050 and the Westport Concept Plan.	2014/2015: Parts 1-4 of the District Plan have been identified as the first priority issues. The District Plan Review Working Party and staff have been holding workshops to progress the review of these Parts and work is on track to notify a set of plan changes in early 2016 (2013/2014: The District Plan Review Working Party and staff have met. Work is underway on prioritising and timetabling the 'Parts' of the Plan for review and projects plans are being developed).	In progress



Key Performance Indicators

Achieved

What we did	What we measured	Target	Actual	Achieved
Emergency Management				
To establish an effective level of preparedness for Civil Defence disasters.	Monitor current EOC trained personnel, upgrade training as required. Ensure availability of at least two shifts.	30 trained volunteers at EOC Foundation and Intermediate Level.	2014/2015: Gracity, Karamea, Westport and Reefton teams, consisting of 100 volunteers, are in training and undergoing a restructure of their groups (2013/2014: 120 volunteers).	●
	Run exercises/training to test effectiveness.	On-going regional exercises/workshops scheduled and completed.	2014/2015: 2 exercises/workshops or real life events occurred (2013/2014: No exercise was conducted. A real life event occurred when Cyclone Ita struck the Buller in April 2014).	●
	Continue development of the Westport Evacuation Plan.	Development of Westport Evacuation Plan.	2014/2015: Ongoing discussion is taking place with the emergency services and welfare groups on the development of the Westport Evacuation Plan (2013/2014: Emergency power, additional phone lines and internet have been installed and the centre is now fully operational).	●
Rural Fire				
To respond to and control wildfires to protect property and conservation values.	Annually review fire plan.	On-going review of fire plan.	2014/2015: Continual review of fire plan (2013/2014: no change).	●
	Maintain trained volunteers, fire engines and equipment.	Regular personnel and equipment audits carried out by Zone Controllers.	2014/2015: All rural fire stations conducted monthly training sessions under the Fire Plan and the NZRFA (2013/2014: no change). A new appliance was delivered to Seddonville, in conjunction with a partnership with NZRFA. Seddonville also received a new Fire Station.	●
	Maintain restricted fire season and fire education.	Provision of on-going training to all Rural Firefighters.	2014/2015: On-going training with equipment met compliance requirements (2013/2014: no change).	●
Compliance				
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.	2014/2015: Achieved 93 simple investigations within 10 days, 92% (2013/2014: Achieved 96 simple investigations within 10 days, 90%).	●
		More complex investigations to be undertaken within 20 working days.	2014/2015: 3 remain under investigation, 3.2% awaiting court action (2013/2014: 5, 4.2%).	●
			2014/2015: 15 complex investigations undertaken within 20 days, 16.1% (2013/2014: 20 complex investigations undertaken within 20 days - 14.6%).	

Funding Impact Statement

Regulatory Services	Budget LTP 2013/2014 \$000	Budget LTP 2014/2015 \$000	Actual 2014/2015 \$000
Sources of Operating Funding			
General rates, uniform annual general charge, rates penalties	563	650	992
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	15	16	6
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	1,660	1,671	844
TOTAL Operating Funding	A 2,238	2,337	1,842
Applications of Operating Funding			
Payments to staff and suppliers	1,656	1,692	1,222
Finance costs	11	14	16
Internal charges and overheads applied	528	587	521
Other operating funding applications	12	13	13
TOTAL applications of Operating Funding	B 2,207	2,306	1,772
SURPLUS/(Deficit) of Operating Funding	A-B 31	31	70
Sources of Capital Funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	221
Increase/(decrease) in debt	43	(31)	(42)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
TOTAL Sources of Capital Funding	C 43	(31)	179
Application of Capital Expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	62	0	0
- to replace existing assets	0	0	1
Increase/ (decrease) in reserves	12	0	248
Increase/ (decrease) in investments	0	0	0
TOTAL Applications of Capital Funding	D 74	0	249
SURPLUS/(Deficit) of Capital Funding	C-D (31)	(31)	(70)
FUNDING BALANCE	((A-B)+(C-D)) 0	0	(0)



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

General rates, uniform annual general charge, rates penalties (\$342,000 increase to LTP)

General rates have increased by \$342,000 compared to the LTP to compensate for the reduction of income from building consents. This is due to a lower level of activity than that envisaged in the Long Term Plan.

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

As agreed in the 2014/2015 Annual Plan, predicted income in Building and Planning was reduced by \$429,000 from the Long Term Plan as a result of the anticipated lower level of economic activity.

Less building and development activity resulted in a further reduction of income to budget by Planning (\$61,000), Building Control (\$176,000) and other regulatory areas.

Payments to staff and suppliers (\$348,000 lower than Annual Plan budget)

A proactive re-organisation of staff resulted in lower expenditure to budget in Planning (\$221,000). Operational expenditure reduced in Building Control (\$70,000) and across a number of other regulatory activities. Expenditure was well managed to match the expected lower level of activity anticipated.

Internal charges and overheads applied

This is due to a redistribution of overheads allocation in the Annual Plan to more accurately reflect the updated allocation of resources.

Financial and Development Contributions

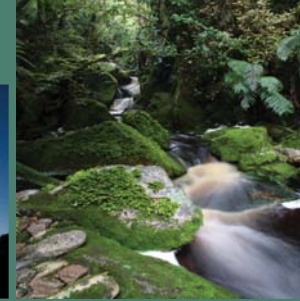
Reserves Contributions exceeded budget by \$221,000 as the contributions were not provided at an activity level.

Significant Capital Expenditure

No significant capital expenditure.



Roading & Urban Development



What do we do?

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

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

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

Why are we involved in this activity?

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

How do we contribute to Strategic Goals & Community Outcomes?

This activity supports the following community outcomes:

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

Statement of Service Performance

Roothing Funding

Buller is a large district with numerous settlements and small towns along its coastline and in the hinterland. It is only able to function economically and socially because of a vital local roading network maintained by Council. Just 604km of Council roads link into the main State Highways. Only half of those local roads are sealed, with the other half unsealed. These local roads incorporate 153 bridges and large culverts.

Roothing is one of the largest single financial commitment for rural Council's. Central Government assistance is available when the New Zealand Transport Agency (NZTA) pays a percentage of the total cost of approved projects. The Agency has reduced this financial assistance rate (known as the 'FAR') to 58% of the total cost.

The NZTA has recently completed a review of its FAR provided to Council roading programmes. Prior to the review the general rate of assistance was limited to 58%, with a Special Highway assistance rate of 100% for the Karamea Highway. The review has established a new general financial assistance rate of 61% for the 2015/2016 year, and this rate will increase by 1% each year thereafter until it reaches 63%. The Special Purpose Road (SPR) 100% Assistance Rate is guaranteed for the 2015/2016, 2016/2017 and 2017/2018 years only. At the same time the review requires all financial assistance for roading programmes to be judged in terms of the new One Network Road Classifications system (ONRC).

Major Projects

- This year remedial upgrades to the Karamea Highway included drainage facilities (\$37,000) and pavement rehabilitation (\$150,000). This latter project included a carryover from 2013/2014 which was deferred because of the focus on emergency works caused by weather events.
- Reseals on the Karamea Highway also included a carryover of reseals from 2013/2014 (\$193,000).
- Emergency works were undertaken along the Karamea Highway to address drainage work and remedial structures, caused by adverse weather (\$509,000).
- Footpaths were progressively renewed/resurfaced to provide a safe environment (\$193,000).
- A staged upgrade of Derby Street (a major street in Westport) is taking place over 10 years, in conjunction with the replacement of services, from Salisbury Street to the railway line on Derby Street.
- Local road improvements (\$205,000).
- Local road renewals (\$976,000).

Key Performance Indicators

Achieved

What we did	What we measured	Target	Actual	Achieved
Public Safety				
Provide a safe road network.	Annual Road Safety Audit.	Continue to audit 10% of the network.	2014/2015: 87.04km (14.4%) Tauranga Bay Road speed audit and Karamea Highway and Karamea area traffic services audit carried out (2013/2014: Westport township night audit and Karamea Highway traffic services audit carried out). 2014/2015: Work covered 87.04km which is 14.4% of the network (2013/2014: 92.22km 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.	2014/2015: Based on the crash analysis report produced by the New Zealand Transport Agenda (NZTA) overall there were 76 accidents (2013/2014: 80). This is not a KPI within Council's control. 2014/2015: Injury related accidents were 37 and have trended up from the previous year (2013/2014: 32). 2014/2015: 36 non-injury accidents occurred, trending down from the previous year (2013/2014: 48). 2014/2015: Fatal accidents were recorded as 3 fatalities (2013/2014: 4).	n/a
Maintain roading infrastructure to required standards.	Maintenance of roading in compliance with Asset Management Plan.	Compliance with Asset Management Plan.	2014/2015: Programme undertaken in compliance with the Asset Management Plan (2013/2014: Programme undertaken in compliance with Asset Management Plan).	●
		Changes ratified through the Annual Plan process.	Asset Management Plans was updated during 2014/2015.	●
System Usability				
Provide a comfortable road network.	Maintain current road roughness levels.	Average sealed road NASSRA roughness less than 120.	2014/2015: Road roughness survey was completed in 2015 which resulted in roughness of 87 (2013/2014: May 2014, 87.2).	●

Key Performance Indicators

Achieved

What we did	What we measured	Target	Actual	Achieved
Footpaths				
Provide usable footpaths.	Undertake condition rating of footpaths. Design all new footpaths for accessibility.	Remedial work programmed for all footpaths with a Level 4 and 5 rating. This programme is assessed every two years by an independent consultant. New footpaths designed for wheelchair and pram usage.	2014/2015: Footpaths were rated according to condition on a scale of 1 to 5 by consultants as part of a 2015RAMM rating - overall rating for footpaths was 2.21 which shows a slight deterioration in the footpath condition rating. Greater use of asphaltic concrete increased costs which reduces the overall amount of remedial work undertaken. This was not a significant change (2013/2014: average rating was 2.17). The ratings are undertaken every two years as part of the RAMM inventory update for roads. 2014/2015: The forward renewal programme for footpaths is based on rating - 2,265m of footpaths were refurbished by reseal or asphaltic concrete. This represents 2.7% of the overall footpath length of 84,622m (2013/2014: 1,207m, representing 1.4%).	●
System Disruption				
Minimise the effects of road works.	To attend to all slips and obstructions in a timely manner and undertake road works in accordance with national safety standards.	80% compliance with the contracted response times. Road works checked against national standards during site inspections.	2014/2015: Responded within required response times (2013/2014: no change).	●
Environmental Impact				
Provide roads with the minimum environmental impact.	To comply with resource consent conditions.	100% compliance.	2014/2015: 100% compliance (2013/2014: 100% compliance).	●



Funding Impact Statement

Roading and Urban Development	Budget LTP 2013/2014 \$000	Budget LTP 2014/2015 \$000	Actual 2014/2015 \$000
Sources of Operating Funding			
General rates, uniform annual general charge, rates penalties	2,297	2,347	2,452
Targeted rates	0	0	0
Subsidies and grants for operating purposes	1,673	1,673	2,593
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	182	190	152
TOTAL Operating Funding	A 4,152	4,210	5,197
Applications of Operating Funding			
Payments to staff and suppliers	2,739	2,743	3,366
Finance costs	0	14	0
Internal charges and overheads applied	625	652	945
Other operating funding applications	0	0	0
TOTAL applications of Operating Funding	B 3,364	3,409	4,311
SURPLUS/(Deficit) of Operating Funding	A-B 788	801	886
Sources of Capital Funding			
Subsidies and grants for capital expenditure	1,236	1,236	1,238
Development and financial contributions	0	0	0
Increase/(decrease) in debt	232	(6)	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
TOTAL Sources of Capital Funding	C 1,468	1,230	1,238
Application of Capital Expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	397	165	205
- to replace existing assets	1,859	1,866	1,958
Increase/ (decrease) in reserves	0	0	(39)
Increase/ (decrease) in investments	0	0	0
TOTAL Applications of Capital Funding	D 2,256	2,031	2,124
SURPLUS/(Deficit) of Capital Funding	C-D (788)	(801)	(886)
FUNDING BALANCE	((A-B)+(C-D)) 0	0	0

Core Asset Disclosure	Closing Book Value \$000	2015 Assets Constructed \$000	2015 Assets Vested \$000	Replacement Costs \$000
Roads and Footpaths	196,012	1,948	-	272,971



Significant Variance Explanations in comparison to the Long Term Plan

Subsidies and grants for operating purposes

In the Annual Plan process, an additional \$1m of NZTA subsidy was forecasted to address drainage and remedial structures on the Karamea Highway.

As at 30 June 2015 \$325,000 less was received because the work is still in progress. There were delays to the construction that occurred because the weak materials in the foundations provided insufficient strength to support the remedial work. This required further geotech investigations and design.

Payments to staff and suppliers (\$132,000 lower than budget).

Likewise predicted expenditure in 2014/2015 was increased to provide for the cost of emergency works to Karamea Highway (\$1m). As at 30 June \$509,000 was spent on these remedial works. An amount of \$202,000 was capitalised as improvements to the Karamea Highway. The under-expenditure on the Karamea Highway was offset by the overhead reclassification in the budget.

Internal charges and overheads applied

A change in classification of internal charges from the 2014/2015 LTP resulted in a \$221,000 difference.

Capital Expenditure

To Improve the Level of Service

Local Roads:

- Improvements : \$205,000

Replacement of Assets

Local Roads:

- Footpaths progressively renewed/resurfaced in Derby Street (253 metres) Domett Street and Pakington Streets (327 metres; \$193,000)
- Pavement Rehabilitation in Derby Street (\$174,000).
- Local Roads Improvements (\$976,000).

Special Purpose Roads (Karamea Highway):

- Karamea Highway renewals (\$65,000).
- Karamea Highway improvements (\$509,000).



A slip on the Karamea Bluff at Taffy Town

Water Supplies



What do we do?

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

Why are we involved in this activity?

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

How do we contribute to Strategic Goals & Community Outcomes?

This activity supports the following community outcomes:

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

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



Statement of Service Performance

Long Term Solution for Westport Water

Westport Water Upgrade - Stage I:

In the 2013/2014 Annual Plan Council approved an accelerated upgrade to the Westport Water Supply upgrade. The cost of the partial upgrade was \$9m as this option delivers both safe drinking water and improves the reliability of the supply by upgrading the trunk main. Stage I, which addresses the filtration and water treatment, was completed by late 2014.

Stage II, which upgrades the trunk main reticulation and reduces the water pressure, was programmed to be completed in 2015/2016. An application has been made to the Ministry of Health for subsidy from the Drinking Water Assistance Programme to pipe tunnel one. Council were advised in August 2015 that this subsidy has not been approved. Further investigation is to be undertaken on the trunk main to Westport to determine the optimum time and length of pipe to be replaced.

Waimangaroa Rural Drinking Water Upgrades

The Waimangaroa water upgrade was expected to proceed as planned after successfully gaining additional funding from the Ministry of Health. A community vote was held which indicated the support of the community to proceed. This represented a carry forward of capital expenditure from the 2014/2015 Annual Plan.

Unfortunately storm damage to the primary water intake meant that the previously approved scheme was no longer viable. Currently Council staff are working with the Waimangaroa community to establish temporary supplies while at the same time investigating possible long term solutions. It is expected that any new source will require a different form of treatment and that this may well be more expensive.

The Ministry of Health were advised of the situation and asked to put the original application and subsidy on hold.

Discussions with the Ministry of Health have started to provide a variation for the approved subsidy to be transferred and able to be used to further investigate and if proven, construct a new bore supply. Any difference in costs will result in consultation with the community.

Ngakawau-Hector

The Ngakawau-Hector drinking water supply upgrade has been deferred until 2015/2016 due to lack of community support and issues around scheme design and ownership. The Long Term Plan was prepared on the basis that Council owns the scheme. A Stage II Capital Assistance Programme (CAP) application for additional funding was lodged, with upgrade works proposed to take place in 2015/2016. The cost of the upgrade was forecasted to be \$553,000 and a subsidy of \$470,000 was anticipated to be received.

At present Council is working with the Ngakawau-Hector community to resolve the issues associated with the scheme. For the purposes of the Long Term Plan it was assumed that the scheme would proceed as planned, however any final decision would be subject to a community vote.

The Ministry of Health advised Council in August 2015 that the additional subsidy is not approved. Council will be reviewing this with the Ministry of Health.

Inangahua Junction

Capital totalling \$223,000 has been budgeted for the upgrade to the Inangahua Junction water supply. An additional amount totalling \$72,000 has been budgeted.

A subsidy of \$190,500 was applied for from the Ministry of Health. The subsidy has been approved by the Ministry of Health and the upgrade will proceed pending consultation with the community.

South Granity

An upgrade costing \$359,000 is scheduled for 2015/2016. A subsidy of \$304,814 was applied for from the Ministry of Health, but Council was advised in August 2015 that the subsidy is no longer available. Council will be reviewing this with the Ministry of Health.

Little Wanganui

A CAP Application was lodged for the Little Wanganui water supply for an amount of \$474,000. The cost of the upgrade was estimated to be \$596,000 in 2016/2017. During August 2015 the Ministry of Health advised Council that the subsidy was not approved. Council will be reviewing this with the Ministry of Health.

Karamea Water Supply

In the 2013/2014 Annual Plan Council undertook to undertake an investigation to determine if a reticulated and treated water supply for Karamea, including Market Cross, could be found.

Stage I encompassed identifying a suitable water source. It entailed drilling a test borehole, designing a water treatment system, reservoir and pipework. A good quality water supply was found in quantities that were sufficient for a reticulated supply for Karamea. The cost of the exploratory work was \$150,000 and this was subsidised by the Ministry of Health.

In total the cost of the water supply was estimated to be \$1.67m and the total subsidy applied for was \$1.4m with the local share being loan funded. Targeted rates were estimated to be \$667,000.

The Buller District Council consulted with the Karamea community, and the community voted 51 to 20 against the proposal. The proposed water supply will not go ahead and the status quo will remain. The Ministry of Health was advised of the result.

Key Performance Indicators

Achieved

What we did	What we measured	Target	Actual	
Environmental Impact				
Provide water with the minimum environmental impact.	To comply with resource consent conditions as assessed by Regional Council consents.	100% compliance.	2014/2015: 100% compliance (2013/2014: 100%).	●
Water Quality				
Provide an adequate quality of water.	No potential for illness due to unwholesome water.	No confirmed E coli contamination.	2014/2015: A total of 9 E-coli tests were recorded showing contamination (5 from Punakaiki, 3 from Reefton and 1 from Westport) (2013/2014: 17 tests showed contamination).	●
			2014/2015: In total there were 423 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) (2013/2014: 299 samples).	
		Seven water supplies will comply with Drinking Water Standards 2005 (revised 2008).	2014/2015: Reefton, Punakaiki and Westport Drinking Water Standard (DWS) upgrades have been completed. Council applied for subsidies to allow the upgrades of Westport, Little Wanganui and South Granity to proceed. These subsidies have not been approved. Extra funding was sought for a larger treatment plant for Ngakawau-Hector. This was not approved. Storm damage to the water intake meant re-instating the supply was not viable. The upgrade was put on hold and staff are working to find a new source. (2013/2014: Councils programme in the Long Term Plan allowed 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).	In Progress
			2014/2015: The Karamea community voted against progressing with a community-based water supply (2013/2014: Karamea CAP funding application was successful and now community consultations took place in September 2014).	In Progress
Water Quality - Westport and Reefton Supplies				
Provide an adequate quantity of water.	To be able to fill a ten litre bucket three times within one minute.	No more than ten recorded failures per annum throughout the district.	2014/2015: 4 requests for pressure tests to determine the flow (2013/2014: 2 requests were received).	●
	All fire hydrants to be operational.	100% level of service.	2014/2015: All hydrants were operational (2013/2014: all operational).	●

Key Performance Indicators

Achieved

What we did	What we measured	Target	Actual	Achieved
Water Reliability				
Provide a reliable supply of quality water.	To provide water into the system virtually all of the time.	Water supplied 99% of the time to the property boundaries.	2014/2015: Water was supplied for 99.9% of the time (mains only) (2013/2014: 99.9%).	●
	To minimise disruption caused by unplanned shutdowns.		2014/2015: There were 1 occasion when water was provided on low pressure because of repairs being undertaken. The trunk main is consists of pipes of variable age and pipe failure occurs in a random manner (2012/2013: 7 occasions).	
	To permit gardens to be maintained in a healthy state all year.	No more than three leaks per kilometre.	2014/2015: 0.6 leaks per km (2013/2014: 0.7 leaks per km).	●
		All unplanned shutdowns less than four hours.	2014/2015: As service requests are received, Council forward the request to the contractor with an inspection timeframe and an indicative repair time. The Contractor prioritises the physical works and responded within the repair time 77.7% of the time. There is now a requirement of legislation for the contractor to obtain corridor access prior to trenching in the road corridor and this has effected response times. (2013/2014: 72.6%).	
		No more than five days of water restrictions per year.	2014/2015: The Waimangaroa water supply was severely damaged during a storm on 6 and 7 March, and has been on restricted water use since that time (2013/2014: 5 days of water restrictions for all of the supplies)	●



Funding Impact Statement

Water Supplies	Budget LTP 2013/2014 \$000	Budget LTP 2014/2015 \$000	Actual 2014/2015 \$000
Sources of Operating Funding			
General rates, uniform annual general charge, rates penalties	0	0	0
Targeted rates	2,027	2,194	2,173
Subsidies and grants for operating purposes	0	0	0
Fees and charges	290	307	211
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	0	0	3
TOTAL Operating Funding	A 2,317	2,501	2,387
Applications of Operating Funding			
Payments to staff and suppliers	1,097	1,146	972
Finance costs	207	232	287
Internal charges and overheads applied	237	255	354
Other operating funding applications	0	0	0
TOTAL applications of Operating Funding	B 1,541	1,633	1,613
SURPLUS/(Deficit) of Operating Funding	A-B 776	868	774
Sources of Capital Funding			
Subsidies and grants for capital expenditure	925	327	410
Development and financial contributions	0	0	0
Increase/(decrease) in debt	648	1,016	919
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
TOTAL Sources of Capital Funding	C 1,573	1,343	1,329
Application of Capital Expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	1,799	1,502	1,627
- to replace existing assets	574	469	476
Increase/ (decrease) in reserves	(24)	240	0
Increase/ (decrease) in investments	0	0	0
TOTAL Applications of Capital Funding	D 2,349	2,211	2,103
SURPLUS/(Deficit) of Capital Funding	C-D (776)	(868)	(774)
FUNDING BALANCE	((A-B)+(C-D)) 0	0	0

Core Asset Disclosure	Closing Book Value \$000	2015 Assets Constructed \$000	2015 Assets Vested \$000	Replacement Costs \$000
Water Supply				
Treatment Plants and Facilities	7,271	4,787	-	9,574
Other Assets	18,451	758	-	43,430
Total	25,722	5,545	-	53,004

Significant Variance Explanations in comparison to the Long Term Plan

Fees and charges and targeted rates for water supply

In the 2014/2015 Annual Plan the Long Term Plan budget for metered water in Westport was reduced by \$80,000.

Payments to staff and suppliers

The expenditure in the 2014/2015 Annual Plan was forecasted to be \$235,000 lower due to anticipated savings in repairs and maintenance associated with the Westport Water and other smaller schemes. Actual Repairs and maintenance were lower for Westport and Reefton than the predicted cost. These savings were offset by additional unforeseen repair costs to the Waimangaroa scheme, due to storm damage, and Punakaiki scheme.

Finance costs

Finance costs were higher than the Long Term Plan budget due to the increased debt associated with the accelerated upgrade of the Westport water Supply.

Subsidies and grants for capital expenditure

During 2014/2015 Council received \$376,000 for the Westport water upgrade and \$34,000 for the Karamea water investigation. This resulted in a \$83,000 favourable variance to the Long Term Plan budget.

Increase in debt

In the 2014/2015 Annual Plan the borrowings were \$900,000 greater than the Long Term Plan due to higher loans associated with accelerated the Westport Water supply upgrade and Waimangaroa upgrade. Debt was \$1m lower than planned due to the deferral of the Waimangaroa upgrade and the remainder of the loan at the end of the year actual for Westport Water being drawn down during early August 2015.

Significant Capital Expenditure

Westport

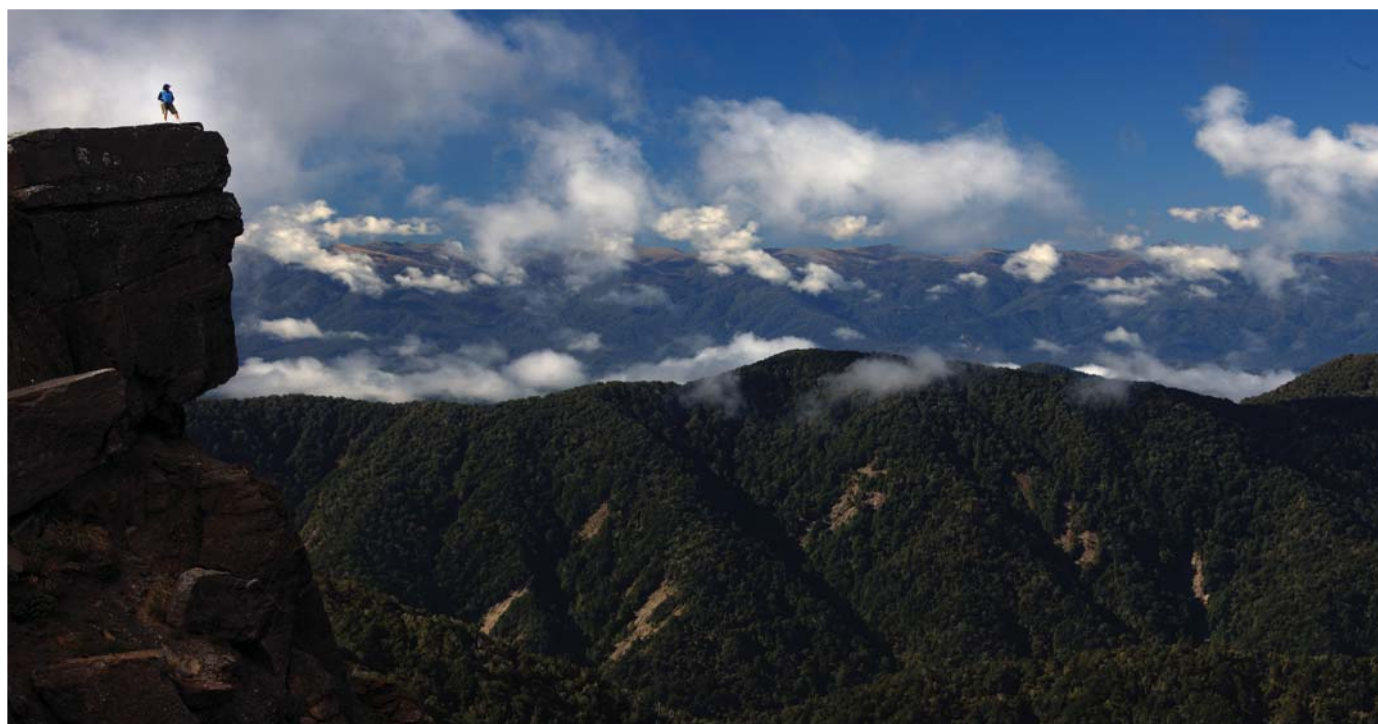
- Minor capital (\$130,000).
- Derby Street reconstruction (\$67,500).
- Mains renewals (\$101,000).
- Upgrade of the Westport water upgrade (\$5m; \$3.4m was work in progress as at 30 June 2014).
- The project has progressed well, and to budget and timeline.

Reefton

- Minor capital (\$16,000).
- Water main renewals in Condon, Sinnaman, Crampton and Sheil Streets of \$75,000.

Waimangaroa

- Water main renewals in Neighbours Street (\$32,000).



Wastewater / Sewerage



What do we do?

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

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

How do we contribute to Strategic Goals & Community Outcomes?

This activity supports the following community outcomes:

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

Statement of Service Performance

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

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

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

The ongoing upgrade of Derby Street has continued with the block between Brougham Street and Rintoul Street being completed.

Key Performance Indicators

What we did	What we measured	Target	Actual	Achieved
Public Safety				
Provide safe facilities for both the community and the operators.	No accidents, injuries or public contact with sewage.	No accidents reported.	2014/2015: Nil reported injury or illness attributed to the sewer systems (2013/2014: Nil).	●
	Number of public health issues attributed to the wastewater system.	Maintain zero reports.	2013/2014: No issues reported by the Ministry of Health (2013/2014: No reports).	●
System Capacity				
Provide adequate capacity.	Maintain capacity of existing combined systems.	No more than ten overflows throughout the district.	2014/2015: 9 overflows occurred during the last twelve months, as a result of blocked property connection pipes (laterals) (2013/2014: 2 sewerage overflows).	●
	Design all new systems to New Zealand Standard 4404:2010.	All new sewers designed to cope with a one in ten-year event.	2014/2015: No new sewer systems were constructed (2013/2014: No new systems constructed).	n/a

Key Performance Indicators

Achieved

What we did	What we measured	Target	Actual	Achieved
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	2014/2015: 0.434 blockages per kilometre of pipeline (2013/2014: 0.253 blockages per kilometre of pipe)	●
		All blockages cleared within four hours	2014/2015: Only 2 blockages took over 5 hours to clear (2013/2014: 1). All other blockages were cleared in accordance with response times.	●
		No more than 40 blockages in laterals	2014/2015: 54 lateral blockages occurred in the last twelve months (2013/2014: 56).	●
Little Wanganui Waste Water Treatment Plant WWTP				
Provide sewer collection and disposal with the minimum environmental impact	To comply with resource consent conditions	100% compliance	2014/2015: There were no breaches recorded (2013/2014: 2).	●
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. 2014/2015: 11 breaches occurred in total. 4 for metals and 1 for pH in Cemetery Creek, and 6 Ecoli and FC 400m downstream of the confluence of Cemetery Creek and the Inangahua River (levels leaving treatment plant at the time were good) (2013/2014: 7).	●
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. 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 Street outfalls.	-
			2014/2015: There were 16 breaches for overflow monitoring, E-coli(7), Enterococci (2) Faecal Coliforms (7) (2013/2014: 4 breaches).	
			In practical terms these are technical breaches beyond Council's control, eg, heavy rain. These are reported weekly to the West Coast Regional Council.	●
Westport Waste Water Treatment Plant (WWTP)				
Provide sewer collection and disposal with the minimum environmental impact	To comply with resource consent conditions	100% compliance	2014/2015: 9 breaches in total (2013/2014: 5 breaches).	●
	No complaints regarding objectionable odour from the treatment plant.	Zero	2014/2015: There were no complaints received (2013/2014: no complaints).	●

Funding Impact Statement

Wastewater / Sewerage	Budget LTP 2013/2014 \$000	Budget LTP 2014/2015 \$000	Actual 2014/2015 \$000
Sources of Operating Funding			
General rates, uniform annual general charge, rates penalties	0	0	0
Targeted rates	2,212	2,305	2,306
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	85	88	35
TOTAL Operating Funding	A	2,297	2,393
Applications of Operating Funding			
Payments to staff and suppliers	1,019	1,054	827
Finance costs	305	292	292
Internal charges and overheads applied	225	238	273
Other operating funding applications	0	0	0
TOTAL applications of Operating Funding	B	1,549	1,584
SURPLUS/(Deficit) of Operating Funding	A-B	748	809
Sources of Capital Funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	(229)	(242)	(242)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
TOTAL Sources of Capital Funding	C	(229)	(242)
Application of Capital Expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	114	118	0
- to replace existing assets	218	193	221
Increase/ (decrease) in reserves	187	256	486
Increase/ (decrease) in investments	0	0	0
TOTAL Applications of Capital Funding	D	519	567
SURPLUS/(Deficit) of Capital Funding	C-D	(748)	(809)
FUNDING BALANCE	((A-B)+(C-D))	0	0

Core Asset Disclosure	Closing Book Value \$000	2015 Assets Constructed \$000	2015 Assets Vested \$000	Replacement Costs \$000
Sewerage Schemes				
Treatment Plants and Facilities	11,172	73	-	14,156
Other Assets	14,039	148	-	25,816
Total	25,211	221	-	39,972

Significant Variance Explanations in comparison to the Long Term Plan

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

The Long term Plan budget for compost sales was reviewed and was reduced by \$73,000 to more accurately reflect the income received.

Payments to staff and suppliers

Re-classification of overheads resulted in the payments to suppliers for the Long Term Plan being overstated and internal charges and overheads being understated by \$87,000. The Annual Plan budget was reduced to \$930,000.

Actual costs were \$103,000 lower than predicted in the budget as a result of lower operating costs associated with the Westport Waste Treatment Plant (lower insurance, compost manufacturing and repairs and maintenance expenditure). Reefton repairs and maintenance and operational costs were also below budget by \$20,000.

Capital Expenditure

To improve the level of service

In the 2014/2015 Annual Plan the Long Term Plan budget for the Derby Street upgrade was increased by \$57,000 to cater for an increase in the length of the reticulation that was planned to be upgraded.

To replace existing assets

In the 2014/2015 Annual Plan the Long Term Plan budget was increased by \$129,000 to cater for a telemetry upgrade in Carters Beach and main renewals in Reefton that were not planned for in the 2012-2022 Long Term Plan.

Deferral of the Westport sewer modelling and separation (\$54,000) and Reefton projects (\$42,000) resulted in lower actual expenditure to the plan (\$101,000 in total).





Stormwater



What do we do?

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

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

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

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

Why are we involved in this activity?

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

How we contribute to Strategic Goals & Community Outcomes

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

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

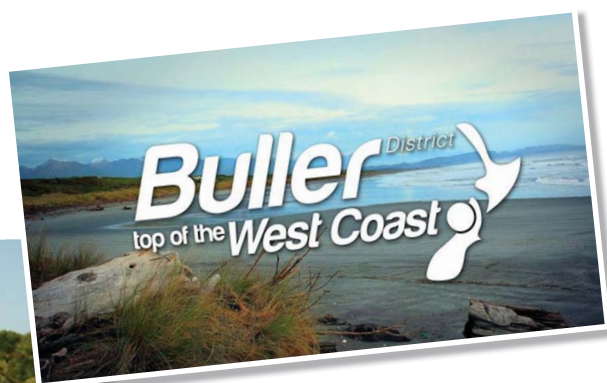
Statement of Service Performance

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

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

Key Performance Indicators

What we did	What we measured	Target	Actual	Achieved
Provide adequate stormwater capacity.	Maintain capacity of existing systems and have all new systems designed with a minimum 1 in 10 year event without ponding, and a 1 in 50 year event without inundation of dwellings.	All designs comply with New Zealand Standard 4404:2010.	2014/2015: 2 new mains constructed for a 1 in ten year event (2013/2014: 1).	●
		No more than five houses inundated by stormwater flooding per annum.	2014/2015: No houses inundated with stormwater (2013/2014: nil).	●
Provide a reliable stormwater system.	Maintain the stormwater system in a state of readiness by identifying no more than 20 faults per annum during quarterly inspections, to accept stormwater from properties virtually all of the time.	90% compliance with response times as stated in the service request.	2014/2015: 11 service requests were received of which 7 were completed within response times (64%), which was due to the severity of the fault being assessed as less serious by the contractor (2013/2014: 4 responded in time (44%) out of a total of 9). Regular inspections of stormwater system were undertaken. These pick up loose or stuck manhole lids, build-up of silt and if floodgates are blocked by silt or debris repairs are undertaken to remediate.	●
	Minimise disruption caused by obstructions.	Monitor and record blockages.	2014/2015: There were 8 blockages to the stormwater system that resulted in main clearance (2013/2014: 4 blockages). These blockages did not result in any significant flooding.	●
Provide a stormwater system with minimal environmental impact.	Compliance with resource consents.	100% compliance.	Currently no resource consents for stormwater due to existing use.	●
			Stormwater system was in place prior to the Resource Management Act.	



Funding Impact Statement

Stormwater	Budget LTP 2013/2014 \$000	Budget LTP 2014/2015 \$000	Actual 2014/2015 \$000
Sources of Operating Funding			
General rates, uniform annual general charge, rates penalties	459	397	405
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	9	8	13
TOTAL Operating Funding	A 468	405	418
Applications of Operating Funding			
Payments to staff and suppliers	140	144	119
Finance costs	41	39	28
Internal charges and overheads applied	53	56	93
Other operating funding applications	0	0	0
TOTAL applications of Operating Funding	B 234	239	240
SURPLUS/(Deficit) of Operating Funding	A-B 234	166	178
Sources of Capital Funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	(24)	(25)	(20)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
TOTAL Sources of Capital Funding	C (24)	(25)	(20)
Application of Capital Expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	0	0
- to replace existing assets	210	141	207
Increase/ (decrease) in reserves	0	0	(49)
Increase/ (decrease) in investments	0	0	0
TOTAL Applications of Capital Funding	D 210	141	158
SURPLUS/(Deficit) of Capital Funding	C-D (234)	(166)	(178)
FUNDING BALANCE	((A-B)+(C-D)) 0	0	0

Core Asset Disclosure	Closing Book Value \$000	2015 Assets Constructed \$000	2015 Assets Vested \$000	Replacement Costs \$000
Stormwater Drainage	9,671	193	-	18,283

Capital Expenditure and Explanation of Significant Variances to the Long Term Plan

To Replace Existing Assets

- Phased upgrade of Derby Street (\$149,000).
- Upgrade of Derby Street was classified under improving the Level of Service in the Long Term Plan. Due to the nature of the project, actual expenditure in 2014/2015 has been appropriately classified as replacement of assets.
- Other minor expenditure totalled \$58,000.

Solid Waste



What do we do?

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

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

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

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

Council also operates two active landfills at Karamea and Maruia.

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

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

Why are we involved in this activity?

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

How we contribute to Strategic Goals & Community Outcomes

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

Statement of Service Performance

Reefton Landfill Remediation

Minor landfill capping is to be undertaken to the side of the landfill. The landfill rock wall is monitored monthly.

Contracted Approach to Solid Waste

The contracted approach to Solid Waste has reduced the amount of refuse being transported to Nelson by 34%.

Council has continued its education around recycling regularly reminding residents as to what can be recycled via the bin and glass crate.

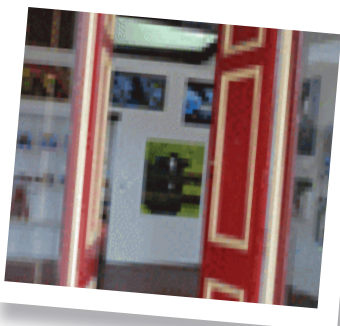
Karamea and Maruia

Karamea and Maruia continue to operate within budgets.

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

Key Performance Indicators

What we did	What we measured	Target	Actual	Achieved
To encourage waste minimisation and recycling to support the health of the community and the environment and to encourage sustainable use of our natural resources	Monitoring of Council's Solid Waste facilities	Continue to monitor and provide reports to West Coast Regional Council	2014/2015: Regular monitoring and reporting to West Coast Regional Council in accordance with resource consents (2013/2014: no change). 2014/2015: Annual Landfill report filed to West Coast Regional Council (2013/2014: no change).	●
	Total amount of waste (tonnes) sent to landfill per year	Reduce by 5% per annum	2014/2015: Reduction over last 12 months is 15%. This improvement may be due to the Waste Minimisation Plan which encourages recycling (2013/2014: 12%).	●
To provide a safe and environmentally sound solid waste collection, treatment and disposal service	Publication of information and articles for community members	Four articles	2014/2015: 4 articles were published per annum in Council newsletters. A mailbox drop with a poster on recycling was sent to all residents on the service and a new calendar was also delivered. 8 email notices were also sent to those ratepayers who have signed up for the service (2013/2014: 3 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	2014/2015: Enviroschools received \$5,000 during the financial year (2013/2014: No contribution was made to Enviroschools). 5 class visits were made to the Transfer Station. Council staff also visited St Canices school with Enviroschools to undertake a school waste audit.	●



Funding Impact Statement

Solid Waste	Budget LTP 2013/2014 \$000	Budget LTP 2014/2015 \$000	Actual 2014/2015 \$000
Sources of Operating Funding			
General rates, uniform annual general charge, rates penalties	111	112	313
Targeted rates	1,298	1,307	712
Subsidies and grants for operating purposes	34	35	36
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	8	8	90
TOTAL Operating Funding	A	1,451	1,462
Applications of Operating Funding			
Payments to staff and suppliers	805	830	771
Finance costs	129	126	148
Internal charges and overheads applied	172	178	109
Other operating funding applications	0	0	0
TOTAL applications of Operating Funding	B	1,106	1,134
SURPLUS/(Deficit) of Operating Funding	A-B	345	328
Sources of Capital Funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	(74)	(79)	(52)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
TOTAL Sources of Capital Funding	C	(74)	(79)
Application of Capital Expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	0	0
- to replace existing assets	31	6	105
Increase/ (decrease) in reserves	240	243	(34)
Increase/ (decrease) in investments	0	0	0
TOTAL Applications of Capital Funding	D	271	249
SURPLUS/(Deficit) of Capital Funding	C-D	(345)	(328)
FUNDING BALANCE	((A-B)+(C-D))	0	0



Significant Variance Explanations in comparison to the Long Term Plan

General rates

The Long Term Plan assumed that virtually all the Solid Waste activities would be funded by a targeted rate. Council agreed in the 2013/2014 Annual Plan to fund the residual costs associated with landfill monitoring and development, waste minimisation and asset management from general rates. These are district wide costs and have been be rated like all other generic costs on land value within the general rate. The change in funding strategy has meant that at an overall level, general rates for Solid Waste have increased by \$201,000 compared to the Long Term Plan.

Targeted Rates

Targeted Rates have reduced by \$595,000 compared to the Long Term Plan due to:

- District-wide costs as explained above have now been funded from the general rate
- Savings in operational costs as a result of the contracted approach

Fees & Other receipts

Rental income from Smart Environmental (\$58,000) and income from the small rural landfill (\$11,000) was not budgeted for in the Long term Plan.

Internal charges and overheads applied

In the Annual Plan the internal charges and overheads applied reduced by \$29,000. Actual overheads were \$40,000 lower than budget due to less time being spent on solid waste by operations staff.

Capital Expenditure

To improve the level of service

Sealing grounds and reticulation of electricity provided at the Westport Transfer Station was provided for in the 2014/2015 Annual Plan after restructuring the Solid Waste service provision. This capital expenditure was not provided for in the 2012-2022 Long Term Plan (\$100,000).





In-House Professional Services

What do we do?

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

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

Why are we involved in this activity?

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

How we contribute to Strategic Goals & Community Outcomes

This activity supports the following community outcomes:

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

Statement of Service Performance

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

Key Performance Indicators

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



Funding Impact Statement

In-House Professional Services	Budget LTP 2013/2014 \$000	Budget LTP 2014/2015 \$000	Actual 2014/2015 \$000
Sources of Operating Funding			
General rates, uniform annual general charge, rates penalties	0	0	0
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	727	751	683
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	0	0	1
TOTAL Operating Funding	A	727	751
Applications of Operating Funding			
Payments to staff and suppliers	527	540	567
Finance costs	1	1	2
Internal charges and overheads applied	118	140	108
Other operating funding applications	0	0	0
TOTAL applications of Operating Funding	B	646	681
SURPLUS/(Deficit) of Operating Funding	A-B	81	70
Sources of Capital Funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	(6)	(6)	(9)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
TOTAL Sources of Capital Funding	C	(6)	(6)
Application of Capital Expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	0	0
- to replace existing assets	0	0	2
Increase/ (decrease) in reserves	75	64	(4)
Increase/ (decrease) in investments	0	0	0
TOTAL Applications of Capital Funding	D	75	64
SURPLUS/(Deficit) of Capital Funding	C-D	(81)	(70)
FUNDING BALANCE	((A-B)+(C-D))	0	0

Significant Variance Explanations in comparison to the Long Term Plan

Internal charges and overheads recovered.

The variance is due to the delay in recruitment of a staff vacancy and increased internal administrative time (\$68,000).

Significant Capital Expenditure

Nil.

Community Services



What do we do?

Community Grants and Funding

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

Sports, recreation & cultural facilities & services

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

Libraries

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

NBS Theatre

NBS Theatre complex provides a 350 seater auditorium and double cinema community facility (main cinema is a 55 seater, and the screen room provides seating for 22). The theatre is open 7 days a week with multiple movie screenings and the auditorium provides a great venue for live performances of all genres.

Reefton Cinema – Vision 2010

Reefton Cinema converted its screenings to digital format in April 2014. This will provide the Reefton Community with up-to-date movies and 3D options. The Reefton Cinema screens a minimum of 4 times per week.

Communications

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

District promotion & tourism, event tourism & business support

During Council's 2014/2015 Annual Plan an 'Interim Solution' was adopted. This was regarded as a temporary position by Council as it worked towards a Buller Economic Plan that integrated with a Regional Economic Development Strategy.

The position of Economic Development Officer was dis-established as at 1 July 2014. 2014/2015 was a planning year for the Economic Development Committee, while it explored a collaborative approach with the other local Council's and a partnering approach with Development West Coast.

All four Council's have approved a West Coast Economic Development Strategy. This strategy is expected to be a spring board for economic development. It is intended that DWC will provide a basic resource in the form of one fulltime resource, jointly funded by the West Coast Regional Council and DWC. Over time it is anticipated that the central resource will work in conjunction with a part time (20 hours per week) staff resource located at each of the three territorial Council offices. The Long Term Plan assumed that this will occur in 2015/2016 in the Buller District.

Why are we involved in these activities?

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

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

How we contribute to Strategic Goals & Community Outcomes

This activity supports the following community outcomes:

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

Statement of Service Performance

Grants

In 2014/2015 Council distributed more than \$100,000 in base, contestable, national representation and minor grants through the Buller District. A further \$39,000 of Central Government funding was distributed in the district by the Buller District Council.

NBS Theatre

The NBS Theatre held numerous live shows throughout 2014/2015, including one show that was from the United States. The venue continues to support local groups and schools, with local schools having used the venue, either for shows or award ceremonies.



Some of the highlights for 2014/2015 were the Tommy Dorsey Orchestra from the USA, local dance group, Beryl Collins School of Dance's Christmas concert, which increased their public performances this year due to an increase in demand. The annual Buller Country Music 'Best of the West' awards weekend was once again a success, with people from all around the South Island competing.

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

The NBS Theatre fulfills an important role in facilitating fundraising for local community groups and schools. This assists with advertising movies in the community.

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

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

The Westport i-Site have been working with the NBS Theatre to ensure that all visitors to Westport know about any performances, or movies that are screening.

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



Libraries and Aotearoa Peoples Network

The library continues to provide access to information and recreational material in both hard copy and electronic format.



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

Community engagement is an important focus of the library and to this end the facility and programmes endeavour to be community facing. The library meeting room is now available for afterhours use as well as business hours use and the booking numbers have steadily increased. This provides an additional income stream for the library as well as providing a well-priced facility for community and business groups to use.

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

Library staff have been trained by Work and Income in the use of RealMe and My Account and are able to assist community members with their access. This will be followed up by the provision of computer training modules in collaboration with the 20/20 Trust.

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

District Promotion and Marketing

Projects carried out during the 2014/2015 financial year included:

- Ongoing maintenance of the websites (tourism, economic development and events).
- Assistance on the 'Move to Buller' campaign.
- Event support and working on attracting additional events to Westport.



Key Performance Indicators

Achieved

What we did	What we measured	Target	Actual	Achieved
Community Grants and Funding				
To contribute to community development through liaison, funding and support to vital community organisations.	Distribution of national funding in accordance with policies.	100% compliance with Council's grants policies.	2014/2015: 99% achieved (2013/2014: 98%). Over \$39,000 of contestable funding was distributed by Council on behalf of Creative New Zealand, Sport New Zealand and Ministry of Youth Development (2013/2014: over \$37,000).	●
	Council Grants distributed and monitored in accordance with our policies.	100%.	2014/2015: 100% distributed 2013/2014: 99.4%. Over \$100,000 was distributed to organisations, groups and some individuals (2013/2014: \$69,000).	●

District Economic Development and Marketing

To support the development and sustainability for district tourism.	Key Performance Indicators (KPI's) agreed with all identified grant recipients and monitored.	90 - 100% range. KPI's monitored and achieved.	2014/2015: KPI's have been set per organisation by Council and agreed by the relative parties (2013/2014: no change). Staff contact grant recipients to ensure KPI's achieved Economic Development Committee to monitor KPI's.	●
	Monitor achievement of strategic tourism objectives.	Monitor increase / decrease in guest nights for Buller.	2014/2015: Bed nights have risen 11% using the Commercial Accommodation Monitor (CAM). Council is one of the contributors to the achievement of this target that affect visitor bed numbers (2013/2014: no change).	-
		Ongoing input and development of tourism website.	2014/2015: Events and tourism website updated as required (2013/2014: no change).	●
		Monthly reports from Economic Development and Marketing Officer.	2014/2015: Quarterly reports provided (2013/2014: Quarterly reports were given for the first four quarters. Monthly meetings of the EDM Working Group took place).	●
To support the development and sustainability for district tourism.	Visitor satisfaction.	Establish Memorandum of Understanding and/or funding agreements with i-Site and Museum.	2014/2015: Fund agreements were developed, approved and monitored by the Finance and Audit Committee (2014/2015: finalised by the Finance and Audit Committee).	●

Community Services and Facilities

To provide services and facilities that meet information, learning, recreational and cultural needs	Solid Energy Centre			
	Quality of sport and recreation service provision via the Solid Energy Centre	Review of agreed levels of service for operation and management of the Solid Energy Centre (including all aquatic and dry-sport provision) and the Reefton pool (providing seasonal aquatic services).	2014/2015: Service level agreement finalised. Statements of Intent are submitted and approved by Council (2013/2014: Continued to do the same).	●
			2014/2015: Monitoring of KPI's done in the half yearly reports submitted by Buller Holdings to Council (2013/2014: Continued to do the same).	●
2014/2015: Performance to the targets in the Statement of Intent reports as reflected under Council Controlled Organisations (2013/2014: no change)			●	

Key Performance Indicators

Achieved

What we did	What we measured	Target	Actual	Achieved
Community Services and Facilities (continued.....)				
To provide services and facilities that meet information, learning, recreational and cultural needs	Library			
	Satisfaction with Library services	80 - 95% range	2014/2015: 98.2% based on a customer satisfaction survey (2013/2014: No customer satisfaction survey was undertaken).	●
	Number of active members of libraries	Maintain or increase (0-4%)	2014/2015: No statistics can be provided due to system inaccuracies (2013/2014: 3,259, an increase of 3.7%).	●
	Number of items borrowed	Issues maintained or increased	2014/2015: 70,047 items were borrowed, a decline of 0.27% (Target 72,000) (2013/2014: 70,231, a decline of 0.65%). The number of physical items borrowed (69,393) is a 0.43% increase on the previous year, with the number of eBooks and eAudiobooks declining from 813 to 654 (2013/2014: 2.3% lower).	●
	Number of physical items added to the Library collection per year	Not less than 2,000 new items per year	2014/2015: 4,278 items added (2013/2014: 3,396).	●
	Number of visitors to the library	64,000 per annum	2014/2015: 73,492 visitors to the library (2013/2014: 73,158).	●
To provide services and facilities that meet information, learning, recreational and cultural needs (continued...)	NBS Theatre			
	Number of performing arts events, exhibitions and shows per year	Number of cinema screenings per week - 26	2014/2015: 26 on average per week (2013/2014: 21 per week). The increase is due to contractual arrangements with film distributors. This also ensures that the NBS Theatre continues to offer the community the latest movie releases. Also the number of e-Cinema products is again more readily available for the Fred Gregory Screen room.	●
		Occupancy of cinema - 25% per month	2014/2015: 26.25% occupancy per month (2013/2014: 28.5%). The reduction in occupancy from the previous year is due to the economic downturn in the district over the last three months of the financial year.	●
		Number of performances/ shows in auditorium - 30 days per year	2014/2015: 35 days per year (2013/2014: 38 days per year) Advice from Top of the South Consortium recommended reducing Art Shows due to lower profitability, however this year we have an increase in local school productions, so show days have remained virtually the same.	●
	Occupancy per show - 40%	2014/2015: Overall occupancy is 78% (2013/2014: 75% overall occupancy) With more local product, occupancy increased slightly.	●	

Key Performance Indicators

What we did	What we measured	Target	Actual	Achieved
To provide services and facilities that meet information, learning, recreational and cultural needs (continued...)	NBS Theatre (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	2014/2015: Occupancy is dependent on the type of shows that tour NZ. It is unreasonable to expect to fill the theatre for every show. There is an element of community good in bringing education and different entertainment genres to Westport. Marketing strategies are being developed to improve patronage.	●
	Room hire - 4.0 hours per week		2014/2015: The average room hire for three rooms is approximately 26 hours per week (2013/2014: 49.2 hours)	●
		Although the hours have reduced due to a change in one professional leaving, and another taking over the area to hire, the financial return has increased slightly.		
Communications:				
To keep the community informed	Community engagement - provision of information to community	Distribution of communications as required	2014/2015: Fortnightly distribution of electronic newsletter to subscribed users. Printed newsletter distributed to every household in Buller every two months and media releases as required (2013/2014: no change).	●

Significant Capital Expenditure

An initial earthquake assessment of the Reefton Community Centre was undertaken (\$14,000 Work in progress).

Significant Variances Explanations in comparison to the Long term Plan

Operating Funding

General Rates (\$292,000 reduction)

This was due to a reduction in the level of service associated with District Promotion and Tourism which resulted in savings for the General Ratepayer in the 2014/2015 Annual Plan (\$77,000). As approved in the 2014/2015 Annual Plan general rates reduced as compared to the Long term Plan due to the repayment of debt for the museum relocation (\$164,000).

Targeted rates (\$61,000)

As approved in the 2014/2015 Annual Plan, a reduction of the level of service for District Promotion and Tourism resulted in a reduction of targeted rates to the Long Term Plan.

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

A reduction in the NBS Theatre income (\$150,000) due to lower patronage was offset by the settlement proceeds for Hockey Turf (\$300,000).

Payments to staff and Suppliers (reduction of \$107,000)

A decision in the 2014/2015 Annual Plan to dis-establish the Economic Development role resulted in a change to the staffing and operating expenditure budget in the Long Term Plan. Actual expenditure was in line with the Annual Plan.

Finance Costs (reduction of \$230,000)

Interest costs have reduced mainly as a result of a repayment of debt associated with the Cultural Hub, NBS Theatre.

Internal charges and overheads applied

A redistribution of overheads since the LTP has more accurately reflected the allocation of resources.

Increase/(decrease) in debt

This is due the repayment of debt associated with the Cultural Hub, NBS Theatre during 2014/2015 (\$708,000).

Capital Expenditure

To improve the level of service (\$240,000)

There was no community consensus to permit the construction of Karamea Sports Facility to proceed (\$31,000 is work in progress from 2013/2014).

Urban Streetscape will be carried over to 2015/2016 (\$225,000).

Funding Impact Statement

Community Services	Budget LTP 2013/2014 \$000	Budget LTP 2014/2015 \$000	Actual 2014/2015 \$000
Sources of Operating Funding			
General rates, uniform annual general charge, rates penalties	3,806	3,884	3,592
Targeted rates	302	308	247
Subsidies and grants for operating purposes	25	25	40
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	5
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	783	836	958
TOTAL Operating Funding	A	4,916	5,053
Applications of Operating Funding			
Payments to staff and suppliers	2,322	2,360	2,144
Finance costs	1,242	1,296	1,066
Internal charges and overheads applied	555	623	558
Other operating funding applications	421	389	570
TOTAL applications of Operating Funding	B	4,540	4,668
SURPLUS/(Deficit) of Operating Funding	A-B	376	385
Sources of Capital Funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	(56)	(324)	(1,032)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	350	400	550
Other dedicated capital funding	0	0	0
TOTAL Sources of Capital Funding	C	294	76
Application of Capital Expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	447	240	0
- to replace existing assets	357	73	92
Increase/ (decrease) in reserves	(134)	148	(72)
Increase/ (decrease) in investments	0	0	0
TOTAL Applications of Capital Funding	D	670	461
SURPLUS/(Deficit) of Capital Funding	C-D	(376)	(385)
FUNDING BALANCE	((A-B)+(C-D))	0	(0)



Governance



What do we do?

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

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

Why are we involved in this activity?

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

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

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

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

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

Statement of Service Performance

Advocating for funding of Information Technology

One of the biggest enablers of business on the West Coast will be the provision of broadband at speeds compatible to anywhere else in New Zealand. All four West Coast Council's combined their efforts, and with the assistance of Tai Poutini Polytechnic are bidding to access funding from the Government Ultra-Fast Broadband, Rural Broadband and Mobile Blind Spot Funds.

Inangahua Community Board

Retirements from Barrie Fowler and Kim Boulton resulted in a by-election for the Community Board.

Facilitation of Existing and New Business

2014/2015 was a planning year and in this year our Council approved a joint West Coast Economic Development Strategy.

Council has embraced the philosophy of 'red carpet not red tape'. We agreed to have a person dedicated to Economic Development Project Assistance, as part of a combined strategy with the four West Coast Council's and Development West Coast.

Allowing families to move on and attracting new residents

Another big challenge for the community is the social challenge of allowing families to move on. In association with local real estate companies a marketing programme was developed to attract buyers to the District. We intend to actively pursue those looking to unlock wealth in their Canterbury homes by interesting them in reinvesting in more affordable homes in our district, and enjoying our great lifestyle.



Key Performance Indicators

What we did	What we measured	Target	Actual	Achieved
To provide a governance structure and to develop strategic direction for the future of the Buller District	All meetings notified as per legislative requirements (Local Government Official Meetings Act "LGOIMA") and Standing Orders. Minimum notification period of five days but this notification period must not exceed 14 days. If meeting after the 21st day of the month minimum notification is five days but notification period not to exceed 10 days.	100%	2014/2015: 100% all meetings notified as required (2013/2014: no change).	●
	% of agendas and reports available from Council two clear working days prior to each meeting.	100%	2014/2015: 100% (2013/2014: 100% - no change).	●
	% attendance of Council members at various Committee and Working Group meetings.	90%	2014/2015: 95% at Council Meetings (2013/2014: 94% at Council Meetings).	●
	% of Council meetings that are run according to statutory requirements.	100%	2014/2015: All Council meetings are run according to statutory requirements. Nil breaches of legislation noted (2013/2014: no change, nil breaches).	●
To engage and educate members of the community in matters of importance in our district	% of residents who are satisfied with the way Council involves people in decision making.	No survey was undertaken	2014/2015: No survey was planned to be carried out (2013/2014: No survey was undertaken)	●
	Number of meetings held with Maori.	Two formal meetings per annum	2014/2015: No significant issues arose, no meetings were held (2013/2014: no significant issues arose, no meetings were held).	●
	% of consultations undertaken in compliance with legislation through evaluation of consultation procedure.	100%	2014/2015: 100% consultations were undertaken and all legislative requirements were met (100%) (2013/2014: no change).	●
	% of agenda items in open Council.	90%	2014/2015: 90% of agenda items were discussed in an open forum (2013/2014: 93%).	●
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	2014/2015: Council met required statutory deadlines for adoption of required reports (2013/2014: no change).	●
Provide timely and accurate financial information to Management and Council to enable effective monitoring and reporting of financial performance	Adoption of Annual Report.	Meet required statutory deadlines for adoption of required reports	2014/2015: Council met required statutory deadlines for adoption of required Annual Report (2013/2014: no change).	●

Funding Impact Statement

Governance	Budget LTP 2013/2014 \$000	Budget LTP 2014/2015 \$000	Actual 2014/2015 \$000
Sources of Operating Funding			
General rates, uniform annual general charge, rates penalties	976	1,017	1,285
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	41	0	1
TOTAL Operating Funding	A	1,017	1,017
Applications of Operating Funding			
Payments to staff and suppliers	238	243	488
Finance costs	0	0	0
Internal charges and overheads applied	504	504	676
Other operating funding applications	275	270	0
TOTAL applications of Operating Funding	B	1,017	1,017
SURPLUS/(Deficit) of Operating Funding	A-B	0	0
Sources of Capital Funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
TOTAL Sources of Capital Funding	C	0	0
Application of Capital Expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	0	0
- to replace existing assets	0	0	0
Increase/ (decrease) in reserves	0	0	122
Increase/ (decrease) in investments	0	0	0
TOTAL Applications of Capital Funding	D	0	122
SURPLUS/(Deficit) of Capital Funding	C-D	0	(122)
FUNDING BALANCE	((A-B)+(C-D))	0	(0)

Significant Variance Explanations in comparison to the Long Term Plan

General rates, uniform annual general charge, rates penalties

As approved in the Annual plan for 2014/2015, General Rates, totalling \$268,000, have increased to the Long Term Plan due to the additional staff time allocated to governance (\$127,000) as well as external resource costs (totalling \$100,000) due to the rating overhaul project.

Payments to staff and suppliers

Inclusion of \$37,600 in other operating funding applications instead of payments to suppliers and staff in the Annual Plan, meant there were compensating variances in each category. Actual expenditure was lower than the restated budget due to savings in audit fees on the Long Term Plan (\$35,000) and lower expenditure on the Rates Overhaul project (\$68,000).

Other operating funding applications

Refer comments above.



Support Services



What do we do?

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

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

Why are we involved in these activities?

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

Contributes to what Community Outcome?

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



Statement of Service Performance

Rates Overhaul

The 2012-2022 Long Term Plan noted that a Rating Review was long overdue. The existing system had been heavily modified over time and evolved into a complex structure with more than 40 different categories of ratepayers all being rated on a unique basis. This gave rise to questions about equity and fairness.

The newly elected Council commenced the long promised review in early 2014 and spent considerable time analysing the issues and considering the possibilities for change. It was noted that over the past decade Council had shifted from relying on value based progressive rates for about 60% of its rates revenue, to only 40%. At the same time Council had moved from 40% reliance on uniform or fixed target rates, to nearly 60%. The overall result was a regressive system that impacts significantly on low value urban properties where ability to pay is a concern.

A draft rating policy and methodology was adopted as a basis for consultation Council's meeting on 29 October 2014, and minor amendments were adopted at a special Council meeting on 18 November 2014. This draft methodology was agreed as a tentative draft proposal that was put before the community for consultation in December 2014 and January 2015. A series of four information packs were posted to every ratepayer. Follow up public meetings were held at Karamea, Ngakawau, Westport, Punakaiki and Reefton during December 2014.

A more detailed report on the proposal was made available on the Buller District Council website which also hosted a link to the proposed rating model, an online submission form and all of the information pack details. Written submissions closed on 14 January 2015. 449 submissions were received, and Councillors heard those that wished to speak to their submission on 29 and 30 January 2015.

The outcomes of the submission and community consultation process identified a number of areas which Councillors have revisited in subsequent Rate Workshops.

As a result Council resolved to extend the Rates Overhaul Project so that any possible new rating system would be deferred until 1 July 2016. An email or letter was delivered to all submitters advising of the extended timeline and the extension was widely publicised.

Council will continue to work on this significant project through 2015 and 2016 and it is anticipated that a new rating system will be developed for implementation on 1 July 2016. Progress on the Rating Overhaul Public Workshops since February has tracked well in terms of timelines, budget and outcomes.

Long Term Plan

Council adopted its 2015-2025 Long Term Plan on 30 June 2015.

During the first four years of the Long Term Plan Council expects to be able to hold gross operating costs to less than the 2013/2014 figure, even after absorbing inflation. Net debt starts at \$16.8m in 2015/2016 and tracks down to \$12.7m in 2024/2025. Council will operate a balanced budget over the course of the Long Term Plan and debt servicing costs remain low. Council's Financial Strategy is prudent, sustainable and affordable.

Water is our top priority

The provision of clean safe drinking water is our top priority. In the 10 year plan Council committed \$1.6m in 2015/2016 to piping the tunnels for the Westport/Carters Beach water supply, to immediately address the reliability of the supply, and Council have provided a further \$3.9m in 2016/2016 to replace the trunk main pipeline. This will provide the time to accurately determine the scope of the pipe replacements to be undertaken. A further \$2.2m was budgeted to complete the drinking water upgrades for Ngakawau-Hector, Waimangaroa, Inangahua Junction South Grinity and Little Wanganui pending approval of MOH subsidies.

Addressing earth risks, rationalising Council property and investing in our towns

Key earthquake risks were addressed by immediately strengthening the Brougham Street Council offices, and beginning a process to bring the Reefton Community Centre up to acceptable standards. Following a public consultation exercise in 2014/2015, the Reefton community indicated a strong desire to retain the Reefton Community Centre and buildings in a manner that is different from Council's original preferred position. Council has requested that the Inangahua Community Board make a firm recommendation to Council no later than October 2015.

Public Consultation

The community is thanked for their attendance at public meetings held throughout the District, and for the feedback received during the submission process on both the Rates Overhaul and Long Term Plan Projects. It was constructive and informative, and aided the Councillors in their final decision making.

Health and Safety








Ongoing development of policies and procedures was carried out to show compliance with legislation.

Development West Coast funding

In 2014/2015 \$100,000 was distributed to the Reefton Early Learning Centre which opened in March 2015. Continued funding support of the development of the Old Ghost Road took place.

The construction of the Tai Poutini Trades Centre and the Reefton Early Learning Centre were funded.

Key Performance Indicators

What we did	What we measured	Target	Actual	Achieved
<p>Prioritise and manage operating expenditure and capital expenditure</p>	<p>Net operating results and net capital results within overall budget</p>	<p>Regular analysis of budgets and results with the management team to identify, explain and address any overruns in expenditure</p>	<p>Within overall budgets with exceptions have been noted and explanations provided.</p>	
		<p>Quarterly reports to the Finance and Audit Committee</p>	<p>2014/2015: Council deficit of \$1m versus a budget surplus of \$1.6m. Variances are explained in the Annual Report. Controllable expenditure has tracked well (2013/2014: a surplus of \$0.5m).</p>	
		<p>Operate within 5% of budget</p>	<p>2014/2015: Net Capital Expenditure \$5.6m. Stage I of the Westport Water Supply Upgrade has been completed (2013/2014: \$8m). Quarterly reports provided to Finance and Audit Committee on a monthly basis.</p>	
			<p>Variances explained in the Performance Review on pages 7-8.</p>	
<p>Maintenance of rating information database in compliance with Local Rating Act 2002</p>	<p>Statutory compliance and availability of rating information to public in Westport and Reefton</p>	<p>Continued availability of rating information to members of the public</p>	<p>Continued availability of rating information to all members of the public</p>	
<p>Maintenance of Councils information systems including GIS and financial and regulatory systems</p>	<p>Availability of financial and operational systems including GIS systems to support provision of Council services for effective decision making</p>	<p>99% availability with no extended downtime on all critical applications</p>	<p>2014/2015: 100% availability with no extended downtime on all critical applications (2013/2014: 99%)</p>	
<p>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</p>	<p>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</p>	<p>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.</p>	<p>Service requests are logged continuously and are monitored weekly</p>	
<p>To reduce the incidence of work related accidents and to ensure that Council complied with Health and Safety legislation</p>	<p>Health and Safety</p>	<p>Setup systems, procedures and policies to comply with legislation</p>	<p>Ongoing review of policies and procedures, logging of all incidents and ongoing hazard identification. Staff have been working towards achieving accreditation.</p>	

Funding Impact Statement

Support Services	Budget LTP 2013/2014 \$000	Budget LTP 2014/2015 \$000	Actual 2014/2015 \$000
Sources of Operating Funding			
General rates, uniform annual general charge, rates penalties	0	0	0
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	438
Fees and charges	0	0	0
Internal charges and overheads recovered	4,066	4,388	3,919
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	0	0	13
TOTAL Operating Funding	A	4,066	4,388
Applications of Operating Funding			
Payments to staff and suppliers	2,953	3,152	2,724
Finance costs	145	145	221
Internal charges and overheads applied	691	778	803
Other operating funding applications	0	0	401
TOTAL applications of Operating Funding	B	3,789	4,075
SURPLUS/(Deficit) of Operating Funding	A-B	277	313
Sources of Capital Funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	(7)	600	(32)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
TOTAL Sources of Capital Funding	C	(7)	600
Application of Capital Expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	105	699	0
- to replace existing assets	0	0	83
Increase/ (decrease) in reserves	165	214	106
Increase/ (decrease) in investments	0	0	0
TOTAL Applications of Capital Funding	D	270	913
SURPLUS/(Deficit) of Capital Funding	C-D	(277)	(313)
FUNDING BALANCE	((A-B)+(C-D))	0	(0)



Significant Variance Explanations in comparison to the Long Term Plan

Internal charges and overheads recovered

Lower operational costs associated with Support Services mainly in Corporate and Information Services have resulted in lower overheads required to be recovered.

Subsidies and grants for operating purposes

Grants received from the Extraordinary Development West Coast Fund totalling \$292,000 were received (Reefton Powerhouse project \$103,000; Mokihinui Lyell Backcountry Trust \$ 136,000)

Payments to staff and suppliers

Council made a decision not to participate in an IT shared service with the other local Council's on the West Coast. This resulted in a reduction of the Annual Plan budget by \$182,000 to the Long term Plan. Actual Costs were lower than the plan due to savings in IT maintenance and external consultant costs across Council.

Other Operating Funding Applications

Grants totalling \$ 401,000 from the Extraordinary Development West Coast Fund totalling \$292,000 were received (Reefton Powerhouse project \$103,000; Mokihinui Lyell Backcountry Trust \$ 155,000; Tai Poutini Trades Centre, Reefton Early Learning Centre \$100,000).

Increase/(decrease) in debt

As highlighted, Council agreed not to participate in an IT shared service. No loan was required to fund the software implementation.

Capital Expenditure

To improve the level of service

The Long Term Plan budget was reduced in the 2014/2015 Annual Plan due to the decision not to proceed with the IT shared service with the other local Councils on the West Coast.

To replace existing assets

Improvements to hardware and software were undertaken (\$52,000) and a new vehicle for asset management (\$31,000) was purchased.



Property Management, Amenities & Reserves



What do we do?

Amenities and Reserves

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

These include parks, reserves and sports facilities.

Public Toilets

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

Property Management

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

Cemeteries

Council operates the following cemeteries:

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

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

Punakaiki Beach Camp

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

Pensioner Housing

Council provides 46 housing units for the elderly:

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

Why are we involved in these activities?

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

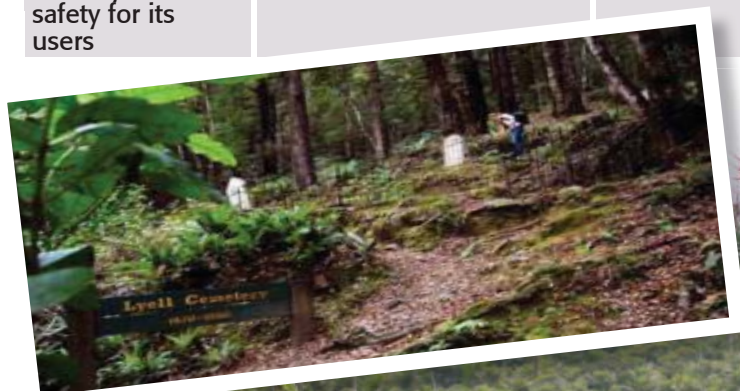
How we contribute to Strategic Goals and Community Outcomes

This activity supports the following community outcomes:

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

Key Performance Indicators

What we did	What we measured	Target	Actual	Achieved
To provide parks and reserves that meets community and environmental needs	% checks on contractors standard of maintenance on active recreation area	95%	2014/2015: 100% checks were undertaken on the maintenance contractor. Any defects were notified to the contractor who then remediated (2013/2014: 100%)	●
	Weekly safety and maintenance inspections of playground equipment	100%	2014/2015: 100% the contractor completed weekly safety checks on all play ground equipment (2013/2014: 100%)	●
	% of occupancy of elderly persons housing	90%	2014/2015: 96% (2013/2014: 98.3%)	●
	% customer satisfaction on provision of elderly housing	80%	2014/2015: 42 questionnaire's were returned with a satisfaction rate of 82.4% (2013/2014: 40 questionnaires, 83.3%)	●
			Questionnaire was sent to the occupiers of all 44 units	
	Providing and managing cemeteries to provide for community health	Maintain cemetery facilities to the appropriate national standard with public records available on request	2014/2015: Maintained cemetery facilities to the appropriate national standard with public records available on request (2013/2014: no change)	●
To have sufficient plots available in all wards to meet current and future demands	Providing adequate plots and land to meet the district's burial needs.	An extension of the Mokihinui Cemetery was completed in 2014/2015 to cater for 100 additional plots. No immediate extensions required in other areas.	●	
Provision of public toilets has health and economic benefits supporting local communities, businesses and visitor destinations	Provide sufficient toilet facilities to meet the districts needs.	Facilities are cleaned, inspected and maintained to serviceable standard.	2014/2015: Facilities were inspected, cleaned and maintained to an acceptable standard. The main toilets were inspected and cleaned daily, the other toilets and inspected and cleaned 2 or 3 times a week, depending on season and usage (2014/2015: no change)	●
		Reduction in public toilet facilities in central Westport		
Managing Council property to enable service delivery and safety for its users	Maintain and administer Council properties for its users	100% of service requests responded to in 10 working days	2014/2015: 100% (2013/201: 100%)	●



Funding Impact Statement

Property Management, Amenities & Reserves	Budget LTP 2013/2014 \$000	Budget LTP 2014/2015 \$000	Actual 2014/2015 \$000
Sources of Operating Funding			
General rates, uniform annual general charge, rates penalties	1,308	1,319	1,244
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	376	379	373
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	1,293	1,391	1,072
TOTAL Operating Funding	A 2,977	3,089	2,689
Applications of Operating Funding			
Payments to staff and suppliers	1,975	2,046	1,883
Finance costs	74	71	70
Internal charges and overheads applied	227	237	339
Other operating funding applications	0	0	0
TOTAL applications of Operating Funding	B 2,276	2,354	2,292
SURPLUS/(Deficit) of Operating Funding	A-B 701	735	397
Sources of Capital Funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	(56)	53	(65)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
TOTAL Sources of Capital Funding	C (56)	53	(65)
Application of Capital Expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	83	77	32
- to replace existing assets	234	213	373
Increase/ (decrease) in reserves	328	498	(73)
Increase/ (decrease) in investments	0	0	0
TOTAL Applications of Capital Funding	D 645	788	332
SURPLUS/(Deficit) of Capital Funding	C-D (701)	(735)	(397)
FUNDING BALANCE	((A-B)+(C-D)) 0	0	(0)



Significant Variance Explanations in comparison to the Long Term Plan

General rates, uniform annual general charge, rates penalties

In the Annual Plan council approved increased Reserve Contributions to reduce the need for funding from General Rates towards Parks and Reserves.

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

As agreed in the Annual Plan the leasing of the Punakaiki Beach camp to a private operator meant that the income from the camp budgeted in the Long term Plan now income accrues to the private operator and not the Council (\$230,000).

In addition, income from property rentals has decreased by as WestReef no longer lease the Reefton depot (\$29,000).

Payments to staff and suppliers

The leasing of the Punakaiki Beach Camp to a private operator means that the operational expenses associated with running the camp totalling \$244,000 are now incurred by the private operator and not the Council. This was offset by higher expenses in Reserves associated with the Cyclone Ita cleanup (\$80,000).

Internal charges and overheads applied

This is due to a redistribution of overheads allocation In the Annual Plan to more accurately reflect the allocation of resources.

Decrease in debt

Debt has decreased due to the deferral of the earthquake strengthening projects.

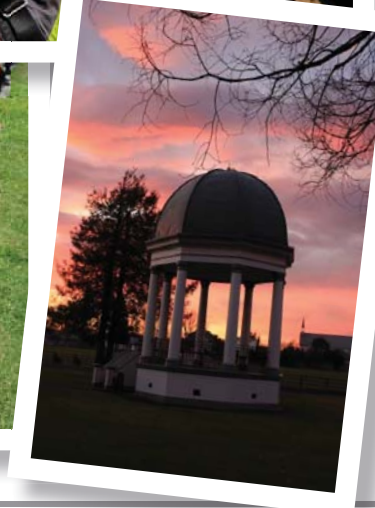
Capital Expenditure

To improve the level of service (\$32,000)

Installation of soft floor matting at Victoria Square playground (\$32,000).

To replace existing assets (\$360,000)

- Total rebuild of abolition block and upgrade of canteen facilities at WestReef Services Westport Depot (\$74,000).
- Extension of Mokihinui cemetery (\$18,000).
- Beautification of gardens and tree re-planting (\$38,000).
- Demolition of one building and a new fence installed along the Peel street Boundary (\$17,000).
- Re-roofing and upgrade of the pensioner flats in Westport (\$61,000).
- Installation of soft floor matting at Victoria Square playground.
- Domain Board Capital Expenditure (Carters Beach, kitchen upgrade \$12,000; Reefton abolition upgrade \$31,000).



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.

Key Performance Targets

Target	Actual	Achieved
To improve financial performance and to operate in a cost effective manner. Financial performance will be judged against projected income and expenditure.	The operating loss was higher than budget due to one-off sourcing costs associated with sourcing a new service provider.	●
To systematically improve the quality and cost effectiveness of services provided to its customers.	New partnership with Sounds Air with improved schedule to meet customer requirements. Contract term is for 6 years.	●
To operate the airport with due regard to sound cultural and environmental issues arising from the community.	Target met. Ongoing protection of the airport from sea erosion.	●
To comply with the Resource Management Act and undertake its activities in an environmentally sound manner having regard to the interest of the community.	Compliance with Resource Management Act.	●

Performance Commentary

During 2014/2015 Council and Sounds Air announced a new airline service following the departure of Air New Zealand in April 2015.

This offers residents an improved schedule meeting the needs of our business community and recreational users. Loadings have tracked favourably to the end of June 2015.

Operating Revenue for the Westport Airport Authority was favourable due to gifted assets from the previous service provider and an unbudgeted service charge paid by the new provider under the new agreement. This was partially offset by lower landing fees which were due to a combination of less patronage and termination of the old service agreement in April 2015.

Operating expenditure exceeded budget primarily due to one-off costs of sourcing a new service provider for the airport and setup costs. Administration costs rose because of the recruitment of a fulltime Airport CEO who now performs some duties previously provided by the last service provider. Oversight by the full time resource has resulted in lower repairs and maintenance costs to budget, and this trend is expected to continue.

Capital expenditure for replacement of the apron in front of the Airport Terminal was over budget due to a larger area being replaced than originally envisaged. Fencing also exceeded budget because a larger section of fencing was required to be replaced to comply with civil aviation regulations. This expenditure is important for compliance with Health and Safety Legislation.



Performance Targets and Results

Buller District Council accounts for its half share in the Westport Airport Authority. Performance against the targets set in the Airport Authority's Statement of Corporate Intent is as follows:

Westport Airport (half share)	Budget LTP 2013/2014 \$000	Budget LTP 2014/2015 \$000	Actual 2014/2015 \$000
Sources of Operating Funding			
General rates, uniform annual general charge, rates penalties	68	68	61
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	59	61	69
TOTAL Operating Funding	A	127	129
Applications of Operating Funding			
Payments to staff and suppliers	53	55	74
Finance costs	10	10	1
Internal charges and overheads applied	10	10	11
Other operating funding applications	0	0	0
TOTAL applications of Operating Funding	B	73	75
SURPLUS/(Deficit) of Operating Funding	A-B	54	44
Sources of Capital Funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	(9)	(10)	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
TOTAL Sources of Capital Funding	C	(9)	(10)
Application of Capital Expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	0	0
- to replace existing assets	0	0	56
Increase/ (decrease) in reserves	45	44	(12)
Increase/ (decrease) in investments	0	0	0
TOTAL Applications of Capital Funding	D	45	44
SURPLUS/(Deficit) of Capital Funding	C-D	(54)	(44)
FUNDING BALANCE	((A-B)+(C-D))	0	0



Buller Holdings Limited

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

Objective

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

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

Nature and Scope of Activities

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

Financial Targets and Results

Description	Budget 2014/2015 \$000	Actual 2014/2015 \$000
Group revenue	13,876	15,361
Group expenditure	13,300	14,217
Net operating surplus	1,969	1,144
Provision for capex	664	992
Return on revenue	4.2%	7.4%
Distribution	875	1,306



WestReef Services working at Scanlon Place, Westport

Financial Results

Group:

In the 2014/2015 year the group generated a profit before taxation of (\$1,144,000 (2013/2014: \$497,000)). This is a very encouraging result given the current economic climate.

A subvention payment of \$728,000 was made during the year from Buller Holdings Ltd to the Buller District Council. A further subvention payment from Buller Holdings Ltd to Buller District Council of \$578,000 was payable on 30 June 2015, making a total distribution of \$1,306,000 during the financial year ended 30 June 2015.

Subsidiary Companies:

WestReef Services Ltd has had another strong year generating revenue of \$10,793,000 compared to \$11,849,483 for the 2013/2014 financial year.

The company has, in the past, had a strategy of growing competitively tendered works and remains focused on this strategy to ensure it reduces its dependency on the Council for revenue.

Buller Recreation Ltd performed extremely well through the year, generating a loss before taxation of \$602,000, compared to a loss of \$735,000 for the 2013/2014 year, despite falling membership numbers through the year. After accounting for depreciation and other non-cash items, the company again generated a small cash surplus.

Westport Harbour Ltd ended the year with a pre-tax profit of \$332,000, compared to a profit of \$40,643 in 2013/2014. A great result for the company, as a result of focused cost control and a reduction in staff cost. The cost of maintenance of the Kawatiri continues to be a challenge.

BULLER Holdings Ltd



A wedding set-up at the Solid Energy Centre

Service Performance

Objective	Target	Actual	Achieved
Financial Performance	The company is committed to operate as a successful business and achieve a commercial rate of return on the investment in the business. This will mean meeting the targets of subsidiaries as stated in the Statements of Intent.	2014/2015: The group generated a profit before taxation of \$1.144m (2013/2014: \$497,000).	●
	To actively pursue additional revenue streams resulting in the increased profitability of BHL so as to increase the dividend payable to Council.	2014/2015: WestReef Services Ltd has had another strong year generating revenue of \$10.7m (2013/2014: \$11,849,483). Revenue grew by 59% from competitively procured work (target 35%). Continuous revenue was from major outside contracts including the Old Ghost Road and the Westport Water Treatment Plant, and success in tendering new contracts including Derby Street upgrade, various Department of Conservation contracts and the Karamea Highway.	●
		2014/2015: Westport Harbour Ltd ended the year with a pre-tax profit of \$332,000 (2013/2014: \$40,643).	●
		2014/2015: Buller Recreation Ltd has performed well throughout the year generating a loss before taxation of \$602,000 (2013/2014: loss of \$735,000). The company generated a small cash surplus.	●
		2014/2015: During the year a total of \$1.306m in subvention payments were paid to Council (2013/2014: \$641,000).	●
Service	3 meetings per year between Council and BHL Board	2014/2015: CCTO met 4 times during the year (2013/2014: 5).	●
	CEO's meet 6 times per year	2014/2015: CEO's have met 5 times during the period (2013/2014: 4 times).	●
	Formal monthly reporting to Council	2014/2015: Quarterly reports to Council and the CCTO Committee were updated monthly (2013/2014: quarterly reports and two other reports were provided to Council).	●
	Compliance with charter and protocols	2014/2015: All charter and protocol requirements adhered to (2013/2014: no changes).	●



Swimming lessons at the SEC Aquatic Centre



Westport Harbour

WestReef Services Limited

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

Objective

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

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

Nature and Scope of Activities

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

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



How WestReef Services performed?

The 2014/2015 financial year has been a year of achievement and resilience for WestReef Services. This year WestReef celebrated their 20th anniversary as a company, providing service to the Buller District.

WestReef Services won a tender for the Transit NZ Network Outcomes Contract (NOC) for the West Coast, as a subcontractor to Fulton Hogan.

Total revenue for the period was \$10.7m and is slightly above budget.

Key project achievements for the year have included completion of the Westport Water Treatment Plant upgrade, Karamea Bluff realignments and the fifth consecutive year of road reconstruction and service upgrade of Derby Street.

WestReef Services continued to work for the Mokihinui Lyell Back Country Trust, as work continues in the final stages of the Old Ghost Road. The decision to pursue this type of work 3-5 years ago continues to prove integral to maintaining financial consistency throughout the economic decline. The company also successfully tendered for upgrade works for the Department of Conservation.

For the third consecutive year, WestReef Services entered the West Coast Leading Light Business awards and was awarded the ACC Health and Safety Award. This demonstrates the commitment of staff towards Health and Safety.



Performance Targets and Results

Performance Measure	Target	Achievement	Achieved
Profitability	10% of gross revenue before subvention payment	2014/2015: 14% achieved (2013/2014: 11%).	●
	Grow revenue from competitively tendered work - target 35% of gross revenue.	2014/2015: 59% continuous revenue from major outside contracts including the Old Ghost Road and Westport Water Treatment Plant. Successful in tendering new contracts including Derby Street upgrade, Department of Conservation and Karamea Bluff contracts (2013/2014: 28%).	●
Quality	Renewal of TQA1 certification	2014/2015: Achieved April 2015 (2013/2014: May 2014).	●
Client satisfaction	Meet monthly with major client, BDC engineers, to obtain feedback on specific contract performance	2014/2015: 12 BDC contract meetings were held, and post contract reviews for contracts over \$50,000 took place (2013/2014: 11 meetings with BDC, and 6 further meetings with other clients).	●
Community support	Support at least 6 community activities	2014/2015: 36 community activities were supported (2013/2014: 8).	●
Employee satisfaction	Employee turnover <15% per annum excluding retirement	2014/2015: 15% in total based on FTE basis, excluding retirements and casual employee contracts (2013/2014: 22%).	●
	Weekly staff meetings with minutes kept	2014/2015: Weekly staff meetings were held and minuted for all departments (2013/2014: Achieved).	●
	Ensure succession plans are put in place for all senior management positions	2014/2015: Succession plans remain current and in place (2013/2014: Succession plans in place).	●
Safety	Lost time injuries <5% of total hours	2014/2015: 0.32% for the year (2013/2014: Nil).	●



Westport Harbour Limited

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

From 1 September 2005 the operation of the Westport Harbour and the management of the harbour assets have been carried out by Buller Port Services Limited, a wholly owned subsidiary of Holcim (New Zealand) Limited ("Holcim") pursuant to a Harbour Management Agreement between the Council and Holcim dated 16 March 2006 ("the HMA").

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

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

Objective

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

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

Nature and Scope of Activities

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

How Westport Harbour Limited performed?

2015 was a very testing and trying year for Westport Harbour Limited (WHL). The Holcim departure draws closer and the revenue from the companies main customer will cease. This, of course, causes major concern and there are ongoing efforts to attract new customers to the port.

The profit for the year was considerably more than the previous year, this being due to continued savings in fuel and personnel, and a proactive approach to the purchasing of all necessary equipment.

Efforts to increase the number of fishing vessels using the port show promise, particularly with larger vessels. Fishing companies have been advised of the availability of the pilot vessel "Bob Gower" for crew and store transfers for larger vessels that cannot enter the river. In addition to Talleys, the port has attracted other fishing companies. Storage space for use by Solanders has been leased. Leigh Fisheries and Silverspray Fisheries regularly unload in Westport.

The port has continued to maintain and upgrade facilities.



Kawatiri Dredge

Performance Targets and Results

Performance Measure	Target	Achievement	Achieved
Profitability	9% of gross revenue (pretax)	2014/2015: Pre-tax operating profit is 16.2% before dredge slipping costs (2013/2014: 11.5%).	●
	15% on BHL's investment before subvention payment (post tax)	2014/2015: 21.8% achieved (2013/2014: 0.1%)	●
Growth	Pursue all opportunities for practical growth	2014/2015: Dialogue with Greymouth Gisborne and Centre Port (Wellington) regarding outport dredging. Four Contracted Ports tender, Nelson contract confirmed (2013/2014: achieved).	●
Service performance	Maintain by dredging: A bar depth of >2.8m at chart datum An average river depth in the main channel of 3.8m at chart datum A cement berth depth of 5.6m to 6m The floating basin main berth and Talley's wharf at 5m To consistently deliver services to customers in accordance with contracts	2014/2015: Achieved average bar depth of 3.2m, with 13 recorded depths less than 2.8m (2013/2014: Average bar depth of 3.4m). Regular dredging at the spit and regular soundings carried out, indicating a minimum depth of 3.8m. No complaints were received, and two compliments were received from our major customer.	●
Personnel	Maintain succession plans for key positions	2014/2015: Review completed as part of Harbour Management structure changes (2013/2014: Achieved).	●
	Maintain competency levels required for all employees.	2014/2015: Achieved - all seafarer medicals and certifications are current (2013/2014: Achieved).	●
	Undertake a staff satisfaction survey.	Employment engagement survey was completed in 2014/2015.	●
Policies	Engage policies to assist to maintain a comprehensive system of health and safety procedures.	2014/2015: System maintained with current Safety Management System under review as required by MNZ (2013/2014: Achieved).	●
Safety	Promote a safety first/zero harm culture	2014/2015: 10 monthly meetings were held to identify and address any hazards or safety concerns (2013/2014: 11 monthly meetings were held).	●
	Lost time incidents of nil	2014/2015: Nil LTI incidents occurred (2013/2014: Nil).	●
Environment	Avoid harm to environment as consequence of port operations	2014/2015: No environmental incidents during the year (2013/2014: Nil).	●
	Maintain oil spill response capability	2014/2015: Maritime NZ oil spill response training was held on 18 May 2015. Tier 1 oil spill plan reviewed (2013/2014: Oil spill training held in January 2014).	●

Buller Recreation Limited

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

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

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

Objective

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

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

Nature and Scope of Activities

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

Its activities will include provision of services for:

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

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



How has Buller Recreation Limited performed

Membership numbers have understandably declined with the declining population, but income received from users has grown, which suggests that those using the facility are using it more intensively.

The company has invested considerably in staff training over the last 12 months. All fitness centre staff are now close to completing their personal training qualifications, and 8 swim instructors have been trained.

The swim school branding has been completed and has resulted in a very good performance for the swim school team.

TRIBE (team fitness training programme) has continued to be very successful, and this programme has been successfully marketed to corporate and school groups.

The facility has hosted big events over the last 12 months, with Fight for Life providing the largest scale event for the centre yet. The annual mid-winter ball doubled its numbers this year, and once again proved to be a great night out for the Westport community.

The energy conservation project is almost complete. In comparison to the first year of operation, the facility has used 49% less electricity to operate this year, which is a good cost-saving initiative.



Performance Targets and Results

Performance Measure	Target	Achievement	Achieved
Profitability	Revenue and expenditure in line with budget	2014/2015: Revenue exceeds budget by 2% (2013/2014: 3%).	●
		2013/2014: Expenditure (excluding depreciation and tax) less than budget by 3% (2013/2014: 9%).	●
Fitness membership	450 members	2014/2015: Membership declined marginally throughout the year (2013/2014: Achieved).	●
		2014/2015: 472 as at 30 June 2015 (2013/2014: 486 as at 30 June 2014).	
		2014/2015: Average of 469 (2013/2014: Average was 562).	
	Retention rate >75%	2014/2015: Achieved retention rate of 93.9% across the financial year (2013/2014: Achieved).	●
Aquatic centre usage	4,000 visits per month	2013/2014: Achieved. Average 4,185. Above target but less than last year due to financial climate in Westport (2013/2014: Average 4,341).	●
	Achieve 150 swimming students (averaged over twelve months)	2014/2015: Average of 173 per month, an increase due to significant staff training carried out (2013/2014: Average of 165)	●
Safety	Nil serious harm incidents	2014/2015: Achieved (2013/2014: Achieved).	●
	100% compliance with Health and Safety procedures	2014/2015: Achieved (2013/2014: Achieved).	●
Employee satisfaction	Maintain well qualified and committed workforce.	2014/2015: Extensive training carried out, with low turnover of staff achieved (2013/2014: new measure).	-
	Maintain regular communication with all employees.	2014/2015: BRL has a weekly bulletin which is emailed to all staff (2013/2014: Bi-monthly meetings were held).	●
Asset Management Plan (AMP)	Maintain a comprehensive AMP	2014/2015: Asset Management Plan was reviewed and updated (2013/2014: Achieved).	●
	Complete maintenance and replacement in accordance with AMP (monitor monthly).	2014/2015: Achieved (2013/2014: 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.

Financial Results

Operating revenue grew by 8.2% compared to 2013/2014. The end result was an operating surplus of \$103,721.

Objective

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

Nature and Scope of Activities

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

Performance Targets and Results

Target	Actual	Achieved
To support provision of appropriate medical services to the Buller community.	2014/2015: Dental services were available 100% of the year (2013/2014: 100%)	●
To operate on a breakeven basis	2014/2015: Annual result was a \$103,721 surplus (2013/2014: \$81,430 surplus)	●



Tourism West Coast

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

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

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

Objective

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

Nature and Scope of Activities

Tourism promotion at a regional level.

Performance Targets and Results

Target	Actual	Achieved
The Chairperson of the Board and Chief Executive of Tourism West Coast will address Council on an annual basis	2014/2015: Presentation completed to Council during Annual Plan process (2013/2014: presentation completed).	●
The Annual Report is to be presented to Council within two months of adoption	2014/2015: As at balance date Council had not yet received the Annual Report (2013/2014: no change, as above).	●



Nile River, Charleston



Financial Statements

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



Statement of Comprehensive Revenue & Expense for the year ended 30 June 2015

	Parent			Group		
	Note	2014/2015 Actual \$000	2014/2015 Budget AP \$000	2013/2014 Actual \$000	2014/2015 Actual \$000	2013/2014 Actual \$000
OPERATING REVENUE						
General Rates	1	7,872	7,942	7,424	7,786	7,338
Targeted Rates (excluding Metered Water)	1	5,438	5,407	5,234	5,381	5,177
Metered Water Charges		211	227	216	211	216
Rate Penalties	1	142	230	158	142	158
Subsidies and Grants		5,304	5,972	5,823	5,304	5,823
Investment Revenue	2	1,976	1,435	1,400	602	640
Other Revenue	2	20	0	34	0	10
Development and Financial Contributions		221	100	545	221	545
Fees & Charges		3,252	3,425	3,585	8,941	8,765
Gain on Derivative Contracts	16	0	0	371	0	371
Vested Assets		2	103	256	2	256
Profit on Sale of Assets		4	0	69	55	83
Gain on Revaluations of Investment Land	12	0	263	0	0	0
Share in Profit (Loss) of Associate		0	0	0	(3)	(7)
TOTAL Operating Revenue	3	24,442	25,104	25,115	28,642	29,375
OPERATING EXPENDITURE						
Employment Costs		4,315	4,490	4,268	9,698	9,857
Depreciation & Amortisation		5,400	5,655	5,256	6,845	6,689
Finance Costs		1,471	1,337	1,505	1,472	1,505
Other Expenses		11,630	11,645	12,350	9,680	10,173
Assets Written Off		1,138	350	669	1,138	699
Loss on Derivative Contracts	16	681	0	0	681	0
Loss on Revaluations of Investment Land	12	854	0	505	854	505
Loss on Sale of Investment Property		0	0	70	0	70
TOTAL Operating Expenditure	4	25,489	23,477	24,623	30,368	29,498
NET Surplus (Deficit) Before Taxation	5	(1,047)	1,627	492	(1,726)	(123)
Income Tax Expense	6	0	0	0	125	(89)
NET Surplus (Deficit) After Taxation		(1,047)	1,627	492	(1,851)	(34)
OTHER COMPREHENSIVE REVENUE & EXPENSE						
Increase/(decrease) in Infrastructure Revaluation Reserves		0	0	8,746	0	9,109
Gain/(Loss) on Investment Recognised in Asset Revaluation Reserve		3	0	(2)	3	(2)
TOTAL Comprehensive Revenue & Expense		(1,044)	1,627	9,236	(1,848)	9,073

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

Statement of Changes in Equity

for the year ended 30 June 2015

	Parent			Group	
	2014/2015 Actual \$000	2014/2015 Budget AP \$000	2013/2014 Actual \$000	2014/2015 Actual \$000	2013/2014 Actual \$000
EQUITY as at 1 JULY	319,141	323,779	309,905	317,282	308,209
Total Comprehensive Revenue & Expenses	(1,044)	1,627	9,236	(1,848)	9,073
TOTAL EQUITY at End of Year	318,097	325,406	319,141	315,434	317,282
COMPONENTS OF EQUITY					
Accumulated Funds	169,498	172,553	171,120	165,791	168,217
Reserves	4,411	3,112	3,836	4,411	3,836
Asset Revaluation Reserve	144,188	149,741	144,185	145,232	145,229
TOTAL EQUITY at End of Year	318,097	325,406	319,141	315,434	317,282

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

Statement of Financial Position

as at 30 June 2015

	Notes	Parent			Group	
		2014/2015 Actual \$000	2014/2015 Budget AP \$000	2013/2014 Actual \$000	2014/2015 Actual \$000	2013/2014 Actual \$000
CURRENT ASSETS						
Cash and Cash Equivalents	8	3,025	1,851	2,499	5,748	4,689
Trade and Other Receivables	9	4,260	4,908	4,718	3,970	5,110
Derivative Financial Instruments	16	0	0	15	0	15
Inventories		16	17	17	276	363
Other Current Assets	10	117	12	94	45	25
Short Term Investments		11,284	10,972	10,640	11,684	10,640
Assets Held for Sale	11	36	0	148	36	148
TOTAL Current Assets		18,738	17,760	18,131	21,759	20,990
NON CURRENT ASSETS						
Investment in Council Controlled Organisations	12	20,090	19,835	20,304	40	37
Other Investments	12	66	0	66	130	133
Investment Property	12	8,503	10,308	9,797	8,503	9,797
Infrastructural Assets	13	278,852	291,063	279,029	278,027	278,704
Other Non Current Assets	13	21,377	20,974	21,873	38,250	39,270
Derivative Financial Instruments	16	0	0	46	0	46
Deferred Tax	6	0	0	0	0	200
Intangible Assets	14	53	152	125	758	837
TOTAL Non Current Assets		328,941	342,332	331,240	325,708	329,024
TOTAL Assets		347,679	360,092	349,371	347,467	350,014
CURRENT LIABILITIES						
Trade and Other Payables	15	2,628	4,050	3,844	3,033	4,122
Derivative Financial Instruments	16	13	675	0	13	0
Employee Benefits	17	550	458	634	1,141	1,327
Provisions	19	35	0	35	35	35
Current Portion of Term Debt	18	80	4,503	80	80	80
TOTAL Current Liabilities		3,306	9,686	4,593	4,301	5,564
NON CURRENT LIABILITIES						
Derivative Financial Instruments	16	731	0	124	731	124
Provisions	19	1,614	1,389	1,539	1,614	1,539
Bond Deposits		81	82	80	80	80
Employee Entitlements	17	285	286	280	315	309
Deferred Tax	6	0	0	0	1,427	1,502
Term Debt	18	23,565	23,243	23,614	23,565	23,614
TOTAL Non Current Liabilities		26,276	25,000	25,637	27,732	27,168
EQUITY						
Accumulated Funds	20	169,498	172,553	171,120	165,791	168,217
Reserves	21	4,411	3,112	3,836	4,411	3,836
Asset Revaluation Reserve	22	144,188	149,741	144,185	145,232	145,229
TOTAL Equity		318,097	325,406	319,141	315,434	317,282
TOTAL Liabilities & Equity		347,679	360,092	349,371	347,467	350,014

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

Statement of Cashflows

for the year ended 30 June 2015

	Parent			Group		
	Notes	2014/2015 Actual \$000	2014/2015 Budget AP \$000	2013/2014 Actual \$000	2014/2015 Actual \$000	2013/2014 Actual \$000
CASHFLOWS FROM OPERATING ACTIVITIES						
<i>Cash was provided from:</i>						
Rates		13,543	13,580	13,017	13,400	12,874
Other Revenue		9,675	9,723	10,588	16,551	14,864
Interest Received		636	560	760	569	1,569
Tax Received		0	0	0	0	2
Dividends & Subvention Payments Received		912	875	825	0	0
		24,766	24,738	25,190	30,520	29,309
<i>Cash was applied to:</i>						
Payments to Suppliers and Employers		16,171	16,613	17,142	19,933	19,841
Interest Paid		1,397	1,337	1,420	1,405	1,397
Income Tax Paid		0	0	0	0	0
Net GST Movement		34	0	(290)	82	(349)
		17,602	17,950	18,272	21,420	20,889
NET CASH from Operating Activities	7	7,164	6,788	6,918	9,100	8,420
CASHFLOWS FROM INVESTING ACTIVITIES						
<i>Cash was provided from:</i>						
Disposal of Fixed Assets		14	0	774	193	797
Investment Realised		10,639	4,994	11,971	10,359	12,415
		10,653	4,994	12,745	10,552	13,212
<i>Cash was applied to:</i>						
Purchase of Fixed Assets		6,185	9,186	6,661	7,128	7,739
Purchase of Investments		11,047	1,500	10,591	11,407	10,549
Purchase of Intangibles		9	0	41	9	41
		17,241	10,686	17,293	18,544	18,329
NET CASH from Investing Activities		(6,588)	(5,692)	(4,548)	(7,992)	(5,117)
CASHFLOWS FROM FINANCING ACTIVITIES						
<i>Cash was provided from:</i>						
Loans Raised		49	2,568	1,500	49	1,500
<i>Cash was applied to:</i>						
Repayment of loans		99	4,503	3,455	98	3,455
NET CASH from Financing Activities		(50)	(1,935)	(1,955)	(49)	(1,955)
NET INCREASE (DECREASE) IN CASH		526	(839)	415	1,059	1,348
OPENING CASH AS AT 1 JULY		2,499	2,690	2,084	4,689	3,341
CLOSING CASH AS AT 30 JUNE		3,025	1,851	2,499	5,748	4,689

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

Council		Budget AP 2013/2014 \$000	Actual 2013/2014 \$000	Budget AP 2014/2015 \$000	Actual 2014/2015 \$000
Sources of Operating Funding					
General rates, uniform annual general charge, rates penalties		7,450	7,424	7,942	7,872
Targeted rates		5,237	5,234	5,407	5,438
Subsidies and grants for operating purposes		2,231	2,737	2,761	3,106
Fees and charges		281	216	227	211
Internal charges and overheads recovered		0	0	0	0
Interest and dividends from investments		1,693	1,400	1,435	1,976
Local authorities fuel tax, fines, infringements fees and other receipts		4,609	3,743	3,655	3,393
Total operating funding	A	21,501	20,754	21,427	21,996
Applications of Operating Funding					
Payments to staff and suppliers		15,502	15,817	15,244	14,962
Finance costs		1,561	1,505	1,337	1,471
Internal charges and overheads applied		0	0	0	0
Other operating funding applications		678	801	892	984
Total applications of operating funding	B	17,741	18,123	17,473	17,417
Surplus/ (deficit) of operating funding	A-B	3,760	2,631	3,954	4,579
Sources of Capital Funding					
Subsidies and grants for capital expenditure		2,847	2,441	3,211	1,648
Development and financial contributions		0	545	100	221
Increase/(decrease) in debt		4,164	(1,955)	(2,387)	(50)
Gross proceeds from sale of assets		494	630	494	10
Lump sum contributions		350	645	0	550
Other dedicated capital funding		0	0	0	0
Total sources of capital funding	C	7,855	2,306	1,418	2,379
Application of Capital Expenditure					
- to meet additional demand		0	0	0	0
- to improve the level of service		6,762	3,591	5,158	1,864
- to replace existing assets		3,955	4,420	4,028	3,574
Increase/ (decrease) in reserves		404	(1,743)	192	876
Increase/ (decrease) in investments		494	(1,332)	(4,006)	644
Total applications of capital funding	D	11,615	4,937	5,372	6,958
Surplus/ (deficit) of capital funding	C-D	(3,760)	(2,631)	(3,954)	(4,579)
Funding balance	((A-B)+(C-D))	0	0	0	0



Notes to the Financial Statements

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- Contains:**
- Note 1** ~ Rates Revenue
 - Note 2** ~ Investment Revenue
 - Note 3** ~ Operating Revenue
 - Note 4** ~ Operating Expenditure
 - Note 5** ~ Operating Surplus
 - Note 6** ~ Income Tax
 - 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** ~ Investment in Council Controlled Organisations and Other 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
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 - Note 23** ~ Related Party Transactions and Balances
 - Note 24** ~ Council Subsidiaries, Associates and Joint Ventures
 - Note 25** ~ Statement of Commitments, Contingent Liabilities and Contingent Assets
 - Note 26** ~ Capital Management
 - Note 27** ~ Financial Instruments
 - Note 28** ~ Post Balance Date Events
 - Note 29** ~ Explanations of Major Variances against Budget
 - Note 30** ~ Insurance of Assets
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Note 1 ~ Rates Revenue

Rates Revenue	Parent	
	2014/2015 Actual \$000	2013/2014 Actual \$000
General rates	7,872	7,424
Targeted Rates attributable to Activities:		
Water	2,173	2,031
Refuse and Sanitation	3,018	2,919
Roading	0	0
Economic Development	247	285
Penalties	142	158
TOTAL Revenue from Rates	13,452	12,817

Rates Remissions

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

	Parent	
	2014/2015 Actual \$000	2013/2014 Actual \$000
TOTAL Rates Revenue	13,531	12,898
Rates Remissions:		
Land used for sport	35	32
Land protected for historical or cultural purposes	44	49
TOTAL Remissions	79	81
Rates Revenue Net of Remissions	13,452	12,817

Rating Base Information

The rating base used to set the rates for 2014/2015 were 7,520 rating units within the Buller District as at 30 June 2014. The total capital value of these rating units as at 30 June 2014 was \$2,486,933,900, of which \$1,320,047,250 consisted of land value.

(2013/2014: 7,437 rating units, capital value of \$2,288,882,950 which includes a land value of \$1,267,480,230).

Note 2 ~ Investment Revenue

Investment Revenue	Parent		Group	
	2014/2015 Actual \$000	2013/2014 Actual \$000	2014/2015 Actual \$000	2013/2014 Actual \$000
Interest Revenue	1,331	1,424	1,263	1,305
Dividend Income and Subvention Revenue	1,306	641	0	0
	2,637	2,065	1,263	1,305
Less: Internal Interest	661	665	661	665
TOTAL Investment Revenue	1,976	1,400	602	641

Other Revenue	Parent		Group	
	2014/2015 Actual \$000	2013/2014 Actual \$000	2014/2015 Actual \$000	2013/2014 Actual \$000
Investment Loan Discount Amortisation Revenue	20	24	0	0
Donations	0	10	0	10
Sundry Revenue	0	0	0	0
TOTAL Other Revenue	20	34	0	10

Note 3 ~ Operating Revenue

Revenue by Activity	Parent			Group	
	2014/2015 Actual \$000	2014/2015 Budget AP \$000	2013/2014 Actual \$000	2014/2015 Actual \$000	2013/2014 Actual \$000
Democracy	1	0	30	1	30
Community Services	1,799	1,043	1,683	1,799	1,683
Regulatory Services	1,071	1,342	1,597	1,071	1,597
Amenities & Reserves	1,445	1,450	1,431	1,445	1,431
Roading & Urban Development	3,986	4,245	3,782	3,986	3,782
Solid Waste	838	796	1,330	838	1,330
Water Supplies	2,796	4,230	3,371	2,796	3,371
Wastewater	2,341	2,333	2,220	2,341	2,220
Stormwater	13	8	5	13	5
Airport	69	61	57	69	57
In House Professional Services	683	785	562	683	562
Support Services	4,370	4,265	4,202	4,370	4,202
	19,412	20,557	20,270	19,412	20,270
Plus:					
General Rates	7,872	7,942	7,424	7,786	7,338
Rates Penalties	142	230	158	142	158
Investment Revenue	1,976	1,435	1,400	602	641
Profit on Sale of Assets	4	0	69	55	0
Gain on Derivative Contracts	0	0	371	0	371
Vested Assets	2	103	256	2	256
Sundry Revenue	20	0	34	0	10
Gain on Revaluation of Investment Land	0	263	0	0	0
Group Revenue	0	0	0	5,631	5,206
Share in Profit/(Loss) of Associate	0	0	0	(3)	(7)
Less:					
Internal Recoveries	(4,986)	(5,426)	(4,867)	(4,986)	(4,867)
TOTAL Revenue	24,442	25,104	25,115	28,642	29,375

Note 4 ~ Operating Expenditure

Expenditure by Activity	Parent			Group	
	2014/2015 Actual \$000	2014/2015 Budget AP \$000	2013/2014 Actual \$000	2014/2015 Actual \$000	2013/2014 Actual \$000
Democracy	1,164	1,285	984	1,164	984
Community Services	4,338	4,337	4,421	4,338	4,421
Regulatory	1,772	2,181	1,983	1,772	1,983
Amenities and Reserves	2,292	2,235	2,292	2,292	2,292
Roading and Urban Development	4,311	4,357	4,203	4,311	4,203
Solid Waste	1,029	974	2,115	1,029	2,115
Water Supplies	1,613	1,608	1,353	1,613	1,353
Wastewater	1,392	1,569	1,371	1,392	1,371
Stormwater	240	252	206	240	206
Airport	86	68	54	86	54
In House Professional Services	676	714	615	676	615
Support Services	4,149	3,998	4,058	4,149	4,058
	23,062	23,578	23,655	23,062	23,655
Plus:					
Depreciation and Amortisation:					
- Democracy	0	0	0	0	0
- Community Services	488	415	457	488	457
- Regulatory	87	74	72	87	72
- Amenities and Reserves	456	474	441	456	441
- Roothing and Urban Development	2,552	2,721	2,435	2,552	2,435
- Solid Waste	84	96	92	84	92
- Water Supplies	617	682	647	617	647
- Wastewater	691	664	662	691	662
- Stormwater	201	206	198	201	198
- Airport	55	54	54	55	54
- In House Professional Services	14	13	14	14	14
- Support Services	156	256	184	156	184
- Group Depreciation	0	0	0	1,445	1,433
Other Group Expenses	0	0	0	3,434	3,442
Assets Written Off	1,138	350	669	1,138	669
Loss on Derivative Contracts	681	0	0	681	0
Loss on Revaluations of Investment Land	854	0	505	854	505
Loss on Sale of Investment Property	0	0	70	0	70
Less:					
Internal Recoveries	(4,986)	(5,426)	(4,867)	(4,986)	(4,867)
Internal Interest	(661)	(680)	(665)	(661)	(665)
Total Expenditure	25,489	23,477	24,623	30,368	29,498

Note 5 ~ Operating Surplus

Operating Surplus was determined after Accounting for:	Parent		Group	
	2014/2015 Actual \$000	2013/2014 Actual \$000	2014/2015 Actual \$000	2013/2014 Actual \$000
Fees to principal auditor:				
Audit fees for financial statement audit	107	104	209	206
Audit fees for long term plan audit	75	0	75	0
Audit fees (1/2 share WAA)	5	4	5	4
Grants and Donations Expense	1,026	807	1,026	807
Lease Revenue	657	610	383	334
Lease Expense	64	69	90	95
Donated Assets	6	0	6	0
Movement in provision doubtful debts:				
Accounts Receivable	38	13	38	13

(i) Remuneration

During the year to 30 June 2015, 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:

	2014/2015 Actual \$000	2013/2014 Actual \$000
Chief Executive:		
Paul Wylie	251,948	244,251
Mayor:		
Pat McManus (to 15 October 2013)	0	22,643
Garry Howard (from 16 October 2013)	70,341	45,537
Councillors:		
David Barnes (to 15 October 2013)	0	4,914
Andrew Basher (from 16 October 2013)	21,539	11,350
Lynn Brooks (from 16 October 2013)	19,739	11,350
Peter Campbell (to 15 October 2013)	0	4,914
Jim Halsall (to 15 October 2013)	0	4,914
Gregory Hart (from 16 October 2013)	16,679	10,756
Dave Hawes	19,739	16,265
John Hill (to 15 October 2013)	0	4,914
Graham Howard	16,679	15,670
Richard Marsh (from 27 February 2013 to 15 October 2013)	0	4,914
Margaret Montgomery (to 15 October 2013)	0	4,914
Robyn Nahr (from 16 October 2013)	16,679	10,756
Graeme Neylon	26,361	20,374
Sheryl Rhind (from 16 October 2013)	16,417	10,756
Sharon Roche (from 16 October 2013)	20,637	11,350
Philip Rutherford (from 16 October 2013)	21,451	11,363
Rosalie Sampson (to 15 October 2013)	0	6,707
Total Mayor and Councillors	266,262	234,361

(ii) Severance Payments

During the year to 30 June 2015 no severance payments were made to staff (2013/2014: Nil).

(iii) Employee Staffing Levels and Remuneration

Number of Employees	2014/2015	2013/2014
Fulltime	40.0	41.0
Fulltime Equivalent of other employees	12.8	11.7

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 2014/2015 there were 3 employees (2013/2014: 3 employees). These employees are regarded as full time employees for the purposes of this disclosure. The total number of employees employed by Council in 2014/2014 was 70 (2013/2014: 68).

Remuneration Levels

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

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

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

In 2014/2015 there were 5 or fewer employees in the \$100,000 to \$119,999 the \$120,000 to \$139,999 band and the \$140,000 to \$159,999 band hence inclusion of those employees in a \$100,000 to \$179,999 remuneration band.

(In 2013/2014 there were 5 or fewer employees in the \$100,000 to \$119,999, the \$120,000 to \$139,999 band and the \$140,000 to \$159,999 band).

Note 6 ~ Income Tax

Components of Tax Expense	Parent		Group	
	2014/2015 Actual \$000	2013/2014 Actual \$000	2014/2015 Actual \$000	2013/2014 Actual \$000
	Current Tax Expenses	0	0	0
Adjustments to Current Tax in Prior Year	0	0	0	0
Deferred Tax Expenses	0	0	125	(89)
Income Tax Expense	0	0	125	(89)

Relationship between Tax and Accounting Profit	Parent		Group	
	2014/2015 Actual \$000	2013/2014 Actual \$000	2014/2015 Actual \$000	2013/2014 Actual \$000
	Surplus/(Deficit) Before Tax	(1,047)	492	(1,726)
Tax @ 28%	(293)	138	(483)	(34)
Non-Deductible Expenditure	(57)	0	(40)	9
Non-Taxable Revenue	133	(393)	644	(73)
Change in Building Depreciation	0	0	3	3
Prior Year Adjustment	0	0	0	(1)
Group Loss Offset	366	179	0	0
Temporary Differences Not Recognised	1	7	0	0
Tax Losses Not Recognised	(150)	69	0	0
Deferred Tax Adjustments	0	0	1	7
Income Tax Expense	0	0	125	(89)

Deferred Tax Assets/(Liabilities)

Parent	Property, Plant and Equipment	Financial Instruments	Employee Entitlements	Other Provisions	Tax Losses	Total
Balance at 1 July 2013	0	0	0	0	0	0
Credited to Profit and Loss	0	0	0	0	0	0
Balance at 1 July 2014	\$0	\$0	\$0	\$0	\$0	\$0
Credited to Profit and Loss	0	0	0	0	0	0
Charged to Equity	0	0	0	0	0	0
Balance at 1 July 2015	\$0	\$0	\$0	\$0	\$0	\$0

Group	Property, Plant and Equipment	Financial Instruments	Employee Entitlements	Other Provisions	Tax Losses	Total
Balance at 1 July 2013	(2,148)	0	165	(2)	594	(1,391)
Credited (Charged) to Profit and Loss	2	0	12	7	68	89
Balance at 1 July 2014	\$(2,146)	\$0	\$177	\$5	\$662	\$(1,302)
Credited (Charged) to Profit and Loss	40	0	(22)	6	(149)	(125)
Charged to Equity	0	0	0	0	0	0
Balance at 1 July 2015	\$(2,106)	\$0	\$155	\$11	\$513	\$(1,427)

Additional disclosures

2014/2015: Council has an unrecognised deferred tax asset in relation to temporary timing differences of \$98,864 (2013/2014: \$104,055) and tax losses of \$1,830,974 (2013/2014: \$2,365,750). 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	
	2014/2015 Actual \$000	2013/2014 Actual \$000	2014/2015 Actual \$000	2013/2014 Actual \$000
Surplus/(Deficit) after Tax	(1,047)	492	(1,851)	(34)
Add/(less) non-cash items:				
Depreciation & Amortisation Expense	5,400	5,256	6,845	6,689
Impairment	0	0	0	0
Movement in Provisions	75	86	75	86
Movement in Deferred Taxation	0	0	125	(89)
Donated Assets	(6)	0	(26)	0
Other Non Cash Items	0	0	0	0
Vested Assets	(2)	(256)	(2)	(256)
Loan Amortisation	(20)	(24)	0	0
(Gains)/Losses in Fair Value of Investment Property	854	505	854	505
(Gains)/Losses on Derivative Financial Instruments	681	(371)	681	(371)
	6,982	5,196	8,552	6,564
Add/(less) Items Classified as Investing Activities:				
(Gains)/Losses on Disposal of Investment Property and PPE	(4)	1	(55)	70
Assets Written Off	1,138	669	1,138	699
Movement in Fixed Asset Accounts Payable	952	(1,046)	1,380	(583)
	2,086	(376)	2,463	186
Add/(less) Movements in Working Capital Items:				
Trade and Other Receivables	459	890	1,140	762
Inventories	1	1	85	(68)
Other Current Assets	(23)	(82)	(20)	170
Trade and Other Payables	(1,215)	712	(1,089)	722
Employee Benefits	(79)	85	(180)	118
	(857)	1,606	(62)	1,704
Net Cash Inflow/(Outflow) from Operating Activities	7,164	6,918	9,100	8,420

Note 8 ~ Cash and Cash Equivalents

	Parent		Group	
	2014/2015 Actual \$000	2013/2014 Actual \$000	2014/2015 Actual \$000	2013/2014 Actual \$000
Cash at bank and in hand	3,025	2,499	5,348	4,086
Short term deposits maturing three months or less from the date of acquisition	0	0	400	603
Total Cash and Cash Equivalents	3,025	2,499	5,748	4,689

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	
	2014/2015 Actual \$000	2013/2014 Actual \$000	2014/2015 Actual \$000	2013/2014 Actual \$000
Cash at bank and in hand	3,025	2,499	5,348	4,086
Short term bank deposits maturing within three months	0	0	400	603
Bank overdrafts	0	0	0	0
	3,025	2,499	5,748	4,689

Note 9 ~ Trade and Other Receivables

	Parent		Group	
	2014/2015 Actual \$000	2013/2014 Actual \$000	2014/2015 Actual \$000	2013/2014 Actual \$000
Trade Receivables	1,441	2,223	1,888	3,017
Amounts due from Controlled Entities (excluding GST):				
WestReef Ltd	6	8	0	0
Buller Holdings Ltd	104	111	0	0
Buller Recreation Ltd	0	0	0	0
Buller Arts and Recreation Trust	0	12	0	0
Buller Health Trust	0	0	0	0
Westport Harbour Ltd	49	87	0	0
NZTA Rooding Subsidies	998	927	998	927
Interest Receivable	118	85	118	85
Dividend / Subvention Receivable	578	184	0	0
Rates Receivable	1,104	1,181	1,104	1,181
	4,398	4,818	4,108	5,210
Less:				
Less: provisions for doubtful debts	(138)	(100)	(138)	(100)
	4,260	4,718	3,970	5,110
Represented by:				
Current Portion	4,260	4,718	3,970	5,110
Term Portion	0	0	0	0
Buller District Council has classified the following receivables as exchange transactions:	1,505	2,100	1,951	2,894
Buller District Council has classified the following receivables as non-exchange transactions:	2,755	2,618	2,018	2,216
	4,260	4,718	3,970	5,110

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.

	2014/2015			2013/2014		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
Council						
Not past due	3,091	0	3,091	3,562	0	3,562
Past due 1-60 days	487	0	487	392	0	392
Past due 61-120 days	34	0	34	29	0	29
Past due > 120 days	786	138	648	835	100	735
Total	4,398	138	4,260	4,818	100	4,718

Group						
Not past due	2,738	0	2,738	3,881	0	3,881
Past due 1-60 days	502	0	502	413	0	413
Past due 61-120 days	70	0	70	81	0	81
Past due > 120 days	798	138	660	835	100	735
TOTAL	4,108	138	3,970	5,210	100	5,110

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	
	2014/2015 Actual \$000	2013/2014 Actual \$000	2014/2015 Actual \$000	2013/2014 Actual \$000
Individual Impairment	138	100	100	100
Collective Impairment	0	0	0	0
Total Provision for Impairment	138	100	100	100

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	
	2014/2015 Actual \$000	2013/2014 Actual \$000	2014/2015 Actual \$000	2013/2014 Actual \$000
Past Due 1-60 days	0	0	0	0
Past due 61-120 days	0	0	0	0
Past due > 120 days	138	100	138	100
Total Individual Impairment	138	100	138	100

Movement in the provision for impairment of receivables are as follows:	Parent		Group	
	2014/2015 Actual \$000	2013/2014 Actual \$000	2014/2015 Actual \$000	2013/2014 Actual \$000
At 1 July	100	87	100	87
Additional provisions made during the year	38	13	38	13
Provisions reversed during the year	0	0	0	0
Receivables written-off during the period	0	0	0	0
At 30 June	138	100	138	100

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

The carrying value of receivables that would otherwise be past due or impaired whose terms have been renegotiated in 2015 is nil (2013/2014: nil)

Note 10 ~ Other Current Assets

	Parent		Group	
	Actual 2014/2015 \$000	Actual 2013/2014 \$000	Actual 2014/2015 \$000	Actual 2013/2014 \$000
Work in Progress	39	11	40	18
Prepayments	78	83	5	7
	117	94	45	25

Note 11 ~ Non Current Assets held for Sale

As at 30 June 2015 the assets held for sale, being surplus to requirements are listed below (2013/2014: Council had investment land and an item of plant and equipment for sale).

	Parent		Group	
	Actual 2014/2015 \$000	Actual 2013/2014 \$000	Actual 2014/2015 \$000	Actual 2013/2014 \$000
Non-Current Assets held for sale are:				
Investment Land	0	112	0	112
Westport Transfer Station Portable Weighbridge	36	36	36	36
Total Assets Held for Sale	36	148	36	148

Note 12 ~ Investment in Council Controlled Organisations and Other Investments

	Parent		Group	
	Actual 2014/2015 \$000	Actual 2013/2014 \$000	Actual 2014/2015 \$000	Actual 2013/2014 \$000
Investment in CCO's (Buller Holdings Ltd)	16,997	16,954	0	0
Investment in CCO's (Loans to Subsidiaries)	3,053	3,313	0	0
Investments in other CCO's (NZ Local Government Insurance Corporation Ltd)	40	37	40	37
Total Investment in CCO's	20,090	20,304	40	37

Other Investments:

Investment in Associate	0	0	64	67
Bond Deposits	66	66	66	66
Total Other Investments	66	66	130	133

Council subscribed for 43,000 of additional shares in Buller Holdings Limited in 2014/2015 for \$43,000 in cash payments. The equity was to be used to fund capital expenditure in Buller Recreation Limited (2013/2014: \$45,000 additional shares acquired by Buller District Council).

There was no impairment in Buller Holdings in 2014/2015 (2013/2014: Buller District Council's investment in Buller Holdings Limited was not impaired).

	2014/2015 \$000	2013/2014 \$000
Investments acquired - shares issued by Buller Holdings Limited	43	45
Investments acquired (disposed of) - Advances and Loans	0	0
	43	45

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

Movement in the carrying value of the EECA loan to BRL are as follows:

	2014/2015 \$000	2013/2014 \$000
As at 1 July	270	326
Amount of new loans granted during the year	0	0
Fair value adjustment at initial recognition	0	0
Loans repaid during the year (principal and interest)	80	80
Unwind of discount and interest charged	20	24
As at 30 June	210	270

The fair value of loans to related parties in 2014/2015 is \$3,053,425 (2013/2014: \$3,313,266). 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 4.38%. The interest rate on the loan of \$200,000 to Westport Harbour Ltd was 4.68%. This loan was repaid in full on 30 June 2015.

Investment Property	Parent		Group	
	Actual 2014/2015 \$000	Actual 2013/2014 \$000	Actual 2014/2015 \$000	Actual 2013/2014 \$000
Balance at 1 July	9,797	10,779	9,797	10,779
Transfers to Non Current Assets Held for Sale	0	(112)	0	(112)
Disposals/Adjustments	(440)	(365)	(440)	(365)
Fair value gains/(losses) on valuation	(854)	(505)	(854)	(505)
Balance 30 June	8,503	9,797	8,503	9,797

Investment Property - Revenue and Expenses	Parent		Group	
	Actual 2014/2015 \$000	Actual 2013/2014 \$000	Actual 2014/2015 \$000	Actual 2013/2014 \$000
Rental Revenue from Investment Property	142	136	142	136
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 as at 30 June 2015. 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 2015 was \$8,503,000 (2013/2014: \$9,797,000).

As at 30 June 2015 there were no leasehold properties lodged at Council's solicitors pending completion of sale, this is disclosed in note 11. (2013/2014: 1 properties total sale value \$112,500).

Note 13 ~ Property, Plant and Equipment

- Council 2015

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

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

Note 13 ~ Property, Plant and Equipment

- Group 2015

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

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

Note 13 ~ Property, Plant and Equipment

- Council 2014 Infrastructure Assets

	Cost/ Revaluation 01-07-13	Accumulated Depreciation	Carrying Amount 01-07-13	Current Year Addition	Current Year Disposals	Transfer (to)/from Assets Held for Sale	Accumulated Depreciation on Disposals	Current Year Depreciation / Impairment Charges	Transfers/ Others	Revaluation Gains	Revaluation	Cost/ Revaluation 30-06-14	Accumulated Depreciation 30-06-14	Carrying Amount 30-06-14
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land under roads	19,303	0	19,303	0	(1)	0	0	0	100	0	19,402	0	19,402	0
Sewerage	25,772	(599)	25,173	294	(384)	0	8	(622)	0	1,220	25,689	0	25,689	0
Stormwater	9,381	(193)	9,188	147	(19)	0	1	(198)	0	583	9,702	0	9,702	0
Roads and Bridges	194,392	(2,641)	191,751	2,104	(154)	0	0	(2,432)	10	5,604	196,883	0	196,883	0
Water supplies	20,389	(543)	19,846	549	(99)	0	7	(643)	0	1,339	20,999	0	20,999	0
Airport runway	174	(87)	87	0	0	0	0	(8)	0	0	174	(95)	79	0
Landfills/Transfer Stns	1,831	(446)	1,385	0	0	0	0	(80)	0	0	1,831	(526)	1,305	0
Wharves	2,103	(561)	1,542	0	0	0	0	(35)	0	0	2,103	(596)	1,507	0
Work in Progress	753	0	753	2,832	0	0	0	0	(122)	0	3,463	0	3,463	0
	274,098	(5,070)	269,028	5,926	(657)	0	16	(4,018)	(12)	8,746	280,246	(1,217)	279,029	0

Other Fixed Assets

	Cost/ Revaluation 01-07-13	Accumulated Depreciation	Carrying Amount 01-07-13	Current Year Addition	Current Year Disposals	Transfer (to)/from Assets Held for Sale	Accumulated Depreciation on Disposals	Current Year Depreciation / Impairment Charges	Transfers/ Others	Revaluation Gains	Revaluation	Cost/ Revaluation 30-06-14	Accumulated Depreciation 30-06-14	Carrying Amount 30-06-14
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	4,424	0	4,424	0	0	0	0	0	(100)	0	4,324	0	4,324	0
Leasehold Improvements	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings	17,410	(4,221)	13,189	803	(16)	0	4	(471)	(329)	0	17,868	(4,688)	13,180	0
Office Equipment, Furniture & Fittings	1,598	(1,363)	235	84	(1)	0	0	(83)	1	0	1,682	(1,446)	236	0
Vehicles	731	(301)	430	269	(12)	0	3	(111)	0	0	988	(409)	579	0
Library Books	711	(482)	229	49	0	0	0	(74)	0	0	760	(556)	204	0
Plant and Equipment	1,761	(1,356)	405	195	(6)	0	3	(179)	427	0	2,377	(1,532)	845	0
Other Assets	3,081	(1,173)	1,908	558	(13)	0	12	(160)	29	0	3,655	(1,321)	2,334	0
Vessels	4,385	(4,229)	156	0	0	0	0	(47)	0	0	4,385	(4,276)	109	0
Work in Progress	73	0	73	7	0	0	0	0	(18)	0	62	0	62	0
	34,174	(13,125)	21,049	1,965	(48)	0	22	(1,125)	10	0	36,101	(14,228)	21,873	0
Total	308,272	(18,195)	290,077	7,891	(705)	0	38	(5,143)	(2)	8,746	316,347	(15,445)	300,902	0

Note 13 ~ Property, Plant and Equipment

- Group 2014

Infrastructure Assets

	Cost/ Revaluation 01-07-13	Accumulated Depreciation	Carrying Amount 01-07-13	Current Year Addition	Current Year Disposals	Transfer (to)/from Assets Held for Sale	Accumulated Depreciation on Disposals	Current Year Depreciation / Impairment Charges	Transfers/ Others	Revaluation Gains	Cost/ Revaluation 30-06-14	Accumulated Depreciation 30-06-14	Carrying Amount 30-06-14
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land under roads	19,303	0	19,303	0	(1)	0	0	0	100	0	19,402	0	19,402
Sewerage	25,754	(599)	25,155	289	(384)	0	8	(622)	0	1,243	25,689	0	25,689
Stormwater	9,362	(193)	9,169	132	(19)	0	1	(198)	0	615	9,700	0	9,700
Roads and Bridges	194,311	(2,641)	191,670	1,971	(154)	0	0	(2,432)	30	5,798	196,883	0	196,883
Water supplies	20,338	(543)	19,795	484	(99)	0	7	(643)	2	1,453	20,999	0	20,999
Airport runway	174	(87)	87	0	0	0	0	(8)	0	0	174	(95)	79
Landfills/Transfer Stations	1,825	(446)	1,379	(1)	0	0	0	(80)	(28)	0	1,796	(526)	1,270
Wharves	2,104	(561)	1,543	0	0	0	0	(35)	0	0	2,104	(596)	1,508
Work in Progress	752	0	752	2,546	0	0	0	0	(124)	0	3,174	0	3,174
	273,923	(5,070)	268,853	5,421	(657)	0	16	(4,018)	(20)	9,109	279,921	(1,217)	278,704

Other Fixed Assets

	Cost/ Revaluation 01-07-13	Accumulated Depreciation	Carrying Amount 01-07-13	Current Year Addition	Current Year Disposals	Transfer (to)/from Assets Held for Sale	Accumulated Depreciation on Disposals	Current Year Depreciation / Impairment Charges	Transfers/ Others	Revaluation Gains	Cost/ Revaluation 30-06-14	Accumulated Depreciation 30-06-14	Carrying Amount 30-06-14
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	5,789	0	5,789	0	0	0	0	0	(100)	0	5,689	0	5,689
Leasehold Improvements	829	(72)	757	103	0	0	0	(142)	0	0	932	(214)	718
Buildings	33,447	(6,685)	26,762	1,170	(16)	0	4	(1,129)	(333)	0	34,268	(7,800)	26,468
Office Equipment, Furniture & Fittings	2,118	(1,722)	396	145	(10)	0	9	(169)	1	0	2,254	(1,882)	372
Vehicles	4,295	(2,367)	1,928	568	(79)	0	70	(541)	0	0	4,784	(2,838)	1,946
Library Books	711	(482)	229	49	0	0	0	(74)	0	0	760	(556)	204
Plant and Equipment	2,852	(1,902)	950	417	(65)	0	56	(298)	427	0	3,631	(2,144)	1,487
Other Assets	2,976	(1,174)	1,802	547	(13)	0	12	(160)	28	0	3,538	(1,322)	2,216
Vessels	4,385	(4,229)	156	0	0	0	0	(47)	0	0	4,385	(4,276)	109
Work in Progress	72	0	72	7	0	0	0	0	(18)	0	61	0	61
	57,474	(18,633)	38,841	3,006	(183)	0	151	(2,550)	5	0	60,302	(21,032)	39,270
Total	331,397	(23,703)	307,694	8,427	(840)	0	167	(6,568)	(15)	9,109	340,223	(22,249)	317,974

Note 14 ~ Intangible Assets

	Parent		Group		
	Computer Software & Licences	Total	Goodwill	Software Licences	Total
	\$000	\$000	\$000	\$000	\$000
Cost					
Balance at 1 July 2013	582	582	728	22	1,332
Transfers	0	0	0	0	0
Additions	41	41	0	15	56
Disposals	0	0	(30)	(3)	(33)
Balance at 30 June 2014	623	623	698	34	1,358
Balance at 1 July 2014	623	623	698	34	1,358
Transfers	0	0	0	0	0
Additions	9	9	0	0	9
Disposals	0	0	0	(4)	0
Balance at 30 June 2015	632	632	698	30	1,367
Accumulated Amortisation and Impairment					
Balance at 1 July 2013	385	385	0	15	400
Transfers	0	0	0	0	0
Amortisation charge	113	113	0	8	121
Disposals	0	0	0	0	0
Balance at 30 June 2014	498	498	0	23	521
Balance at 1 July 2014	498	498	0	23	521
Transfers	0	0	0	0	0
Amortisation charge	81	81	0	7	88
Disposals	0	0	0	(8)	0
Balance at 30 June 2015	579	579	0	22	609
Carrying Amounts					
Balance at 30 June 2014	125	125	698	11	837
Balance at 30 June 2015	53	53	698	8	758

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 2014/2015 \$000	Actual 2013/2014 \$000	Actual 2014/2015 \$000	Actual 2013/2014 \$000
Trade payables	1,106	1,804	2,565	3,654
Amounts due to related parties:				
WestReef Ltd	935	1,445	0	0
Revenue Received in Advance	587	595	468	468
Total trade and payables	2,628	3,844	3,033	4,122
Buller District Council has classified the following payables as exchange transactions:	1,866	2,902	2,271	3,180
Buller District Council has classified the following payables as non-exchange transactions	762	942	762	942
Total	2,628	3,844	3,033	4,122

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 2014/2015 \$000	Actual 2013/2014 \$000	Actual 2014/2015 \$000	Actual 2013/2014 \$000
Current Asset Portion				
Interest Rate Swaps	0	15	0	15
Total Current Asset Portion	0	15	0	15
Non Current Asset Portion				
Interest Rate Swaps	0	46	0	46
Total Non Current Asset Portion	0	46	0	46
Current Liability Portion				
Interest Rate Swaps	13	0	13	0
Total Current Liability Portion	13	0	13	0
Non-Current Liability Portion				
Interest Rate Swaps	731	124	731	124
Total Non Current Liability Portion	731	124	731	124

The notional principal amounts of the outstanding interest rate swap contracts at 30 June 2015 were \$18,000,000 (2013/2014: \$20,000,000).

At 30 June 2015 the fixed interest rates of interest rate swaps vary from 4.38% to 4.94% (2013/2014: 3.18% to 4.94%).

The interest rate swaps have been included at fair value.

The termination date of the interest rate swap contracts of \$19,000,000 at 30 June 2015 vary from 31 March 2016 to 31 March 2020 (2013/2014: 28 June 2015 to 31 March 2020).

Note 17 ~ Employment Benefit Liabilities

	Parent		Group	
	Actual 2014/2015 \$000	Actual 2013/2014 \$000	Actual 2014/2015 \$000	Actual 2013/2014 \$000
Accrued pay	33	181	58	228
Annual Leave & Long Service Leave	569	515	1,111	1,075
Retirement Gratuities	233	218	287	333
Total employee benefit liabilities	835	914	1,456	1,636
Comprising:				
Current	550	634	1,141	1,327
Non-current	285	280	315	309
Total employee benefit liabilities	835	914	1,456	1,636

Note 18 ~ Borrowings

	Parent		Group	
	Actual 2014/2015 \$000	Actual 2013/2014 \$000	Actual 2014/2015 \$000	Actual 2013/2014 \$000
Current				
Bank overdraft	0	0	0	0
Secured loans	80	80	80	80
Total current borrowings	80	80	80	80
Non-current				
Secured loans	23,565	23,614	23,565	23,614
Total non-current borrowings	23,565	23,614	23,565	23,614
Total Borrowings	23,645	23,694	23,645	23,694

Council's debt was due to be repaid in July 2015. On 28 June 2015 the \$28,000,000 facility had been renegotiated for another year and matures on 1 July 2016.

Buller District Council's has debt of \$5,433,860 (2013/2014; \$3,423,860) 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 \$18,000,000 (2013/2014; \$20,000,000) of this debt. For more details of the swaps refer to Note 16 in the financial accounts.

Council has an interest free loan from the Energy Efficiency and Conservation Authority with a face value of \$397,914 for 5 years due to be repaid on 15 May 2018. The fair value balance of this loan to be repaid as at 30 June 2015 was \$210,565 (2013/2014: \$270,406).

Security

The overdraft is secured by a general security agreement. The maximum amount that can be drawn down against the overdraft facility is \$500,000 (2013/2014: \$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 2015-2025 Long Term Plan.

Maturity analysis and effective interest rates

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

	Overdraft Council \$000	Overdraft Group \$000	Secured Loans Council & Group \$000
2014/2015			
Less than one year	0	0	80
weighted average effective interest rate	8.70%	8.70%	0
Later than one year but not more than five years	0	0	23,565
weighted average effective interest rate	0%	0%	5.77%
Later than five years	0	0	0
weighted average effective interest rate	0%	0%	0%
	0	0	23,645

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

Fair value of non-current borrowings

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

Internal Borrowings

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

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

	2013/2014 \$000	2013/2014 \$000	2013/2014 \$000	2013/2014 \$000
	Loans Repaid during Period	Loans Drawn down during Period	Interest Paid for the year	Balance as at 30 June
Support Services	31	212	9	181
Community Services	34	393	49	1,052
Regulatory Services	37	135	16	272
Property Management , Amenities & Reserves	54	520	60	1,320
Water Supplies	74	144	117	1,748
Solid Waste	50	0	77	1,282
Wastewater	229	0	305	5,323
Stormwater	19	0	30	439
Professional Services Business Unit	9	16	2	32
	535	1,420	665	11,649

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

Note 19 ~ Provisions

	Landfill Aftercare Provision	Contaminated Site Remediation	Total Environmental Provisions	Total Environmental Provisions
Environmental Provision	2014/2015 \$000	2014/2015 \$000	2014/2015 \$000	2013/2014 \$000
Opening Balance	1,565	9	1,574	1,489
Additional Provisions	0	0	0	0
Amounts Used	(41)	0	(41)	(171)
Other Adjustments	6	0	6	135
Discounting Changes	110	0	110	121
Closing Balance	1,640	9	1,649	1,574

	Parent		Group	
Total Provisions	2014/2015 \$000	2013/2014 \$000	2014/2015 \$000	2013/2014 \$000
Council and Group				
Current Liability	35	35	35	35
Non-current Liability	1,614	1,539	1,614	1,539
	1,649	1,574	1,649	1,574

in 2014/2015 the group provision (current portion) includes a provision for maintenance on the Harbour dredge vessel of \$196,000, see below (2013/2014: \$111,000).

	Parent	
Provision for Slipping	2014/2015 \$000	2013/2014 \$000
Opening Balance	111	104
Additional Provisions	196	111
Amounts Used	280	104
Other Adjustments	0	0
Closing Balance	27	111

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

Landfill Aftercare Provision

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

Closure responsibilities:

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

Post Closure responsibilities:

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

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

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

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

The provision has been estimated taking into account existing technology and is discounted using a discount rate of 5.01% which is based on the rolling monthly average NZ Government 10 Year Bond rate over the last ten years (2013/2014: 5.31%).

Note 20 ~ Accumulated Funds

	Parent		Group	
	Actual 2014/2015 \$000	Actual 2013/2014 \$000	Actual 2014/2015 \$000	Actual 2013/2014 \$000
Opening Balance as at 1 July	171,120	171,741	168,217	169,364
Net Surplus (Deficit) for the Period	(1,047)	492	(1,851)	(34)
Transfer from Reserves	945	829	945	829
Transfer to Reserves	(1,520)	(1,942)	(1,520)	(1,942)
Balance at 30 June	169,498	171,120	165,791	168,217

Note 21 ~ Reserves

	Parent		Group	
	Actual 2014/2015 \$000	Actual 2013/2014 \$000	Actual 2014/2015 \$000	Actual 2013/2014 \$000
Balance as at 1 July	3,836	2,723	3,836	2,723
Add: Transfer from Accumulated Funds	1,520	1,942	1,520	1,942
	5,356	4,665	5,356	4,665
Less: Transfer to Accumulated Funds	(945)	(829)	(945)	(829)
Balance at 30 June	4,411	3,836	4,411	3,836

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 2013		Transfers to Reserves		Balance as at 30 June 2014		Opening Balance 1 July 2014		Transfers to Reserves		Balance as at 30 June 2015	
			\$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 Reserve Contributions	various not specified	Funds from depreciation used for the upgrade and construction of replacement Council assets	1,553	1,393	780	0	2,167	1,296	2,167	1,296	873	2,590		
Miles Bequest	Regulatory	Proceeds from subdivision for public reserve upgrades	760	433	41	0	1,152	221	1,152	221	70	1,302		
Powell Bequest	Property Management, Amenities and Reserves	Funds set aside for the purchase of engraved seats at the Westport cemetery	2	0	0	0	2	0	2	0	0	2		
Mayor's Relief Fund	Property Management, Amenities and Reserves	Funds bequested to Council for the purchase of public seating in Westport	3	0	0	0	3	0	3	0	0	3		
Boiler Replacement Fund	Democracy	Funds for providing grants for relief at the discretion of the Mayor	5	3	8	1	1	3	1	3	2	2		
Development Contributions	Property Management, Amenities and Reserves	Funds set aside to go toward replacement of boiler at Brougham Street offices	7	0	0	0	7	0	7	0	0	7		
Sale of Gifted Property	Regulatory	Proceeds from commercial and industrial development to provide for social and recreation need of the area	14	105	0	0	119	0	119	0	0	119		
Infrastructure Contributions	various not specified	Funds set aside from the sale of property gifted to Council	11	0	0	0	11	0	11	0	0	11		
TOTAL Reserves Only			2,723	1,942	829	3,836	3,836	1,520	3,836	1,520	945	4,411		
Refuse Collection	Solid Waste	Separates all funding and expenditure and surpluses or deficits for the refuse collection activity	(107)	257	404	(254)	(254)	253	(254)	253	-	(0)		
Recycling	Solid Waste	Separates all funding and expenditure and surpluses or deficits for the recycling activity	4	266	369	(99)	(99)	99	(99)	99	-	(0)		
Contracted Refuse/ Recycling	Solid Waste	Separates all funding and expenditure and surpluses or deficits for the refuse collection and recycling activities	-97	449	396	(44)	(44)	711	(44)	711	643	25		
Karamea Solid Waste	Solid Waste		-	40	31	10	10	64	10	64	61	13		
Maruia Solid Waste	Solid Waste		-	5	3	1	1	10	1	10	7	4		
Westport Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	(506)	2,794	1,511	777	777	3,180	777	3,180	3,218	739		
Reefton Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	(193)	422	312	(83)	(83)	323	(83)	323	290	(50)		
Little Wanganui Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	45	12	10	47	47	12	47	12	13	46		
Mokihinui Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	29	11	3	37	37	11	37	11	5	44		
Ngakawau Hector Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	202	49	23	228	228	49	228	49	28	250		

Separate Reserves	Activity that the Reserve relates to	Purpose of the Reserve	Opening Balance 1 July 2013		Transfers to Reserves		Balance as at 30 June 2014		Opening Balance 1 July 2014		Transfers to Reserves		Balance as at 30 June 2015	
			\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Waimangaroa Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	28	38	33	33	33	33	33	43	76	0		
Cape Foulwind Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	342	74	19	398	398	398	398	75	22	450		
Punakaiki Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	4	58	48	14	14	14	14	53	85	(17)		
Inangahua Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	5	8	7	6	6	6	6	8	3	10		
South Gracity Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	22	8	12	18	18	18	18	9	15	11		
Karamea Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	-	40	-	40	40	40	40	34	93	(20)		
Westport Sewerage	Wastewater/Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	(1,593)	1,893	1,731	(1,430)	(1,430)	(1,430)	(1,430)	2,009	1,658	(1,079)		
Reefton Sewerage	Wastewater/Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	142	290	147	285	285	285	285	297	178	404		
Little Wanganui Sewerage	Wastewater/Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	(14)	36	16	6	6	6	6	35	20	22		
Inangahua Junction Sewerage	Wastewater/Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	(1)	0	1	(2)	(2)	(2)	(2)	0	0	(2)		
Punakaiki Sewerage	Wastewater/Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	(16)	0	0	(16)	(16)	(16)	(16)	0	0	(16)		
Punakaiki Camp	Property Management, Amenities and Reserves	Separates all funding and expenditure and surpluses or deficits for the Punakaiki Camp activity	(204)	62	133	(275)	(275)	(275)	(275)	50	32	(256)		
Punakaiki Sea Wall	Property Management, Amenities and Reserves	Separates all funding and expenditure and surpluses or deficits for the Punakaiki seawall activity	2	0	0	2	2	2	2	0	0	2		
Dog Control	Regulatory	Separates all funding and expenditure and surpluses or deficits for the dog control activity	(185)	203	210	(192)	(192)	(192)	(192)	201	206	(197)		
Promotion & Development	Community Services	Separates all funding and expenditure and surpluses or deficits for the promotion and development activity	3	467	506	(36)	(36)	(36)	(36)	360	368	(44)		
TOTAL Separate Balances Only			(2,088)	7,483	5,924	(528)	(528)	(528)	(528)	7,887	7,019	340		
TOTAL Reserves and Separate Balances			635	9,425	6,752	3,308	3,308	3,308	3,308	9,407	7,964	4,751		

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

Note 22 ~ Asset Revaluation Reserves

	Parent		Group	
	Actual 2014/2015 \$000	Actual 2013/2014 \$000	Actual 2014/2015 \$000	Actual 2013/2014 \$000
Opening Balance as at 1 July	144,185	135,441	145,229	136,122
Change in Asset Values through Comprehensive Revenue	3	8,744	3	9,107
Closing Balance as at 30 June	144,188	144,185	145,232	145,229
Comprising:				
Library Books	258	258	258	258
Roads and Bridges	117,290	117,290	117,941	117,941
Sewerage	9,308	9,309	9,413	9,413
Stormwater	7,219	7,219	7,296	7,296
Water Supplies	10,100	10,099	10,311	10,311
Landfill	0	0	0	0
Investment Revaluation Reserve	13	10	13	10
Balance at 30 June	144,188	144,185	145,232	145,229

Note 23 ~ Related Party Transactions and Balances

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

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

The following transaction were carried out with related parties:

	Actual 2014/2015 \$000	Actual 2013/2014 \$000
WestReef Services Limited		
Services provided by Council during the year	90	123
Services provided to Council during the year	8,693	10,099
Accounts payable to Council at 30 June	6	8
Accounts receivable from Council at 30 June	935	1,445
Subventions revenue to Council during the year	0	184
Subventions payable to Council at 30 June	0	184
Buller Recreation Limited		
Service level fee paid by Council to Buller Recreation	912	853
Service level fee paid in advance by Council to Buller Recreation	73	76
Services provided to Council during the year	2	0
Services provided by Council during the year	19	20
Loans owed to Council at 30 June	211	270
Buller Holdings Limited		
Accounts payable to Council at 30 June	104	111
Loans owed to Council at 30 June	2,364	2,364
Subventions revenue to Council during the year	1,306	457
Subventions payable to Council at 30 June	578	0
Interest Expenses paid to Council	104	111
Total Shares Issued to Council	19,076	19,033
Shares Issued during the year	43	45
Westport Airport Authority		
Services provided by Council during the year	61	30
Services provided by Westreef during the year	82	15
Rates, lease and interest charges paid to Council during the year	1	2
Current account balance owed (to) from Council at 30 June	(77)	72
Lease Payments made to Westport Harbour Ltd during the year	3	3
Westport Harbour Limited		
Services provided by Council during the year	109	114
Interest Expenses paid to Council	32	34
Lease Payments made to Council during the year	206	206
Loans owed to Council at 30 June	0	200
Loans repaid during the year	200	0
Advances relating to purchase of business as at 30 June	479	479
Accounts payable to Council at 30 June	49	87

	Actual 2014/2015 \$000	Actual 2013/2014 \$000
Buller Health Trust		
No related party transactions other than administration services provided by Council to Buller Health Trust during the year for no consideration.	0	0
Buller Arts and Recreation Trust		
Funds paid to Council during the year	17	14
Accounts payable to Council at 30 June	0	12

No debts or transactions were written off between parties during the period (2013/2014: No debts were written off).

Key Management and Members of Council

Mayor Garry Howard (elected member from 16 October 2013) is a Director of Swordfish Limited. In 2015 no transactions were carried out with Council. (2013/2014: reserve contributions to the value of \$110,371 were paid to Council by the company).

Councillor Sharon Roche (elected member from 16 October 2013) is a Director/shareholder of IT@WORK. In 2015 goods and services to the value of \$24,179 were provided to Council (2013/2014: \$1,274). Councillor Roche is also a director of Buller Electricity Limited which owns Electro Services Limited. In 2015 goods and services to the value of \$53,818 were provided to Council (2013/2014: \$79,332).

Councillor Lynn Brooks' (elected member from 16 October 2013) spouse provided services to the value of \$2,808 in regard to maintaining Council's Waimangaroa water supply during 2015 (2013/2014: \$2,765).

(2013/2014: Council's Chief Executive, Paul Wylie, was a Director of Buller Holdings Limited and its subsidiaries up until 30 October 2013. In this capacity he received directors fees of \$3,333).

(2013/2014: Mayor Pat McManus (elected member until 15 October 2013) is a Director/Owner of Rainbow Cake Kitchen. Up until this date goods to the value of \$54 were provided to Council. In addition no goods or services were provided by Gibbys Café (related party as guarantor to a loan).

(2013/2014: Councillor Margaret Montgomery (elected member until 15 October 2013) is an Owner of Westport Holiday Park. Up until this date there were no goods or services provided to Council).

(2013/2014: Councillor Peter Campbell (elected member until 15 October 2013) is a Principal of Campbell and Associates. Up until this date no goods or services were provided to Council. At a Group level goods and services to the value of \$4,627 were provided to Council controlled entities).

Key Management Personnel Compensation	Actual 2014/2015 \$000	Actual 2013/2014 \$000
Salaries and other short term employee benefits	990	933
Post Employment, Other Long Term Benefits and Share Based Payments	0	0
	990	933

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

Note 24 ~ Council Subsidiaries, Associates & Joint Ventures

Council has a significant interest in the following entities:

Entity	Ownership	Status	Principal Activities	Interest held by Council
Westreef Services Limited	Subsidiary	CCTO	Infrastructure Maintenance & Construction	100%
Buller Holdings Limited	Subsidiary	CCTO	Ownership of Selected Council Assets and Investments	100%
Westport Harbour Limited	Subsidiary	CCTO	Port Operations	100%
Buller Recreation Limited	Subsidiary	CCO	Sports & Recreation Facilities	100%
Buller Health Trust	Controlled	Exempted as a CCO	Dental Services	100%
Buller Arts & 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 2014/2015 there were no contributions made by the joint venture holders (2013/2014: no contributions were made).

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

	2014/2015 \$000	2013/2014 \$000
Current Assets	8	6
Long Term Assets (represented by Equity)	2,889	2,963
Current Liabilities	3	3
Long Term Liabilities	0	0
Revenue	69	57
Expenses	141	111

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

Commitments	Parent		Group	
	Actual 2014/2015 \$000	Actual 2013/2014 \$000	Actual 2014/2015 \$000	Actual 2013/2014 \$000
Capital Commitments Approved and Contracted	308	1,562	308	1,744
Non-cancellable Operating Lease Commitments				
Motor Vehicles:				
Not later than a year	3	8	3	8
Later than one year but not later than five years	0	3	0	3
Later than five years	0	0	0	0
	3	11	3	11
Office Equipment:				
Not later than a year	56	57	56	57
Later than one year but not later than five years	0	0	0	0
Later than five years	0	0	0	0
	56	57	56	57

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

Lease Revenue commitments with Westport Harbour Limited	2014/2015 \$000	2013/2014 \$000
Less than a year	125	206
More than 1 year less than 2	108	125
More than 2 years less than 5	324	324
Greater than 5 years	3,261	3,366
	3,818	4,021

Other Contracts

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

	2014/2015 \$000	2013/2014 \$000
Utility Services and Fire Fighting	1,138	1,079
Parks, Reserves, and Cemeteries	897	843
Refuse Collection, Recycling and Landfill Operation	550	550
	2,585	2,472

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

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

Roothing	2014/2015 \$000	2013/2014 \$000
Not later than one year	2,327	2,169

Contingent Liabilities

Contingent Liabilities for Council and the Group are as follows:

- Council has recognised a Housing New Zealand contribution of \$400,000 as a contingent liability. The funds were used for pensioner housing upgrades. The amount will be required to be paid back to Housing New Zealand if Council does not utilise the funds on a pensioner housing project or divests the completed project within a 20 year timeframe. This liability ceases on 11 June 2027.
- Council has provided Sounds Air with a guarantee for \$108,000 should passenger numbers on flights to and from Westport Airport fall below 2.9 passengers per flight during a 12 month period.
- 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 (2013/2014: no leaky home claims).
- Council is a participating employer in the National Provident Fund's Defined Benefit Plan Contributors Scheme (the scheme which is a multi-employer defined benefit superannuation scheme. In the unlikely event that the other participating employers cease to participate in the scheme, the Council could be responsible for the entire deficit of the scheme. Similarly, if a number of employers ceased to participate in the scheme, Council could be responsible for an increased share of the deficit. The Fund has advised that insufficient information is available to use defined benefit accounting as it is not possible to determine, from the terms of the scheme, the extent to which the deficit will affect future contributions by employers, as there is no prescribed basis for allocation.
- Westreef had \$385,000 in Performance Bonds outstanding with Westpac as at 30 June 2015 (2013/2014: \$651,000).
- Buller Health Trust has no contingent liabilities as at 30 June 2015 (2013/2014: nil).
- Buller Holdings Limited has no contingent liabilities as at 30 June 2015 (2013/2014: nil).
- Westport Harbour Ltd has no contingent liabilities as at 30 June 2015 (2013/2014: nil).
- Buller Arts & Recreation Trust and Tourism West Coast (Inc) also have no contingent liabilities as at 30 June 2015 (2013/2014: nil).

Contingent Assets

The Buller District Council and the Group has no contingent assets as at 30 June 2015 (2013/2014; Buller District Council had a contingent asset relating to construction of the Solid Energy Centre hockey turf. The turf had not met expectations as a playing surface. Council has met with contractors involved in the original construction of the hockey ground to seek settlement. Mediation to reach a settlement was planned for September 2014. However no estimate of a settlement can be made at balance date.

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

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

Lease Revenue commitments with Coaltown Trust

	2014/2015 \$000	2013/2014 \$000
Less than a year	67	67
More than 1 year less than 2	67	67
More than 2 years less than 5	201	201
Greater than 5 years	201	268
	536	603

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

Cashflow Interest Rate Risk

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

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

Credit Risk

Credit risk is the risk that a third party will default on its obligation to Council, causing Council to incur a loss. Council has no significant concentrations of credit risk, except for funds owed by New Zealand Transport Agency (NZTA) for subsidised roading works. Other than this it has a large number of credit customers, mainly ratepayers. Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

Liquidity Risk

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

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

Council has a maximum amount that can be drawn against its overdraft facility of \$500,000 (2013/2014: \$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	
	2014/2015 \$000	2013/2014 \$000	2014/2015 \$000	2013/2014 \$000
Financial Assets				
Loans and Receivables				
Cash and Cash Equivalents	3,025	2,499	5,748	4,689
Debtors and Other Receivables	4,260	4,718	3,970	5,110
Other Financial Assets:				
- Short Term Deposits	11,284	10,640	11,684	10,640
- Community Loans	0	0	0	0
- Loans to Related Parties	3,053	3,313	0	0
Total Loans and Receivables	21,622	21,170	21,402	20,438
Fair Value through other Comprehensive Revenue				
Other Financial Assets:				
- unlisted shares	40	37	40	37
Total Fair Value Through Other Comprehensive Revenue and Expense	40	37	40	37
Fair Value through Surplus/Deficit - Held for Trading				
Derivative Financial Instrument Assets	0	61	0	61
Total Financial Assets At Fair Value Through Surplus or Deficit	0	61	0	61
Financial Liabilities				
Fair Value through Surplus/Deficit - Held for Trading				
Derivative Financial Instrument Liabilities	744	124	744	124
Total Financial Liabilities At Fair Value Through Surplus or Deficit	744	124	744	124
Financial Liabilities At Amortised Cost				
Creditors And Other Payables	2,628	3,844	3,033	4,122
Borrowings:				
- Bank Overdraft	0	0	0	0
- Secured Loans	23,644	23,694	23,644	23,694
Total Financial Liabilities At Amortised Cost	26,272	27,538	26,677	27,816

Fair Value Hierarchy Disclosures

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

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

	Observable Inputs \$000	Significant Non- Observable Inputs \$000	Total \$000
Parent 2014/2015			
Financial Assets:			
Unlisted Shares	0	40	40
Derivative Financial Instrument Assets	0	0	0
Financial Liabilities:			
Derivative Financial Instrument Liabilities	744	0	744
Group 2014/2015			
Financial Assets:			
Unlisted Shares	0	40	40
Derivative Financial Instrument Assets	0	0	0
Financial Liabilities:			
Derivative Financial Instrument Liabilities	744	0	744

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

Maximum Exposure to Credit Risk

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

	Parent		Group	
	2014/2015 \$000	2013/2014 \$000	2014/2015 \$000	2013/2014 \$000
Cash at Bank and Term Deposits	14,309	13,138	17,432	15,328
Debtors and Other Receivables	4,260	4,718	3,970	5,110
Community and Related Party Loans	3,053	3,313	0	0
Total Credit Risk	21,622	21,170	21,402	20,438

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	
	2014/2015 \$000	2013/2014 \$000	2014/2015 \$000	2013/2014 \$000
Counterparties With Credit Ratings				
Cash at Bank and Term Deposits:				
AA	10,840	9,670	13,963	11,860
BB	3,468	3,468	3,468	3,468
Total Cash at Bank and Term Deposits	14,308	13,138	17,431	15,328
Counterparties Without Credit Ratings				
Cash at Bank and Term Deposits:				
Existing counterparty with no defaults in the past	0	0	0	0
Total Cash at Bank and Term Deposits	0	0	0	0
Community and Related Party Loans:				
Existing counterparty with no defaults in the past	3,053	3,313	0	0
Total Community and Related Party Loans	3,053	3,313	0	0

Contractual Maturity Analysis of Financial Liabilities

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

	Carrying Amount \$000	Contractual Cashflows \$000	Less than 1 Year \$000	1-2 Years \$000	2-5 Years \$000	More Than 5 Years \$000
Parent 2014/2015						
Creditors and Other Payables	2,628	2,628	2,628	0	0	0
Net Settled Derivative Liabilities	744	744	13	89	642	0
Bank Overdraft	0	0	0	0	0	0
Secured Loans	23,644	26,866	7,621	4,065	15,179	0
Total	27,017	30,239	10,263	4,154	15,822	0

	Carrying Amount \$000	Contractual Cashflows \$000	Less than 1 Year \$000	1-2 Years \$000	2-5 Years \$000	More Than 5 Years \$000
Group 2014/2015						
Creditors and Other Payables	3,033	3,033	3,033	0	0	0
Net Settled Derivative Liabilities	744	744	13	89	642	0
Bank Overdraft	0	0	0	0	0	0
Secured Loans	23,644	26,866	7,621	4,065	15,179	0
Total	27,421	30,643	10,667	4,154	15,822	0

	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 2013/2014						
Creditors and Other Payables	3,844	3,844	3,844	0	0	0
Net Settled Derivative Liabilities	124	124	0	12	112	0
Bank Overdraft	0	0	0	0	0	0
Secured Loans	23,694	27,618	3,127	5,475	14,868	4,148
Total	27,662	31,586	6,971	5,487	14,980	4,148

	Carrying Amount \$000	Contractual Cashflows \$000	Less than 1 Year \$000	1-2 Years \$000	2-5 Years \$000	More Than 5 Years \$000
Group 2013/2014						
Creditors and Other Payables	4,122	4,122	4,122	0	0	0
Net Settled Derivative Liabilities	124	124	0	12	112	0
Bank Overdraft	0	0	0	0	0	0
Secured Loans	23,694	27,618	3,129	5,475	14,868	4,148
Total	27,940	31,864	7,248	5,487	14,980	4,148

Contractual Maturity Analysis of Financial Assets

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

	Carrying Amount \$000	Contractual Cashflows \$000	Less than 1 Year \$000	1-2 Years \$000	2-5 Years \$000	More Than 5 Years \$000
Parent 2014/2015						
Cash and Cash Equivalents	3,025	3,025	3,025	0	0	0
Debtors and Other Receivables	4,260	4,260	4,260	0	0	0
Other Financial Assets:						
- Short Term Deposits	11,284	12,291	12,291	0	0	0
- Net Settled Derivative Assets	0	0	0	0	0	0
- Loans to Related Parties	3,053	3,818	393	3,266	159	0
	21,622	23,394	19,967	3,266	159	0
Group 2014/2015						
Cash and Cash Equivalents	5,748	5,748	5,748	0	0	0
Debtors and Other Receivables	3,970	3,970	3,970	0	0	0
Other Financial Assets:						
- Short Term Deposits	11,684	11,684	11,684	0	0	0
- Net Settled Derivative Assets	0	0	0	0	0	0
- Loans to Related Parties	0	0	0	0	0	0
Total	21,401	21,401	21,401	0	0	0

	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 2013/2014						
Cash and Cash Equivalents	2,499	2,499	2,499	0	0	0
Debtors and Other Receivables	4,718	4,718	4,718	0	0	0
Other Financial Assets:						
- Short Term Deposits	10,640	12,291	12,291	0	0	0
- Net Settled Derivative Assets	61	61	15	0	46	0
- Loans to Related Parties	3,313	3,556	3,237	80	239	0
	21,231	23,125	22,760	80	285	0
Group 2013/2014						
Cash and Cash Equivalents	4,689	4,689	4,689	0	0	0
Debtors and Other Receivables	5,110	5,110	5,110	0	0	0
Other Financial Assets:						
- Short Term Deposits	10,640	10,640	10,640	0	0	0
- Net Settled Derivative Assets	61	61	15	0	46	0
- Loans to Related Parties	0	0	0	0	0	0
Total	20,454	20,454	20,454	0	46	0

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	2014/2015 \$000				2013/2014 \$000			
		-100bps		+100bps		-100bps		+100bps	
		Profit	Other Equity	Profit	Other Equity	Profit	Other Equity	Profit	Other Equity
Financial Assets									
Cash and Cash Equivalents	1	(20)	0	20	0	(10)	0	10	0
Other Financial Assets - Short Term Deposits	2	(113)	0	113	0	(106)	0	106	0
Other Financial Assets - Derivatives held for Trading	3	0	0	0	0	(20)	0	20	0
Financial Liabilities									
Derivatives - Held for Trading	4	(180)	0	180	0	(180)	0	180	0
Borrowings - Secured Loans	5	54	0	(54)	0	34	0	(34)	0
Total Sensitivity to Interest Rate Risk		(259)	0	259	0	(282)	0	282	0

Explanation of Sensitivity Analysis - Council

Financial Assets

1. Cash and Cash Equivalents

Cash and cash equivalents of \$3,024,000 (2013/2014: \$2,499,000) of which \$1,024,000 (2013/2014: \$1,499,000) are held in non-interest bearing cheque deposit accounts. A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$20,000 (2013/2014: \$10,000).

2. Other Financial Assets - Short Term Deposits

Short Term Deposits consist of term deposits at financial institutions and total \$11,284,000 (2013/2014: \$10,640,000). A movement in interest rates of plus or minus 1.0% has an effect on investment revenue of \$113,000 (2013/2014: \$106,000).

3. Other Financial Assets - Derivatives - Held for Trading

There are no Derivative Financial Instrument Assets held for trading as at 30 June 2015 (2013/2014: \$61,000). Consequently a movement in interest rates of plus or minus 1.0% has no effect on realised receipts/(payments) on the derivatives during the period (2013/2014: \$20,000).

Financial Liabilities

4. Derivatives - Held For Trading

Derivative financial instruments held for trading consist of interest rate swaps with a fair value totalling \$744,000 (2013/2014: \$124,000). A movement in interest rates of plus or minus 1.0% has an effect on realised receipts/(payments) on the derivatives during the period of \$180,000 (2013/2014: \$180,000).

5. Borrowings - Secured Loans

Council has floating rate debt with a principal amount totalling \$5,434,000 (2013/2014: \$3,424,000). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$54,000 (2013/2014: \$34,000). A movement in market interest rates on fixed rate debt does not have any impact on interest expense.

Group - Interest Rate Risk	Note	2014/2015 \$000				2013/2014 \$000			
		-100bps		+100bps		-100bps		+100bps	
		Profit	Other Equity	Profit	Other Equity	Profit	Other Equity	Profit	Other Equity
Financial Assets									
Cash and Cash Equivalents	1	(20)	0	20	0	(16)	0	16	0
Other Financial Assets - short term deposits	2	(117)	0	117	0	(106)	0	106	0
Other Financial Assets - derivatives held for trading	3	0	0	0	0	(20)	0	20	0
Financial Liabilities									
Derivatives - held for trading	4	(180)	0	180	0	(180)	0	180	0
Borrowings - secured loans	5	54	0	(54)	0	34	0	(34)	0
Total Sensitivity to Interest Rate Risk		(263)	0	263	0	(288)	0	288	0

Explanation of Sensitivity Analysis - Group

Financial Assets

1. Cash and Cash Equivalents

Cash and cash equivalents of \$5,748,000 (2013/2014: \$4,689,000) of which \$3,748,000 (2013/2014: \$3,073,000) are held in non-interest bearing cheque deposit accounts. A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$20,000 (2013/2014: \$16,000).

2. Other Financial Assets - Short Term Deposits

Short Term Deposits consist of term deposits at financial institutions and total \$11,684,000 (2013/2014: \$10,640,000). A movement in interest rates of plus or minus 1.0% has an effect on investment revenue of \$117,000 (2013/2014: \$106,000).

3. Other Financial Assets - Derivatives held for Trading

There are no derivative financial instruments assets held for trading as at 30 June 2015 (2013/2014: \$61,000). Consequently a movement in interest rates of plus or minus 1.0% has no effect on realised receipts/(payments) on the derivatives during the period (2013/2014: \$20,000).

Financial Liabilities

4. Derivatives - Held For Trading

Derivative financial instruments held for trading consist of interest rate swaps with a fair value totalling \$744,000 (2013/2014: \$124,000). A movement in interest rates of plus or minus 1.0% has an effect on realised receipts/(payments) on the derivatives during the period of \$180,000 (2013/2014: \$180,000).

5. Borrowings - Secured Loans

The Group has floating rate debt with a principal amount totalling \$5,434,000 (2013/2014: \$3,424,000). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$54,000 (2013/2014: \$34,000). 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 2015 for Buller District Council and the Group (2013/2014: nil)

Note 29 ~ Explanations of Major Variances against Budget

Explanations of major variances from Council's budget figures in the 2014/2015 Annual Plan are as follows:

Statement of Comprehensive Revenue

Total revenue was \$24.4m compared to a budget of \$25.1m

- Lower financial assistance was received for Drinking Water Upgrades (\$1.4m).
- Lower fees and charges due to depressed local economy (\$0.16m).
- Lower gains on revaluation of investment land (\$0.263m) due to the state of the property market.
- Lower vested assets (\$0.1m).
- Lower revenue from rates penalties due to improved debt recovery (\$0.88m).

This was offset by:

- Unanticipated V2010 sponsorships (\$0.550m).
- Additional Development and Financial contributions (\$0.12m).
- Additional subvention payment from the holding company (\$0.54m).
- Proceeds from the settlement of the turf dispute (\$0.3m).

Operating Expenditure

Totalled \$25.5m compared to a budget of \$23.5m main variances included:

- Lower employment costs (\$0.17m).
- Lower depreciation due to the deferral of capital projects (\$0.25m).

These favourable variances were offset by:

- Asset written off totalled exceeded budget by (\$0.79m).
- Loss on derivatives were not budgeted (\$0.68m).
- Loss on revaluation of investment land were not budgeted (\$0.85m).

Statement of Financial Position

- Cash and cash equivalents were \$1.2m higher than budget due to unanticipated movements in revenue and expense items and lower purchases of fixed assets.
- Short term investment were \$0.3m higher due to the growth in term deposits received from funds from settlement.
- Trade and trade receivables were \$0.6m lower than budget due to improved debt recovery.

This was offset by:

- Investment in Council Controlled Trading Organisations were \$0.3m higher than budget due to the appreciation in these investments.
- Investment Property was \$1.8m lower than budget due to a challenging property market which marked down the value of all real estate and the write off of property now not controlled by Council.
- Infrastructure assets were \$12.2m lower than budget principally due to lower revaluations (\$6m) to budget and deferrals of capital projects mainly associated with rural communities Drinking Water upgrades and the replacement of the Westport trunk main.
- Trade and other payables - \$1.4m lower primarily due to deferrals of capital projects.
- Derivative Financial Instruments - \$0.7m due to interest rates decreasing and the contracts decreasing in value for Council.
- Debt was \$4.4m lower due to repayment of debt from deferral of capital projects.

Cashflow Statement

- Payment to suppliers was \$0.4m lower than budget because of the operational savings made throughout the year.
- Investments realised were \$5.6m higher due to maturation and subsequent re-investments of term deposits.
- Purchase of fixed assets were \$2.9m lower due to deferral of capital projects.
- Loans raised were \$2.5m lower due to deferral of capital projects
- Repayment of loans was \$4.4m lower than budget due to repayment of debt in the prior financial year.

Note 30 ~ Insurance of Assets

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

Water, Waste Water and Storm Water Assets

The total value of this asset category in the financial statements as at 30 June 2015 is \$62,059,000 (2014; \$56,390,000) (cost/revaluation). These activities have a total asset value for insurance purposes of \$111,750,166 (2014; \$114,267,228). Of this \$19,000,651 (2014; \$16,916,311) of mainly above ground infrastructure plant is fully insured for replacement value. Council insures 40% of the remaining assets of 97,749,515 (2014; \$97,350,917) directly with the Local Authority Protection Programme (LAPP) with the remaining 60% being funded by Central Government.

Roading and Footpath Assets

The total value of these assets in the financial statements at 30 June 2015 is \$198,337,000 (2014; \$196,883,000) (cost/revaluation). These activities are not insured by Council and do not have an asset value for insurance purposes for this activity of assets.

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

Wharves, Vessels and Maritime Navigation Assets

The total value of these assets in the financial statements as at 30 June 2015 is \$6,488,000 (2013/2014: \$6,488,000) (cost/revaluation). These assets have an asset value for insurance purposes of \$8,301,735. Vessels and hydrographical equipment are fully insured for \$3,644,000.

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

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

Buildings, Plant & Equipment and Other Assets

The total value of these assets in the financial statements as at 30 June 2015 is \$28,630,000 (2014; \$28,173,000) (cost/revaluation). This activity has a total asset value for insurance purposes of \$47,621,112 (2014; \$47,621,866). This includes assets such as non infrastructure assets, Council plant and buildings and airport assets, excluding runways.

Vehicles

The total value of assets in this category in the financial statements as at 30 June 2015 is \$994,000 (2014; \$988,000) (cost/revaluation). This activity has a total asset value for insurance purposes of \$1,003,217 (2014; \$972,260). All vehicles are insured for market value. The Council is insured for all glass related claims.



Accounting Policies

Reporting Entity

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

The Buller District Council group consists of Buller District Council and its subsidiaries Buller Holdings Ltd (BHL), WestReef Services Ltd (WSL), Buller Recreation Ltd (BRL) and Westport Harbour Ltd (WHL), subsidiaries in substance Buller Health Trust (BHT) and Buller Arts and Recreation Trust (BART) and Westport Airport Authority (WAA) which is owned as a 50% joint venture with the Ministry of Transport. Council owns 100% of BHL which in turn holds 100% interests in WSL, BRL and WHL.

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

The financial statements of Buller District Council are for the year ended 30 June 2015. The financial statements were authorised for issue by Council on 28 October 2015.

Basis of Preparation

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

Statement of Compliance

The financial statements of Buller District Council have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of schedule 10, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP). The financial statements have been prepared in accordance with Tier 1 PBE accounting standards. The financial statements comply with PBE Standards.

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

Presentation currency and Rounding

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

Standards issued and not yet effective and not early adopted

In May 2013, the External Reporting Board issued a new suite of PBE accounting standards for application by public sector entities for reporting periods beginning on or after 1 July 2014. Buller District Council has applied these standards in preparing the 30 June 2015 financial statements.

In October 2014, the PBE suite of accounting standards was updated to incorporate requirements and guidance for the not for profit sector. These updated standards apply to PBE's with reporting periods beginning on or after 1 April 2015. The Buller District Council will apply these standards in preparing its 30 June 2016 financial statements. Council expects there will be minimal or no change in applying these updated accounting standards.

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

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

Associates

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

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

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

Joint Ventures

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

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

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

Revenue

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

Rates Revenue

The following policies for rates have been applied:

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

Other Revenue

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

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

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

- Rental revenue is recognised on a straight line basis.
- Interest revenue is recognised using the effective interest method.
- Dividends are recognised when the right to receive the payment has been established.

Borrowing Costs

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

Grant Expenditure

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

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

Income Tax

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

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

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

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

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

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

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

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

Leases

Finance Leases

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

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

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

Operating leases

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

Cash and Cash Equivalents

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

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

Trade and other receivables

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

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

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

Inventories

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

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

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

Non Current Assets Held for Sale

Non current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through the sale transaction rather than through continuing use. Non current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

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

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

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

Financial Assets

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

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

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

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

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

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

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

Financial Assets at Fair Value Through Surplus or Deficit

This category has two sub-categories:

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

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

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

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

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

Held to Maturity Investments

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

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

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

Loans and Receivables

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

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit. Loans and receivables are classified as "trade and receivables" and short and long term investments in the Statement of Financial Position.

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

Fair Value Through Other Comprehensive Revenue & Expenses

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

This category encompasses:

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

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

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

Investments in this category include shares in other companies.

Impairment of Financial Assets

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

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

Derivative Financial Instruments

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

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each balance date.

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

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

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

Property, Plant and Equipment

Property, plant and equipment consist of:

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

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

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

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

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

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

Additions

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

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

Disposals

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

Subsequent Costs

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

Depreciation

Depreciation is provided on a straight line basis on all property, plant and equipment, other than land or erosion protection assets, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Council Assets

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

Harbour Assets

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

WestReef Services Limited Assets

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

Buller Health Trust Assets

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

Infrastructure Assets

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

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

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

Revaluation

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

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

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

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

Accounting for Revaluation

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

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

Intangible Assets

Goodwill

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

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

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

Investment Property

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

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

After initial recognition, Buller District Council measures all investment property at fair value as determined annually by an independent valuer. The most recent valuation of investment property was carried out by Quotable Valuations with an effective date as at 30 June 2015.

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

Impairment of Non Financial Assets

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

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

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

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

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

- Value in use for non-cash generating assets

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

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

- Value in use for cashgenerating assets

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

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

Employee Entitlements

Short Term Benefits

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

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

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

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

Long Term Benefits

- Long Service Leave and Retirement Leave

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

Likely future entitlements accruing to staff, based on years of service, years to entitlement and the likelihood that staff will reach the point of entitlement; and

The present value of the estimated future cashflows. A discount rate of 4.4%, and a inflation factor of 2.9% were used. The discount rate is based on the weighted average of Government interest rates for stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long term increase in remuneration for employees.

Superannuation Schemes

- Defined Contributions Schemes

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

Provisions

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

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

Borrowings

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

Equity

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

The components of equity are:

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

Goods and Services Tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Budget Figures

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

Cost Allocation

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

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

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using an appropriate cost driver.

Critical Accounting Estimates and Assumptions

In preparing these financial statements Buller District Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that form a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

Landfill Aftercare Provision

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

Infrastructural Assets

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

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

Experienced independent valuers prepare Council's infrastructural asset revaluations. The last valuation was prepared by GHD Limited on 30 June 2014.

Independent Auditor's Report

To the readers of Buller District Council's and group's annual report for the year ended 30 June 2015

The Auditor-General is the auditor of Buller District Council (the District Council) and group. The Auditor-General has appointed me, John Mackey, using the staff and resources of Audit New Zealand to audit:

- The financial statements of the District Council and group that comprise:
 - the statement of financial position as at 30 June 2015 on page 80;
 - the statement of comprehensive revenue and expense on page 78, statement of changes in equity on page 79 and statement of cash flows on page 81 for the year ended 30 June 2015;
 - the funding impact statement of the District Council on page 82;
 - the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 15 to 63; and
 - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 84 to 141.
- The statement of service provision (referred to as Council Activities) of the District Council on pages 15 to 63 and the funding impact statements in relation to each group of activities of the District Council on pages 15 to 63.
- The disclosures of the District Council that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 9 to 13, 25, 31, 35 and 39.

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

- Information about:
 - internal borrowing on page 110;
 - council-controlled organisations on pages 65 to 76;
 - reserve funds on pages 114 to 116;
 - each group of activities carried out by the District Council on pages 15 to 63;
 - remuneration paid to the elected members and certain employees of the District Council on page 88;

- employee staffing levels and remuneration on page 89;
- severance payments on page 88;
- rating base units on page 84; and
- insurance of assets on page 134.
- A report on the activities undertaken by the District Council and group to establish and maintain processes to provide opportunities for Maori to contribute to the Council's decision-making processes on page 6.
- A statement of compliance signed by the mayor of the Council, and by the District Council's chief executive on page 5.

Opinion

Audited information

In our opinion:

- The financial statements of the District Council and group on pages 78 to 81 and pages 84 to 141:
 - present fairly, in all material respects:
 - the District Council's and group's financial position as at 30 June 2015;
 - the results of the operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand.
- The funding impact statement of the District Council on page 82, present fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan.
- The statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 15 to 63, present fairly, in all material respects, by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan.
- The Council Activities of the District Council on pages 15 to 63:
 - presents fairly, in all material respects, the District Council's levels of service for the year ended 30 June 2015, including:
 - the levels of service as measured against the intended levels of service adopted in the long-term plan;
 - the reasons for any significant variances between the actual service and the expected service; and
 - complies with generally accepted accounting practice in New Zealand.

- The funding impact statements in relation to each group of activities of the District Council on pages 15 to 63, present fairly, in all material respects, by each group of activities, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan.
- The disclosures on pages 9 to 13, 25, 31, 35 and 39 represent a complete list of required disclosures and accurately reflects the information drawn from District Council's audited information.

Compliance with the other requirements of schedule 10

The District Council's and group's annual report complies with the Other Requirements of schedule 10 that are applicable to the annual report.

Our audit was completed on 28 October 2015. This is the date at which our opinion is expressed.

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

Basis of opinion

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

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

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

An audit also involves evaluating:

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

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

When reporting on whether the 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 believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Council

The Council is responsible for preparing:

- Financial statements and Council Activities that:
 - comply with generally accepted accounting practice in New Zealand;
 - present fairly the District Council's and group's financial position, financial performance and cash flows; and
 - present fairly its service performance, including achievements compared to forecast.
- A funding impact statement that presents fairly the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan.
- Funding impact statements in relation to each group of activities that presents fairly 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 presents fairly by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan.
- Disclosures in accordance with the requirements of the Local Government (Financial Reporting and Prudence) Regulations 2014.
- The other information in accordance with the requirements of schedule 10 of the Local Government Act 2002.

The Council's responsibilities arise under 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.

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.

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, and the audit of the District Council's 2015-25 Long Term Plan, we have no relationship with or interests in the District Council or any of its subsidiaries.



John Mackey
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

Buller *District*

top of the **West Coast**

