

# West Coast Regional Council



## ANNUAL PLAN

July 1, 2011 to June 30, 2012





## Table of Contents

Chairman’s Foreword.....	1
Introduction to the Annual Plan 2011/12 .....	2
The Regional Council.....	3
Council’s Mission Statement.....	4
Groups of Activities .....	7
Governance .....	8
Consents & Compliance .....	10
Planning Processes.....	13
Environmental Monitoring .....	16
Emergency Management .....	18
River, Drainage, and Coastal Protection Work .....	19
Vector Control Services Business Unit.....	22
Statement of Accounting Policies.....	24
Prospective Statement of Comprehensive Income .....	31
Prospective Statement of Changes in Equity .....	31
Prospective Statement of Financial Position .....	32
Prospective Statement of Cash Flows .....	33
Projected Capital Expenditure .....	34
Funding Impact Statement .....	35
Council Controlled Organisations .....	46
West Coast Regional Council Charges.....	47
Table 1: Resource Consent Minimum Application Deposit Fees.....	47
Charges Pursuant To Section 36 of the Resource Management Act.....	48
Charges under Sections 12 and 150 Local Government Act 2002.....	50
Charges under Section 33(1) of the Building Act 2004.....	52
Other Charges .....	53

## **Chairman's Foreword**

I am pleased to introduce you to the final Adopted version of Council's Annual Plan for 2011/12.

As before, Council's focus remains firmly on its core Resource Management Act, Transport and Civil Defence Emergency Management responsibilities.

The Council received six submissions on the Draft Annual Plan and the Councillors heard from four of those submitters at the hearing on 31 May. Council considered these submissions, before making their final decisions. Council has now adopted this Annual Plan for the 11/12 year.

Council has again managed to hold the rates at a level that is expected to match the natural growth in the rating base. This means the general ratepayer does not have to meet any additional cost.

The exciting news for the year is that our four West Coast Councils are developing a joint IT strategy and investigating the possibility of replacing their ageing core financial systems with a common solution. This is an important step forward for shared council services in the region, and signals the intention to investigate further opportunities for future sharing and greater efficiency among the four councils.

Next year the Council will be working on a Long Term Plan (previously called a LTCCP) and that involves planning for the next ten years. As always the public of the West Coast are welcome to participate in the planning process, which will set the scene for Council's activities over a longer timeframe.

**Ross Scarlett**  
**Chairman**  
**West Coast Regional Council**

## **Introduction to the Annual Plan 2011/12**

Council is required under the Local Government Act 2002, to produce an Annual Plan for each financial year.

The purpose of the Annual Plan is to:

- Provide details of the proposed Annual budgets and the funding of that expenditure.
- Identify any variation from the financial statements and funding impact statement included in the current 2009/19 Long Term Council Community Plan (LTCCP).
- Support the LTCCP in providing integrated decision making and co-ordination of the resources of the Council.
- Contribute to the accountability of the Council to the Regional community.
- Extend opportunities for participation by the public in decision-making processes relating to costs and funding undertaken by the Council.

## The Regional Council

The Council has seven Councillors, representing the following constituencies:

### **Buller Constituency**

Ross Scarlett – Council Chairman

Terry Archer MBE

### **Grey Constituency**

Ian Cummings

Andrew Robb

Allan Birchfield

### **Westland Constituency**

Bryan Chinn – Council Deputy Chairman

Duncan Davidson



**Left to Right:**

Andrew Robb, Terry Archer, Bryan Chinn, Ross Scarlett, Duncan Davidson, Allan Birchfield, Ian Cummings

## **Council's Mission Statement**

The *mission* of The West Coast Regional Council is:

“To work with the people of the West Coast to sustainably manage the environment for the social, cultural and economic well being of present and future generations.”

### **Regional Council Functions and Responsibilities**

The West Coast Regional Council is an organisation complementary to the District Councils within the West Coast. It does not compete with or duplicate the functions of these Councils.

- **Regional Councils**

Regional Councils promote the sustainable management of our natural and physical resources for the benefit of present and future generations. As caretakers of our land, air and water, Regional Councils monitor our environment and where appropriate, limit or control the use of our resources. Regional Councils liaise with our community to develop resource management plans and pest management strategies, construct and maintain sea and river protection works, and carry out environmental monitoring, flood warning and pollution protection work as well as transport and civil defence co-ordination.

- **District Councils**

District Councils meet the daily needs of society: Managing roading, civil defence, providing reticulated water and public amenities, disposing of waste and sewerage, control of land use, and overseeing land subdivisions and building developments. These Councils also provide community facilities such as libraries, and recreation/sports grounds.

### **West Coast Regional Council Activities**

- **Resource Management**

Establishing and implementing objectives, policies and methods to achieve the integrated management of the natural and physical resources of the West Coast, under the Resource Management Act 1991.

- **Freshwater Quality Management**

Managing and preserving our water by managing water takes and monitoring discharges where they might affect water quality in streams, rivers and lakes.

- **Pollution Control**

Operating a 24-hour pollution line throughout the entire West Coast region to combat the illegal or accidental discharges of contaminants to our land, air and water, and to enable early intervention and corrective action.

- **Pest Management**

Implementing and reviewing the West Coast Pest Plant Management Strategy.

Assisting the Tb Vector Management strategy, by collecting the regional funding share, and by maintaining a competent & professional pest management contracting unit to deliver vector control operations.

- **Air Quality Management**

Monitoring ambient air quality, in Reefton, with the aim of supporting community aspirations to maintain or enhance air quality.

- **Coastal Management**

Managing discharges to the marine environment, and managing other activities in the coastal marine area in accordance with the Regional Coastal Plan and undertaking a Coastal Plan review.

- Floodwarning services and maintaining Flood Protection Works

Minimising the damage due to flooding by maintaining our rating district works, where communities request our assistance; and managing a responsive flood-warning system for our five key rivers.

- Regional Land Transport

Co-ordinating safe, efficient, responsive and sustainable transport systems through the Regional Land Transport Strategy.

- Civil Defence and Emergency Management

Administering the West Coast Civil Defence Emergency Management Group and the Group Plan.

### **Council and Committee Structure**

The West Coast Regional Council sets overall policy direction and oversees the financial policy and performance of the Council. The full Council also considers any matters that fall outside the day-to-day activities, which require policy development or specific resolution. All Matters relating to the development of the LTCCP and Annual Plan, Finances and Assets, Funding Policy and Investment Strategy, are managed by the Full Council. It manages through policy direction, the council's operations, river, drainage, and coastal protection works; and management of Council quarries. The Council has established a Committee structure to assist with the effective functioning of the Council. The Resource Management Committee is a standing Committee of Council that also meets monthly. Its functions are set out below:

- Resource Management Committee

All Councillors are members of this Committee plus two Tangata Whenua representatives, one representing Te Runaka o Ngati Waewae and one representing Te Runanga o Makaawhio.

The Committee analyses, develops and facilitates consultation on all policies, plans and strategies on RMA, environmental management, biosecurity matters, transport matters, and civil defence. The Committee oversees and directs the Council's flood warning, and state of the environment monitoring functions. The Committee also oversees and directs the Council's consents and compliance monitoring functions.

- Regional Transport Committee

The Regional Transport Committee oversees the development, implementation and review of the Regional Land Transport Strategy. This Committee has two appointees from the Council, plus representatives appointed from District Councils, and other agencies involved with land transport as required by transport legislation.

- Greymouth Floodwalls Joint Committee

Council also has three members appointed to the Joint Greymouth Floodwalls Committee, together with three members of the Grey District Council. This is a joint committee of both councils.

- West Coast Civil Defence Emergency Management Group

Council also has a member on the West Coast Civil Defence Emergency Management Group, together with a member from each of the three district councils. This Group is a requirement of the Civil Defence Emergency Management Act.

## Management Structure

Chief Executive Officer Chris Ingle

Division	Manager	Functions
CEO's Office	Chris Ingle	Civil Defence Emergency Management Regional Transport Planning
Corporate Services	Robert Mallinson	Accounting Services Corporate Planning Rating Administration Information Technology
Consents & Compliance	Colin Dall	Resource Consent Processing Compliance Monitoring & Enforcement Environmental Incident Complaints Oil Spill & Pollution Response
Planning & Environmental	Michael Meehan	RMA Plan Preparation and Review State of Environment Monitoring Flood Warning & Natural Hazards Quarry & Rating District Management
VCS Business Unit	Randal Beal	Service delivery of vector (possum) control on contract to Animal Health Board A variety of other smaller work areas related to the environmental or pest management
Total Staff		48

## **Groups of Activities**

### **Introduction**

For the purposes of this Annual Plan the Council has arranged its business into groups of activities as follows:

- Governance
- Consents and Compliance
- Planning Processes
- Environmental Monitoring
- Emergency Management
- River, Drainage and Coastal Protection Work
- Vector Control Services Business Unit

For each group of activities information is presented to:

- Identify the activities within the group of activities.
- Describe why the Council carries out these activities.
- Explain the background to the levels of service and performance measures.
- List levels of service and performance measures.
- Identify the estimated levels of expenditure and how that expenditure is to be funded.
- Identify deviations, if any, from the 2009/19 Long Term Council Community Plan.

### **Performance Measures**

Performance measures, by which performance may be judged in relation to objectives, are included in each programme.

## Governance

### Activities within this group

Governance activities describe the democratic function of the Council. Elected Councillors determine Council policies, and monitor the achievement of these.

### What is Governance?

Governance activities of the Council are carried out under the Local Government Act 2002, the Resource Management Act, and the Land Transport Act, among others. The Council conducts eleven monthly meetings of the Council and the Resource Management Committee, and convenes other meetings and workshops as appropriate.

Individual Councillors attend other Committee and working group meetings as representatives of the whole Council, such as the Land Transport Committee, the Civil Defence Emergency Management Group, the Regional Animal Health Committee and the Waste Management Working Group. Councillors also act as commissioners from time to time on resource consent and Regional Plan, Transport Strategy and Pest Strategy hearings.

Under the Local Government Act the Council must consider ways in which it may foster the development of Maori capacity to contribute to the decision-making processes of the Council. Council has appointed a member of each of the two local Runanga to attend the Resource Management Committee. The two Runanga have also assisted with developing Iwi sections of some regional plans, and have also participated in making submissions on consent applications and proposed plans. Council forwards new resource consent application information to the Runanga regularly, and have also assisted both Runanga in developing Iwi management plans.

Levels of Service	Performance Targets
Maintain a Council of elected representatives in accordance with statutory requirements and in a manner that promotes effective decision-making, transparency, and accountability to the West Coast regional community	Conduct eleven monthly meetings of Council and the Resource Management Committee, plus other scheduled meetings and scheduled workshops during the year with at least 80% attendance by each elected Councillor.
	Prepare, notify and adopt Council 2012/22 Long Term Plan by 31 May 2012 in accordance with the procedures outlined in the Local Government Act 2002.
	Prepare and notify the Council's 2011 Annual Report by 31 October 2011 in accordance with the procedures outlined in the Local Government Act 2002.
	Publish an informative Council newsletter twice a year to be circulated to all ratepayers, with their rate demand, in March and September.
	Maintain the Council website up-to-date at all times, as the Council's primary information transfer point and an information resource for the community.
Continue to support the contribution our two West Coast Runanga make to Council's decision-making processes; and continue to seek contributions from other Maori	Continue to invite attendance of Makaawhio and Ngati Waewae representatives as appointees to the Council's resource management committee, to enable Maori participation in resource management decision-making.

### Indicative Costs & Sources of Funds

Annual Plan 2010/11		Annual Plan 2011/12	LTCCP 2011/12
364560	Governance	352055	376479
19484	Community Consultation	33488	33149
<u>384044</u>	<b>Total Operating Expenditure</b>	<u>385543</u>	<u>409628</u>
<b>Funding</b>			
<u>384044</u>	General Funds	<u>385543</u>	<u>409628</u>
<u>384044</u>	<b>Total Funding</b>	<u>385543</u>	<u>409628</u>

## Consents & Compliance

### Activities within this group

- Resource Consent Processing
- Consent Enquiries
- Compliance Monitoring

### What is Consents and Compliance?

Resource consents are required under the Resource Management Act 1991 (RMA) to allow activities that are otherwise restricted by the RMA. Staff process applications for water, coastal and discharge permits and land use consents, in accordance with the processes and timeframes set out in the RMA. The Consents team processes over 500 individual resource consents each year, on average. This level of demand is not expected to change significantly over the next ten year period.

Resource consents and mining licences are monitored to ensure compliance with their conditions and to determine their effects on the environment as required by the Crown Minerals Act and the RMA. Compliance monitoring and enforcement is a critical element of resource management and one that underpins the integrity of the regional plans and consents issued under them.

Incident complaints received in relation to potential consent non-compliance, or breaches of the RMA or Council's regional rules are recorded and responded to.

The level of activity for this group may fluctuate from year to year depending on the level of economic activity, number, scale and complexity of large consent applications, implementation, review and development of regional plans, and other factors such as staffing changes and level of staff experience. It is anticipated that the workload over the coming year will continue, at present levels.

Levels of Service	Performance Targets
To process all applications for resource consents efficiently and effectively in accordance with the process and timeframes in the Resource Management Act 1991 and the Ministry for the Environment Best Practice Guidelines.	Process at least 99% of non-notified resource consent applications within the statutory timeframes.
	Work with consent applicants to seek to reduce the need for formal requests for further information under Section 92 of the RMA.
	Complete staff reports for all notified consent applications within 10 working days of receipt of all required information.
	Respond to written enquiries on resource consent processes and requirements within 10 working days and requests for such information made under the Local Government Official Information & Meetings Act no later than the statutory 20 working days.
Process mining work programmes efficiently and ensure mining bonds are set to address all significant mining risks so as to reduce the risk of any costs to Council; and to manage bond releases efficiently	Process at least 95% of mining work programmes <sup>1</sup> within 20 working days of receipt.
	Release 100% of bonds within four months of the surrender, forfeiture or expiry of the corresponding mining licence or permit, provided that rehabilitation requirements have been met.

<sup>1</sup> This target assumes the work programme is submitted with all necessary information provided.

Levels of Service	Performance Targets
<p>Monitor all major resource consent and mining licences for compliance, provide advice to resource users and, where necessary, take enforcement action on resource consents and mining licences.</p>	<p>Inspect every consent and/or mining licence for operating mining activities at least once annually, and where problems are identified follow up to ensure compliance is achieved and/or environmental effects are reduced.</p>
	<p>Inspect all new consents that involve major<sup>2</sup> construction works after completion of those works, and follow up to ensure compliance is achieved.</p>
	<p>Inspect all consents for whitebait stands on the Little Wanganui, Taramakau, Hokitika, Wanganui, Paringa and Waitoto Rivers annually and the remaining rivers with whitebait stand consents at least once every three years to check consent compliance and ensure that any environmental effects are no more than minor.</p>
	<p>Inspect every dairy shed effluent discharge at least once every three years, depending on compliance, and work with farmers so that consent compliance is achieved and environmental effects are managed.</p>
	<p>Assess farm compliance in the Lake Brunner catchment annually, in recognition of the need for stricter environmental management in this sensitive lake catchment, and follow up to ensure compliance is achieved.</p>
<p>Respond to complaints received by the Council and, if non-compliance with Council Plans, consent conditions or the Act are confirmed, to take action.</p>	<p>Operate a 24-hour complaints service, responding to all complaints and report all complaints to the monthly Resource Management Committee.</p>
	<p>Respond to breaches of the RMA, regional plan rules or resource consents by taking enforcement action through abatement notices, infringement notices or recommend prosecution in accordance with Council Enforcement Policy.</p>

### Spill Response Activities

The Regional Council is responsible for responding to marine oil spills within the territorial waters of the West Coast. The Council also responds to terrestrial hazardous substance spills, assisting the responsible party to clean up any spill in order to minimise environmental impacts.

Levels of Service	Performance Targets
<p>Respond to 100% of marine oil spills in West Coast coastal waters in accordance with the West Coast Tier 2 Oil Spill Response Plan and as agreed with Maritime New Zealand (MNZ) and maintain readiness for spill response.</p>	<p>Maintain a team of at least 25 Maritime NZ trained personnel at all times to deal with marine oil spills and terrestrial hazardous substance spills.</p>
	<p>Respond within 4 hours to all terrestrial hazardous substance spills, and where necessary use Council or MNZ spill equipment to manage containment and clean up to minimise adverse environmental impacts.</p>
	<p>Ensure response equipment is maintained quarterly to a level ready to respond to a Tier 2 marine oil spill response.</p>

<sup>2</sup> Major, in this situation, means the project costs more than approx. \$200,000.

### Indicative Costs & Sources of Funds

Annual Plan 2010/11		Annual Plan 2011/12	LTCCP 2011/12
<b>Consents &amp; Compliance</b>			
498529	Resource Consent Processing	514329	507311
153591	Consents Support	177946	160358
34793	Consents Review	35138	35467
36697	Consent Appeals	37588	38800
91726	Consent Enquiries	111646	99245
14694	Building Act – Dams	16356	15549
26776	Whitebait Stand Compliance	39174	42233
281397	Compliance Monitoring	281822	317493
159902	Compliance Monitoring Support	169384	172164
45635	Compliance Enquiries	55221	48789
82165	Dairy Farm Monitoring	86919	80703
121448	Complaints	133674	131688
58325	Enforcement Appeals	70358	59354
68222	Oil Spill Response	82323	77068
<u>1673900</u>	<b>Total Operating Expenditure</b>	<u>1811878</u>	<u>1786222</u>
<b>Funding</b>			
930898	User Charges	1033727	1031900
743002	General Funds	778151	754322
<u>1673900</u>	<b>Total Funding</b>	<u>1811878</u>	<u>1786222</u>
<b>Capital Expenditure</b>			
2000	Specialised Camera	0	0
<u>0</u>	Water Quality Sonde, Turbidity Meter, Pump & hose	<u>26500</u>	<u>0</u>
<u>2000</u>		<u>26500</u>	<u>0</u>
<b>Funding</b>			
<u>2000</u>	Depreciation Funds	<u>26500</u>	<u>0</u>
<u>2000</u>		<u>26500</u>	<u>0</u>

## Planning Processes

### Activities within this group

- Environmental Planning
- Regional Transport Planning

### What is Environmental Planning?

The Resource Management Act 1991 (RMA) requires regional councils to have a Regional Policy Statement and a Regional Coastal Plan. In order to provide certainty for people in how the Act is to be applied the Council has also prepared regional plans to manage the effects of activities on air, water, land and the coastal marine area in a consistent and integrated manner.

The purpose of these plans is to practically apply the RMA to sustainably manage the region's resources. The plans permit activities with no more than minor adverse effects to be carried out without needing resource consent, and also provide policy guidance on assessing activities with greater effects.

All members of the public have the opportunity to make submissions on RMA plans when they are publicly notified and this ensures the objectives and policies we set for our environment are a true reflection of the communities' desires and an appropriate balance between the need for a healthy economy, society, and the need for a healthy environment.

The Council responds to other agency's policy documents, where these may affect the West Coast. This ensures that the region is represented in other agency processes.

### Key Changes from the LTCCP

The LTCCP signalled a full review of the Discharge to Land Plan in April 2012. This is no longer required as that Plan is effectively under review now as part of the merger of that Plan with the Water Plan and Land and Riverbed Plan. It is also noted that the work on wetlands Variations 1 and 2 have been delayed due to environment court appeals. It is Council's intention to conclude those processes as soon as reasonably practical.

Levels of Service	Performance Targets
Complete work on the current set of regional plans and increase their user friendliness by combining the three plans that administer land and freshwater environments.	Hold hearings on the submissions on the proposed Wetlands variation 2 as soon as the court proceedings on variation 1 are concluded.
	Commence hearings on the Proposed Land and Water Plan (merged plan) submissions by April 2012.
Monitor and review all regional plans and strategies within statutory timeframes and report publicly on their efficiency and effectiveness	Prepare a report to Council on the proposed new structure and content of the West Coast Regional Policy Statement by May 2012.
	Commence a full review of the Regional Air Quality Plan by July 2012.
	Prepare a Draft Regional Coastal Plan, to be considered by Council, by July 2012.
Ensure resource users are made aware of requirements under the RMA and promote Environmental Best Practice	Prepare and disseminate information for resource users on rules, and best practice, as detailed in the annual communications programme.
Respond to other's environmental policy documents where these may affect the West Coast, and assist community understanding about the RMA and Council's roles and functions	Investigate and respond where appropriate to central government policies or plans that may impact on West Coast interests, within required timeframes, and provide ongoing policy advice to Council as and when needed.

### **What is Council's role in Transport Planning?**

The Council primarily has a regional co-ordination and administration role in relation to transport, so that works and funding can continue to be delivered by New Zealand Transport Agency. Council needs to satisfy the requirements of the Land Transport Act 1998 and the Land Transport Management Act 2003.

Council is required to have a Regional Transport Committee, with representative membership including local authorities, funding agencies and other transport stakeholders, who then prepare a Regional Land Transport Strategy (RLTS). The Committee also prepares a Land Transport Programme to implement the RLTS.

The Land Transport Management Act 2003 requires that the needs of persons who are transport disadvantaged be considered in land transport programmes. To address this, Council administers subsidies for transport for those with limited mobility through the Total Mobility Programme. The Regional Council also participates on the regional Road Safety Committee as an organisation with transport interests, and oversees the Road Safety Co-ordinator.

<b>Levels of Service</b>	<b>Performance Targets</b>
Maintain a Regional Land Transport Strategy (RLTS) that delivers efficient and effective management of Council's transport functions in compliance with relevant legislation.	Facilitate at least two public Regional Transport Committee meetings per year and arrange working group meetings as requested by the Committee.
	Prepare and submit, by 30 June 2012, a triennial programme to secure funding for West Coast transport projects that meet New Zealand Transport Authority guidelines.
	Participate, with the three district councils, NZ Police, and others in the West Coast Road Safety Co-ordinating Committee.
Continue to fund the Total Mobility Programme according to New Zealand Transport Agency requirements	Implement the total mobility programme where taxi services exist, ensuring at least 90% of users rate the overall service and value for money as good, very good or excellent

### Indicative Costs & Sources of Funds

Annual Plan 2010/11		Annual Plan 2011/12	LTCCP 2011/12
<b>Planning Processes</b>			
85621	Regional Policy Statement	77184	44662
13360	Land & Riverbed Mgmt Plan	10592	0
0	Air Quality Plan	13462	20709
104291	Water Mgmt Plan	95609	52970
11042	Pest Mgmt Strategy	5400	1135
49493	Responses	47226	39350
93011	Regional Coastal Plan	65997	31837
29199	Plan Implementation	64339	51924
24540	Public Enquiries	40198	39895
7410	Biological Controls	8622	9145
4068	Waste Management	17923	25455
9817	Pest Strategy Implementation	16724	12456
15000	Contributions to National Strategies	15000	0
13082	Total Mobility Admin.	13136	23506
65500	Total Mobility	68750	69482
59295	Regional Land Transport Admin.	36845	74923
8880	Passenger Transport Admin.	7354	8784
26205	Safety Programme	123796	94965
<u>619814</u>	<b>Total Operating Expenditure</b>	<u>728157</u>	<u>601198</u>
<b>Funding</b>			
0	User Charges		
104100	Subsidies	204650	159700
515714	General Funds	523507	441498
<u>619814</u>	<b>Total Funding</b>	<u>728157</u>	<u>601198</u>

## Environmental Monitoring

### Activities within this group

- Flood warning & Hydrology
- Surface water and groundwater monitoring
- Air quality monitoring
- Sites associated with hazardous substances

### Why we do Environmental Monitoring

To meet section 35 RMA, Regional Councils must monitor the state of the environment. State of the Environment Monitoring records trends in environmental quality and can also detect emerging issues. This information is fundamental for assessing the effectiveness of resource management policies and plans. It assists Council to make decisions based on sound factual and up to date information. This includes monitoring water levels in rivers particularly where flooding threatens communities. In those rivers we operate a rostered flood warning system to give early warning to affected people of rising river levels, in accordance with the flood warning manual.

On the West Coast, the focus on monitoring water resources reflects the Region's climate, topography and land uses. Water quality monitoring can ensure water resources, including coastal sites, are of a suitable standard for a particular use or value. Water quality is also an indicator of what is happening within a catchment, and identifying trends can assist Council to better target environmental management actions. The Envirolink scheme aims to transfer science knowledge from Crown Research Institutes to smaller regional councils. The Council assists (with other regional councils) with funding the Envirolink co-ordinator, and the Council's CEO is currently chair of the Envirolink governance board.

The 2008 State of the Environment Report showed significant improving trends in water clarity and bacterial water quality when data was combined across the region as a whole. There have also been fewer guideline exceedances at the twenty sites monitored for contact recreation during summer months. In terms of nutrients, ammoniacal nitrogen, which is toxic to fish, is improving; but nitrate and phosphate levels in the main rivers have increased (though they are still relatively low and well below guideline levels). Lake Brunner water clarity is still declining however, and nutrient levels in the lake continue their upward trend.

Potentially contaminated sites have potentially significant adverse effects. The Regional Council's role is to maintain a database of sites for the region and supply that information to the District Councils for LIMS. Air quality monitoring is required under the new national air quality standards where the national standards are exceeded. Reefton has the poorest air quality of any large town on the West Coast and is therefore the highest priority for monitoring.

Levels of Service	Performance Targets
Deliver environmental monitoring programmes that provide accurate & reliable information for public use and for assisting decision making on Council's plans, policies, consents and compliance work	Complete all regular water sampling programmes and an annual Lake Brunner summary report every December, for Council's web site.
	Report monthly summer contact recreation results to Council, and to media, and complete any follow-up investigations required by Council as they arise.
	Continue wintertime ambient air quality monitoring in Reefton and provide monthly summary reports to Council during winter months.

<b>Levels of Service</b>	<b>Performance Targets</b>
Ensure information about sites affected by hazardous substances is available to potential land buyers, and facilitate investigations and clean up activities.	Maintain the 'Sites Associated with Hazardous Substances' (SAHS) database, ensure District Councils and land buyers have access to up to date information and assist landowners to securing external funding to investigate or remediate high priority SAHS sites, where landowners are interested and funding is available.
Continue to provide flood warnings in accordance with the flood warning procedure manual to assist communities to assess risk of impending floods, for the five rivers (Karamea, Buller, Grey, Hokitika, Waiho) that might flood our larger urban communities.	Provide a continuous flood monitoring service for the five rivers monitored and respond in accordance with the flood-warning manual. Ensure data on these river levels is available on the Council website and Info line (data is updated 12 hourly, and during floods 3 hourly at least).
	Review the flood-warning manual annually and liaise with work groups as required.
Publish reports.	Publish on the Council web site a Hydrometric and Meteorological Data Summary Report by December 2011.

### Indicative Costs & Sources of Funds

Annual Plan 2010/11		Annual Plan 2011/12	LTCCP 2011/12
<b>Environmental Monitoring</b>			
369058	Hydrology	376571	384254
7785	Groundwater Monitoring	33223	34291
319577	Surface Water Quality Monitoring	313961	317765
21509	Contaminated Sites	15549	15291
20148	Air Quality Monitoring	27012	27252
<u>738077</u>	<b>Total Operating Expenditure</b>	<u>766316</u>	<u>778853</u>
<b>Funding</b>			
<u>738077</u>	General Funds	<u>766316</u>	<u>778853</u>
<u>738077</u>	<b>Total Funding</b>	<u>766316</u>	<u>778853</u>
<b>Capital Expenditure</b>			
60000	Hydrology	60000	36960
13000	Other Equipment	8000	5280
0	Hydrology Storage Shed	15000	0
0	Operations	5000	0
<u>73000</u>		<u>88000</u>	<u>42240</u>
<b>Funding</b>			
<u>73000</u>	Depreciation Funds	<u>88000</u>	<u>42240</u>
<u>73000</u>		<u>88000</u>	<u>42240</u>

## Emergency Management

### Activities within this group

- Emergency Management
- Natural Hazards

### Why we do Emergency Management

The Council is part of the Civil Defence Emergency Management (CDEM) Group, along with the region's District Councils. The functions of the CDEM Group include the co-ordination of civil defence emergency management planning, delivering CDEM programmes and CDEM activities across the region, and carrying out risk management.

The Regional Council is the administering authority for the West Coast CDEM Group. The West Coast CDEM Plan was reviewed in 2010. The LTCCP levels of service and performance targets below set out this Council's CDEM work. District Council Annual Plans will have their own CDEM targets.

Levels of Service	Performance Targets
Maintain a Civil Defence Plan that delivers efficient and effective management of the region's civil defence functions in compliance with the legislation and acceptable to West Coast community and stakeholder direction.	Prepare and organise the distribution of public information linked to the development and release of the national public information programme.
Ensure Council staff are trained to respond during an emergency event in conjunction with district councils.	Maintain a ready-to-operate headquarters in preparation for potential emergencies, in accordance with the Group Plan and Group Controllers Guide.
	Train at least 30 Council staff as EOC personnel so that we have three shifts of EOC staff trained and exercised in case of a regional emergency.

### Indicative Costs and Sources of Funds

Annual Plan 2010/11		Annual Plan 2011/12	LTCCP 2011/12
<b>Emergency Management</b>			
100147	Civil Defence Response	104526	95894
34553	Natural Hazards	40376	44253
134700	<b>Total Operating Expenditure</b>	144902	140147
<b>Funding</b>			
0	Subsidies	0	11000
40000	Targeted Rates	50000	42000
94700	General Funds	94902	87147
134700	<b>Total Funding</b>	144902	140147

## River, Drainage, and Coastal Protection Work

### Activities within this group

- Rating District management and administration
- Greymouth Floodwall structural maintenance
- Quarry management and administration

### Key Changes from the 2009/19 Long Term Council Community Plan

Lower Waiho Rating District. There was a proposal identified in the LTCCP with regard to the Lower Waiho Rating District to increase the level of protection for the area. It involved raising the existing stopbank to contain at least 2050 cumecs plus freeboard and extend the rubbish dump bank downstream to Rata Knoll. The work was provisionally budgeted in the LTCCP at \$1,000,000 for the 2010/11 year.

At the 2009 Annual Meeting the Rating District recommended to Council that this work be deferred. This recommendation has been accepted by Council.

As the Lower Waiho Rating District community does not support these works, they will not be proceeding in the foreseeable future.

### Franz Josef.

A stopbank upgrade was identified for 2010/11 at an estimated cost of \$225,000 in the 2009/19 LTCCP. This capital expenditure work will now be completed during 2011/12 at an estimated cost of \$350,000. The design of the upgrade is under review due to recent riverbed aggradation which has caused a need to re-survey the riverbed and re-design the stopbank crest levels. This will also change the estimated cost.

### Reclassification of Lower Waiho Rating District Boundaries

Council was asked to undertake a reclassification of the Lower Waiho rating district boundaries.

Council considered a report from Mr R E Reid (BE Civil (Hons)) regarding the boundaries of the rating district at its February 2011 meeting, and at its March 2011 meeting resolved that "*The area of the Lower Waiho rating district be extended south east towards SHW6 with the revised boundary being as defined and shown on the attached map.*" It was also resolved that "*The basis of rating of the revised Lower Waiho special rating district be capital value and that the rates be levied on a uniform basis.*"

The proposal to amend the Lower Waiho rating district boundaries was included in the Draft Annual Plan as matter for public consultation. Submissions on this matter were considered by Councillors at the Annual Plan hearing and Council have now decided to adopt the changes to the boundaries of the Lower Waiho Rating District as proposed in the Draft Annual Plan. Council thanks submitters for their participation and for presenting their perspectives on the issue.

The map of the boundaries of the new Lower Waiho 2010 rating district is on page 43 of this Plan.

### **Why do we administer Rating Districts?**

The Soil Conservation and Rivers Control Act 1941 requires the Regional Council to prevent and mitigate soil erosion, and prevent damage by floods. To carry out these functions, the Council manages protection works for Rating Districts throughout the Region, participates on the Joint Greymouth Floodwall Committee, and rates for structural maintenance of the Greymouth Floodwall.

River cross-section studies and aerial photography of some riverbeds and coastal areas are carried out to monitor gravel build-up and changing patterns in river systems. This assists to identify what, if any, maintenance or additional protection is needed for Rating District works. This work will be done as needed depending on the urgency: for example, if gravel build-up increases the risk of flooding and harm or damage to people and property. The work will be done according to recognised engineering standards and practices and according to the affordability to the local community who are funding the work needed.

Levels of Service	Performance Targets
Meet the flood protection, drainage or erosion protection levels as described in the 'levels of service – background' section of the 2009-2019 LTCCP (pp 44-47).	Review Rating District Asset Management Plans where information indicates a significant change from what is stated in the asset management plan or where communities support an early review of the service levels of existing infrastructure.
	Organise and oversee maintenance of all rating district infrastructural assets to the service level consistent with the Asset Management Plan of each Rating District, or whatever level the community and the Council decide on as an acceptable risk.
	Complete all annual maintenance works identified in the adopted annual works report for each rating district, and complete all rating district meetings by November.
	Assist with organising and securing infrastructure loans for major capital works as and when required.
	Provide civil engineering advice on Council's behalf for consent applications and compliance matters within statutory timeframes.

**Why do we Administer Quarries?**

The Council manages quarries to ensure security of supply of rock primarily for rating district protection works. This work has traditionally run at a small loss due to low and unpredictable volumes of rock sales, although for the past two years the quarries have performed better than break-even.

Management plans have been prepared for each rock quarry, with performance targets focussed on the process for managing the quarries.

Levels of Service	Performance Targets
Ensure efficient and effective management and operation of Council's quarries	Oversee implementation of the quarry management plans, and review those plans by 2011.
	Monitor and review quarry contracts and permits and visit sites to ensure Health and Safety and other legal requirements are met.
	Obtain rock from quarries to facilitate river protection works within two weeks of any request, and at a cost in line with the relative operating cost of each quarry without subsidy from general rates.

### Indicative Costs and Sources of Funds

Annual Plan 2010/11		Annual Plan 2011/12	LTCCP 2011/12
	<b>River, Drainage &amp; Coastal Protection</b>		
783315	Works Within Rating Districts	741799	802863
123545	Rating District Management	164453	139348
2125	Asset Management Plans	22866	12142
4042	Inspections	22310	13479
47156	Technical Services	76301	60592
159810	Quarries	252324	201661
63542	River Cross Sections	62726	65024
<u>1183535</u>	<b>Total Operating Expenditure</b>	<u>1342779</u>	<u>1295109</u>
	<b>Funding</b>		
179000	User Charges-Quarries	218000	184000
47000	User Charges-Rating Districts	63000	48000
-125080	Transfers to (-) / from RD Reserves	-262758	-222117
-19190	Transfers to (-) / from Quarry Reserves	34324	17661
861395	Targeted Rates	941557	976980
240410	General Funds	348656	290585
<u>1183535</u>	<b>Total Funding</b>	<u>1342779</u>	<u>1295109</u>
	<b>Capital Expenditure</b>		
225000	Franz Josef stopbank upgrade	350000	0
<u>225000</u>	<b>Total Capital Expenditure</b>	<u>350000</u>	<u>0</u>
	<b>Funding</b>		
0	Loans Raised	0	0
225000	Change in Rating District Equity	350000	0
<u>225000</u>	<b>Total Funding</b>	<u>350000</u>	<u>0</u>

## Vector Control Services Business Unit

The Council's business unit exists to ensure there is capacity for delivering Tb possum control work on the West Coast, and to assist with other Council and contracted work as appropriate. Current work areas the business unit is involved in include (not an exhaustive list):

- Ground-based and aerial pest control, and bulk storage facilities
- Pest plant inspections and control work
- Support for Marine Oil Spill and pollution response

### Why have a VCS Business Unit?

The Council has traditionally had a pest control operational unit and it was decided in 2004 to operate that unit using a business model. Operating as a business unit enables service delivery functions of the Council such as vector (possum) control, pest plant and pollution control operations to be carried out efficiently and effectively in accordance with sound business practices.

VCS competes on the open market for possum control work. VCS has the capability to compete for any other contract work, as appropriate, to maintain a profitable business and provide a financial return to the Council. The VCS business unit ensures the Council has suitably trained staff and equipment at short notice for emergency work.

Levels of Service	Performance Targets
To produce a financial surplus to offset general rates, by tendering for and winning vector control contracts.	Tender for, and win, sufficient contracts to provide or exceed the annual budgeted return to Council.
	Meet the performance objectives and contractual obligations set by the Animal Health Board for ground and aerial pest control contracts.
To provide efficient pest plant inspection, marine oil spill, and terrestrial hazardous substance spill support services for the Regional Council	Keep sufficient pest plant work records to assist the review of the Pest Plant Management Strategy.
	Have staff available as a response unit for marine and terrestrial pollution spill events as per the MOU between the Council's Compliance section, Maritime New Zealand and Vector Control Services dated 11 November 2005.
	Maintain oil spill response equipment to the level required in the West Coast Tier 2 Oil Spill Response Plan.
To develop complementary service activities and negotiate contracts for delivery as appropriate	Develop new business areas as appropriate, complementary to existing roles.

### Indicative Costs and Sources of Funds

Annual Plan 2010/11		Annual Plan 2011/12	LTCCP 2011/12
<b>VCS Business Unit</b>			
3436463	Operating Expenditure	2312000	2032538
<u>3436463</u>	<b>Total Operating Expenditure</b>	<u>2312000</u>	<u>2032538</u>
<b>Funding</b>			
3950000	User Charges	2885000	2437500
-513537	General Funds	-573000	-404962
<u>3436463</u>	<b>Total Funding</b>	<u>2312000</u>	<u>2032538</u>
<b>Capital Expenditure</b>			
2000	GPS Unit	0	0
67000	Vehicles	0	0
0	Sundry	20000	36960
<u>69000</u>		<u>20000</u>	<u>36960</u>
<b>Funding</b>			
<u>69000</u>	Depreciation Funds	<u>20000</u>	<u>36960</u>
<u>69000</u>		<u>20000</u>	<u>36960</u>

## Statement of Accounting Policies

### **Reporting Entity**

The West Coast Regional Council (the Council) is a regional local authority governed by the Local Government Act 2002.

West Coast Regional Council is a Public Benefit Entity whose primary objective is to provide goods and services for regional and social benefit and where any equity has been provided with a view to supporting that primary objective rather than for a financial return. The Council has designated itself as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards.

The prospective financial statements have been prepared in terms of Section 111 of the Local Government Act 2002, The Financial Reporting Act 1993 and Generally Accepted Accounting Practice in New Zealand (NZ GAAP). These Prospective Financial Statements also comply with Financial Reporting Standard # 42.

### **Cautionary Note**

Readers of these prospective financial statements should be aware that actual results are likely to vary from the information presented and that variations may be material.

The prospective financial statements have been prepared to meet the requirements for an Annual Plan prescribed in the Local Government Act 2002.

The prospective financial statements are prepared to assist compliance with the purpose of the Annual Plan, which is to:

- Describe the activities of the local authority.
- Describe the community outcomes of the Region.
- Provide integrated decision making and coordination of the resources of the local authority.
- Provide a long-term focus for the decisions and activities of the local authority.
- Provide a basis for accountability of the local authority to the community.
- Provide an opportunity for participation by the public in decision-making processes on activities to be undertaken by the local authority.

The information may not be appropriate for purposes other than those described.

### **Basis of Financial Statements Preparation and Measurement Base.**

The preparation of financial statements in conformity with NZ IFRS requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances and the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affect both current and future periods.

## Specific Accounting Policies

The following accounting policies, which materially affect the measurement of results and financial position, have been applied consistently.

### Revenue

Revenue is measured at the fair value of consideration received.

### Rates revenue

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

### Other revenue

WCRC receives government grants the New Zealand Transport Agency, which subsidises part of WCRC costs in carrying out its land transport responsibilities. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Revenue from the rendering of services is recognised by 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.

Interest income is recognised using the effective interest method.

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

### Borrowing costs

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

### 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, WCRC 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 WCRC will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

#### Operating leases

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

### Cash and cash equivalents

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

Bank overdrafts are shown within borrowings in 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 method, less any provision for impairment.

A provision for impairment of receivables is established when there is objective evidence that WCRC will not be able to collect all amounts due according to the original terms of receivables. The amount of the

provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

### **Inventories**

Inventories held for 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.

The write down from cost to current replacement cost or net realisable value is recognised in the statement of financial performance.

### **Foreign Currency Transactions**

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

### **Financial assets**

WCRC has two classifications for its financial assets:

- Financial assets at fair value through profit or loss.
- Loans and receivables.

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 profit or loss in which case the transaction costs are recognised in the statement of financial performance.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. Council fund manager Forsyth Barr Ltd obtains independent verified market prices from third parties such as trading banks, broking houses and originating companies for all assets/securities. Managed funds are valued at the value date price used as the exit price at month end and can be deemed to be fair value.

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

The two categories of financial assets that apply to WCRC are:

**(1) Financial assets at fair value through profit or loss** This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss 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 statement of financial performance.

Financial assets in this category include derivatives and Council's investment portfolio.

WCRC has foreign exchange contracts which are used to manage currency risk for those Investments denominated in foreign currencies.

WCRC does not hold or issue derivative financial instruments for trading purposes and does not adopt the provisions of hedge accounting.

## (2) 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 statement of financial performance. Loans and receivables are classified as "trade and other receivables" in the statement of financial position.

### Impairment of financial assets

At each balance sheet date WCRC 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 statement of financial performance.

### Non-current assets held for sale

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

### Property, plant and equipment

Property, plant and equipment consists of:

*Operational assets* - These include land, buildings, plant and equipment, and motor vehicles.

*Infrastructure assets* - Infrastructure assets are the river, drainage and coastal protection systems owned by WCRC. They include rock protection work and stopbanks.

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

### Additions

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

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

### Disposals

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

### Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to WCRC 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 and river protection systems, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. Due to the nature of the river systems and the structural composition of river protection works, no decline in service potential occurs.

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

Item	Estimated life	Rate
Buildings (non component items)	50 – 67 years	1.5% - 2%
Portable buildings	10 years	10%
Building components	6.7 – 20 years	5% - 15%
Plant and Equipment	4 - 6.7 years	15% - 25%

Truck	6.7 years	15%
Motor Vehicles	6.7 years	15%

Some assets purchased prior to 1 July 2002 are depreciated using the diminishing value method. The value of those assets is less than 1% of the net carrying amount of Council's assets.

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 three yearly valuation cycle on the 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.

#### *Operational land:*

This is revalued on a cyclical 3-year basis at fair value as determined from market-based evidence by an independent valuer. Valuations are as at 1 September 2008 (Westland District area land), 1 September 2010 (Buller District area land) and 1 September 2009 (Grey District area land).

#### *Infrastructural asset classes: River Drainage and Coastal Protection Assets.*

At fair value determined on a replacement cost basis by a staff member and peer reviewed by an independent river control engineer. At balance date WCRC assesses the carrying value of its infrastructural assets to ensure that they do not materially differ from the assets' fair values. The most recent valuation was carried out by a staff engineer Mr W Moen (NZCE) and was peer reviewed by Mr R E Reid (BE). The valuation date was as at 31 December 2009.

### Accounting for revaluations:

WCRC accounts for revaluations of property, plant and equipment on a class of asset basis. The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the statement of financial performance. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the statement of financial performance will be recognised first in the statement of financial performance up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

## INTANGIBLE ASSETS

### Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software are recognised as an expense when incurred.

### Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in statement of financial performance. The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Item	Estimated life	Rate
Computer Software	3.3 – 10 years	10.00% - 30%

### Impairment of non-financial assets

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

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the assets ability to generate net cash inflows and

where the entity would, if deprived of the asset, replace it's remaining future economic benefits or service potential.

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

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

For assets not carried at a revalued amount, the total impairment loss is recognised in the statement of financial performance.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in statement of financial performance, a reversal of the impairment loss is also recognised in the statement of financial performance. For assets not carried at a revalued amount (other than goodwill) the reversal of an impairment loss is recognised in the statement of financial performance.

## **Employee benefits**

### *Short-term benefits*

Employee benefits that WCRC 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.

### *Long-term benefits*

## **Long service leave**

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

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

## **Superannuation schemes**

### *Defined contribution schemes*

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the statement of financial performance as incurred.

## **Provisions**

WCRC 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 WCRC 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

- Asset revaluation reserves

### **Restricted and Council created reserves**

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by WCRC.

Restricted reserves are those subject to specific conditions accepted as binding by WCRC and which may not be revised by WCRC without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

### **Good and Service Tax (GST)**

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

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position. The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows. Commitments and contingencies are disclosed exclusive of GST.

### **Cost allocation**

WCRC has derived the cost of service for each significant activity of WCRC using the cost allocation system outlined below. Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity. Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

### **Critical accounting estimates and assumptions**

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

### **Reconciliation of Reported – Deficit / Surplus**

Surplus	\$781086
Transfer -to/from Rating Districts	-\$262758
Transfer -to/from Quarry Account	\$34324
Transfer -to/from Tb Special Rate Balance	-\$35477
Loan Principal Repayments	-\$39050
Transfer 50% Investment Income	-\$478125
	0

## Prospective Statement of Comprehensive Income

Annual Plan 2010/11		Annual Plan 2011/12	LTCCP 2011/12
<b>Cost of Services</b>			
384044	Governance	385543	409628
1673900	Consents & Compliance	1811878	1786222
619814	Planning Processes	728157	601198
738077	Environmental Monitoring	766316	778853
134700	Emergency Management	144902	140147
1183535	River & Coastal Protection	1342779	1295109
834899	Regional % Share of Controls	814523	797918
3436463	VCS Business Unit	2312000	2032538
9005432	<b>Total Expenditure</b>	8306098	7841613
<b>Revenue</b>			
1942000	General Rates	1980000	2022000
75000	Penalties	75000	79000
820000	Investment Income	986250	790000
930898	Consents & Compliance	1033727	1031900
104100	Planning Processes	204650	159700
40000	Emergency Management	50000	53000
1087395	River & Coastal Protection	1222557	1208980
650000	Regional % Share of Controls	650000	608000
3950000	VCS Business Unit	2885000	2437500
9599393	<b>Total Revenue</b>	9087184	8390080
593961	Surplus / (-Deficit) from Activities	781086	548467
0	Revaluation of Assets	0	0
593961	<b>Total Comprehensive Income</b>	781086	548467
<b>Summary of Operating Expenditure by Expenditure Type</b>			
Annual Plan 2010/11		Annual Plan 2011/12	LTCCP 2011/12
187307	Interest	179208	315350
308632	Depreciation	319598	288055
2776412	Employee benefits	2886885	2705402
5733081	Other operating expenditure	4920407	4532806
9005432	<b>Total Operating Expenditure</b>	8306098	7841613

## Prospective Statement of Changes in Equity

Annual Plan 2010/11		Annual Plan 2011/12	LTCCP 2011/12
56084469	<b>Opening Balance</b>	62844301	55580197
593961	Comprehensive Income	781086	548467
56678430	<b>Closing Balance</b>	63625387	56128664

## Prospective Statement of Financial Position

Annual Plan 2010/11		Annual Plan 2011/12	LTCCP 2011/12
<b>Current Assets</b>			
515553	Cash	100000	404774
1500000	Receivables	1900000	1280000
80000	Inventories	151929	290000
1500000	Other Financial Assets	1500000	1500000
3595553	<b>Total Current Assets</b>	3651929	3474774
<b>Non Current Assets</b>			
3984722	Property, Plant, Equipment	3871325	3377939
43441011	Infrastructure	49357111	45728000
128000	Intangible Assets	366539	117326
9597617	Other Financial Assets	10496196	9042766
57151350	<b>Total Non Current Assets</b>	64091171	58266031
<b>60746903</b>	<b>Total Assets</b>	<b>67743100</b>	<b>61740805</b>
<b>Current Liabilities</b>			
147804	Borrowings	139510	241571
1400000	Payables	1500000	1300000
170000	Employee Benefit Liabilities	285000	170000
1717804	<b>Total Current Liabilities</b>	1924510	1711571
<b>Non Current Liabilities</b>			
10000	Employee Benefit Liabilities	15000	10000
2254869	Borrowings	2121503	3800570
85800	Quarry Aftercare Provision	56700	90000
2350669	<b>Total Non Current Liabilities</b>	2193203	3900570
<b>Equity</b>			
19757875	Ratepayers Equity	19342553	18009055
1421425	Rating District equity	1226071	1493884
26898090	Revaluation Reserve	32316638	27613000
0	Tb Special Rate	0	6304
0	Quarry Account	265000	-42461
8601040	Investment Growth Reserve	10475125	9048882
56678430	<b>Total Equity</b>	63625387	56128664
<b>60746903</b>	<b>Total Liabilities &amp; Equity</b>	<b>67743100</b>	<b>61740805</b>

## Prospective Statement of Cash Flows

Annual Plan 2010/11		Annual Plan 2011/12	LTCCP 2011/12
<b>Cash Flow from Operating Activities</b>			
820000	Investment Income	986250	790000
3488395	Rates	3621557	3727980
5290998	Other Income	4479377	3872100
9599393		9087184	8390080
Less Cash Paid for:			
187307	Interest	179208	315350
8509493	Operating Expenditure	7807292	7238208
8696800		7986500	7553558
902593	Net Cash Flow Operations	1100684	836522
<b>Cash Flow from Investing Activities</b>			
0	Investment Redemptions	0	0
0	Sale of Fixed Assets	0	0
0		0	0
Cash Paid For:			
444000	Purchase of Fixed Assets	806500	211200
417395	Investments Made	496196	340803
861395		1302696	552003
-861395	Net Cash Flow from Investing	-1302696	-552003
<b>Cash Flow from Financing Activities</b>			
0	Loans Raised	0	0
142275	Loan Principal Repaid	146059	227529
-142275	Net Cash Flow from Financing	-146059	-227529
-101077	<b>Total Changes in Cash held</b>	-348071	56990
616630	Opening Cash Balance	448071	347784
515553	Closing Cash Balances	100000	404774

## Projected Capital Expenditure

Annual Plan 2010/11		Annual Plan 2011/12	LTCCP 2011/12
5000	IT Equipment	5000	5280
60000	IRIS Software	70000	73920
0	New Core Financial Systems **	175000	0
60000	Hydrology	60000	36960
0	Hydrology – Storage Shed	15000	0
13000	Data Sondes	0	5280
0	LICOR Light Sensor Meter	8000	0
2000	Specialised Camera	0	0
0	Automatic Water sampler	0	0
10000	Emergency Mgmt Satellite Communications	0	0
0	Other	0	52800
0	Compliance Group Equipment	26500	0
0	Operations	5000	0
225000	Franz Josef Rating District New Infrastructure	350000	0
0	Vehicle Replacements	72000	0
69000	VCS Business Unit	20000	36960
444000		806500	211200
219000	Funded by Depreciation	456500	211200
0	Funded by Loans	0	0
225000	Funded by Rating District Retained earnings	350000	0
444000		806500	211200

**\*\***

2011/12 year estimated costs \$175,000

2012/13 year estimated costs \$175,000

## Funding Impact Statement

Annual Plan 2010/11	Funding Impact Statement	Annual Plan 2011/12	LTCCP 2011/12
<b>Expenditure</b>			
187307	Interest	179208	315350
308632	Depreciation	319598	288055
2776412	Employee Benefits	2886885	2705402
5733081	Other Operating Expenditure	4920407	4532806
<hr/>		<hr/>	<hr/>
9005432	<b>Total Operating Expenditure</b>	8306098	7841613
444000	Capital Expenditure	806500	211200
400000	Transfers to Reserves	478125	301679
142275	Loan Principal Repaid	146060	227529
<hr/>		<hr/>	<hr/>
9991707	<b>TOTAL FUNDING REQUIRED</b>	9736783	8582021
<i>Funded by</i>			
5106898	User Fees and Charges	4199727	3701400
104100	Subsidies	204650	170700
820000	Investment Income	986250	790000
650000	Tb Pest Management rate	650000	608000
861395	River & Coastal Protection rates	941557	976980
40000	Emergency Management rate	50000	42000
75000	Penalties	75000	79000
1942000	General Rates	1980000	2022000
<hr/>		<hr/>	<hr/>
9599393	<b>Total Operating Funding</b>	9087184	8390080
219000	Depreciation Funds Applied	456500	211200
-19190	Use of Quarry account reserves	34324	17661
-15101	Use of Tb Special Rate Reserves	-35477	2168
207605	Use of Rating District Reserves	194252	-39088
<hr/>		<hr/>	<hr/>
9991707	<b>TOTAL FUNDING</b>	9736783	8582021

**FUNDING IMPACT STATEMENT - RATES  
FOR THE YEAR ENDING 30 JUNE 2012**

**Note**

All amounts are stated inclusive of GST.

**Rating Instalment Information**

Rates will be payable by two instalments;

First instalment

Due date 1 September 2011

Final date 20 October 2011

Second instalment

Due date 1 March 2012

Final date 20 April 2012

A penalty for late payment will be applied at the amount allowed by the Local government Rating Act 2002 of 10% on all instalments not paid by the penalty dates of 20 October 2011 and 20 April 2012.

A further 10% penalty will be charged on all accumulated rate arrears as at 1 July 2012.

**1. General Rate**

The General Rate is used to fund activities that are of public benefit and where no other source of revenue is identified to cover the cost of the activities.

The General Rate will be a differential general rate in the dollar set for all rateable land within the region and calculated on the Capital value of each rating unit.

Differential

Rateable Capital Value in the Buller District Council area to yield 31% of the total general rate.

Rateable Capital Value in the Grey District Council area to yield 39% of the total general rate.

Rateable Capital Value in the Westland District Council area to yield 30% of the total general rate.

	Estimated rateable Capital Value	Factor per \$ of Capital Value	Estimated to Yield
Rateable Value of Land in the Buller District Local authority Area	2,146,266,450	0.00032888	705,870
Rateable Value of Land in the Grey District Local authority Area	2,611,765,500	0.00034001	888,030
Rateable Value of Land in the Westland District Local authority Area	<u>2,374,635,800</u>	0.00028767	<u>683,100</u>
	7,132,667,750		<u><u>2,277,000</u></u>

**2. TARGETED RATES**

- (a) **A targeted rate set differentially in accordance with sections 16, 17, 18 and 146 of the Local Government Rating Act 2002 on all rateable land situated in the Vine Creek Separate Rating Area and calculated on the land value of each rating unit, for maintaining the protection works in the scheme.**

	Estimated rateable Land Value	factor per \$ of Land Value	Estimated to yield \$
<b><u>Vine Creek Rating District</u></b>			
Class A	\$ 4,895,100	0.0027402	13,413
Class B	\$ 5,412,300	0.0019182	10,382
Class C	\$ 8,419,000	0.0013701	11,535
Class D	\$ 20,877,900	0.0005480	11,442
Class E	\$ 18,165,000	0.0002740	4,978
			<u><u>51,750</u></u>

- (b) A targeted rate set differentially in accordance with sections 16, 17, 18 and 146 of the Local Government Rating Act 2002 on all rateable land situated in the Wanganui River Separate Rating Area and calculated on the land value of each rating unit, for maintaining the protection works in the scheme.

<u>Wanganui River Rating District</u>	Estimated rateable Land Value	factor per \$ of Land Value	Estimated to yield \$
Class A	\$ 25,425,800	0.002088	53,094
Class B	\$ 21,673,800	0.001462	31,682
Class C	\$ 31,705,300	0.000940	29,794
Class D	\$ 5,492,300	0.000209	1,147
Class U1	\$ 4,491,500	0.004176	18,759
Class U2	\$ 1,687,500	0.002088	3,524
			<u>138,000</u>

- (c) A targeted rate set differentially in accordance with sections 16, 17, 18 and 146 of the Local Government Rating Act 2002 on all rateable land situated in the Kaniere Area Separate Rating Area and calculated on the land value of each rating unit, for maintaining the protection works in the scheme.

<u>Kaniere Rating District</u>	Estimated rateable Land Value	factor per \$ of Land value	Estimated to yield \$
Class A	\$ 352,000	0.005327	1,874
Class B	\$ 125,000	0.003196	400
Class C	\$ 303,000	0.002131	646
Class D	\$ 1,784,000	0.000799	1,426
Class E	\$ 477,000	0.000533	254
			<u>4,600</u>

- (d) A targeted rate set differentially in accordance with sections 16, 17, 18 and 146 of the Local Government Rating Act 2002 on all rateable land situated in the Kowhitirangi Area Separate Rating Area and calculated on the capital value of each rating unit, for maintaining the protection works in the scheme.

<u>Kowhitirangi Flood Control Rating District</u>	Estimated rateable Capital Value	factor per \$ of capital Value	Estimated to yield \$
Class A	\$ 19,238,800	0.000175	3,362
Class C	\$ 41,311,800	0.000087	3,609
Class E	\$ 39,779,800	0.000051	2,027
Class F	\$ 85,917,100	0.000029	2,502
			<u>11,500</u>

- (e) A targeted rate in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on all rateable land situated in the Coal Creek Separate Rating Area and calculated on the capital value of each rating unit, for maintaining the protection works in the scheme.

<u>Coal Creek Rating District</u>	Estimated rateable Capital Value	factor per \$ of capital Value	Estimated to yield \$
	\$ 7,847,200	0.001099	<u>8,625</u>

- (f) A targeted rate set differentially in accordance with sections 16, 17, 18 and 146 of the Local Government Rating Act 2002 on all rateable land situated in the Karamea Riding Separate Rating Area and calculated on the capital value of each rating unit, for maintaining the protection works in the scheme.

**Karamea Riding Rating District**

	Estimated rateable Capital Value	factor per \$ of capital Value	Estimated to yield \$
Class A	\$ 3,603,200	0.000754	2,718
Class B	\$ 32,748,338	0.000603	19,761
Class C	\$ 4,544,735	0.000453	2,057
Class D	\$ 110,610,085	0.000075	8,343
Class E	\$ 42,986,142	0.000038	1,621
			<u>34,500</u>

- (g) A targeted rate set differentially in accordance with sections 16, 17, 18 and 146 of the Local Government Rating Act 2002 on all rateable land situated in the Inchbonnie Separate Rating Area and calculated on the capital value of each rating unit, for maintaining the protection works in the scheme.

**Inchbonnie Rating District**

	Estimated rateable Capital Value	factor per \$ of capital Value	Estimated to yield \$
Class A	\$ 3,103,300	0.002284	7,088
Class B	\$ 16,465,000	0.001713	28,207
Class C	\$ 7,038,456	0.001142	8,038
Class D	\$ 3,206,000	0.000685	2,197
Class F	\$ 1,372,700	0.000343	470
			<u>46,000</u>

- (h) A targeted rate set differentially in accordance with sections 16, 17, 18 and 146 of the Local Government Rating Act 2002 on all rateable land situated in the Inchbonnie Separate Rating Area and calculated on the capital value of each rating unit, for repayment of a loan raised to fund protection works.

**Inchbonnie (Loan) Rating District**

	Estimated rateable Capital Value	factor per \$ of capital Value	Estimated to yield \$
Class A	\$ 3,103,300	0.001373	4,262
Class B	\$ 16,465,000	0.001030	16,957
Class C	\$ 7,038,456	0.000687	4,832
Class D	\$ 3,206,000	0.000412	1,321
Class F	\$ 1,372,700	0.000206	283
			<u>27,655</u>

- (i) A targeted rate in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on all rateable land situated in the Greymouth Floodwall Separate Rating Area and calculated on the capital value of each rating unit, for repayment of a loan raised to fund the 2010 upgrade of the protection works.

**Greymouth Floodwall (Loan) Rating District**

	Estimated rateable Capital Value	factor per \$ of capital Value	Estimated to yield \$
	\$ 746,544,000	0.0003167	<u>236,401</u>

- (j) A targeted rate in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on all rateable land situated in the Greymouth Floodwall Separate Rating Area and calculated on the capital value of each rating unit, for maintaining the protection works in the scheme.

**Greymouth Floodwall (Maintenance) Rating District**

	Estimated rateable Capital Value	factor per \$ of capital Value	Estimated to yield \$
	\$ 746,544,000	0.0000770	<u>57,500</u>

- (k) A targeted rate in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on all rateable land situated in the Okuru (Maintenance) Separate Rating Area and calculated on the capital value of each rating unit, for maintaining the protection works in the scheme.

**Okuru Rating District (Maintenance)**

Estimated rateable Capital Value	factor per \$ of capital Value	Estimated to yield \$
\$ 11,195,000	0.001027	<u>11,500</u>

- (l) A targeted rate set differentially in accordance with sections 16, 17, 18 and 146 of the Local Government Rating Act 2002 on all rateable land situated in the Redjacks Separate Rating Area and calculated on the land area of each rating unit, for maintaining the protection works in the scheme.

**Redjacks Rating District**

	Estimated Rateable Land Area (ha.)		Rates per hectare	Estimated to yield \$
Class A	0.1000000	\$	3,869.75	387
Class B	1.1005000	\$	1,854.84	2,040
Class C	0.1168000	\$	1,752.57	205
Class D	2.3013000	\$	438.25	1,009
Class E	1.4882000	\$	549.81	818
Class F	1.8520000	\$	146.85	272
Class G	21.9674000	\$	19.37	426
Class H	49.6806000	\$	9.95	495
Class I	77.0109000	\$	1.28	98
				<u>5,750</u>

- (m) A targeted rate in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on all rateable land situated in the Raft Creek Separate Rating Area and calculated on the land area of each rating unit, for maintaining the protection works in the scheme.

<b><u>Raft Creek</u></b>	Estimated Rateable Land Area (ha.)		Rates per hectare	Estimated to yield \$
	762.2501000		12.06953	<u>9,200</u>

- (n) A targeted rate set differentially in accordance with sections 16, 17, 18 and 146 of the Local Government Rating Act 2002 on all rateable land situated in the Nelson Creek Separate Rating Area and calculated on the land area of each rating unit, for maintaining the protection works in the scheme.

**Nelson Creek Rating District**

	Estimated Rateable Land Area (ha.)		Rates per hectare	Estimated to yield \$
Class A	1.1430000		1466.80085	1,677
Class B	2.9043000		907.85280	2,637
Class C	10.7731000		185.20507	1,995
Class D	10.3000000		177.33251	1,827
Class E	18.5536000		140.31508	2,603
Class F	65.1568000		86.20755	5,617
Class G	18.1062000		98.00187	1,774
Class H	20.0432000		91.44067	1,833
Class I	7.8016000		20.82252	162
				<u>20,125</u>

- (o) A targeted rate set differentially in accordance with sections 16, 17, 18 and 146 of the Local Government Rating Act 2002 on all rateable land situated in the Taramakau Settlement Separate Rating Area and calculated on the land area of each rating unit, for maintaining the protection works in the scheme.

**Taramakau Settlement Rating District**

	Estimated Rateable Land Area (ha.)	Rates per hectare	Estimated to yield \$
Class A	306.2555000	74.710168	22,879
Class B	130.0039000	61.248932	7,963
Class C	113.7439000	41.432552	4,713
Class D	127.1295000	35.496089	4,513
Class E	174.4299000	34.138069	5,955
Class F	140.2890000	28.969484	4,064
Class G	392.7389000	23.542359	9,246
Class H	429.4846000	22.122563	9,501
Class I	48.6613000	3.403115	166
			<u>69,000</u>

- (p) A targeted rate set differentially in accordance with sections 16, 17, 18 and 146 of the Local Government Rating Act 2002 on all rateable land situated in the Kongahu Separate Rating Area and calculated on the land area of each rating unit, for maintaining the protection works in the scheme.

**Kongahu Rating District**

	Estimated Rateable Land Area (ha.)	Rates per hectare	Estimated to yield \$
Class A	733.8546000	11.345421	8,326
Class B	69.6060000	5.949355	414
			<u>8,740</u>

- (q) A targeted rate set differentially in accordance with sections 16, 17, 18 and 146 of the Local Government Rating Act 2002 on all rateable land situated in the Waitangi-taona River Separate Rating Area and calculated on the land area of each rating unit, for maintaining the protection works in the scheme.

**Waitangitaona Rating District**

	Estimated Rateable Land Area (ha.)	Rates per hectare	Estimated to yield \$
Class A	618.3194000	9.5958323	5,933
Class B	721.2266000	7.4881003	5,401
Class C	1741.5427000	6.1855761	10,773
Class D	708.1226000	1.2617428	893
			<u>23,000</u>

- (r) A targeted rate set differentially in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on all rateable land located between the boundaries of the Pororai river, State Highway 6 and the Tasman sea at Punakaiki calculated on the capital value of each rating unit for repayment of the loan raised by Council to carry out the sea wall protection works.

**Punakaiki Loan Repayment Rating District**

	Estimated rateable Capital Value	factor per \$ of capital Value	calculated yield \$
Class A	\$ 4,912,600	0.006253322	30,720
Class B	\$ 5,377,400	0.003751993	20,176
Class C	\$ 5,810,000	0.001250664	7,266
			<u>58,162</u>
Area A Differential	1.00		
Area B Differential	0.60		
Area C Differential	0.20		

- (s) **A targeted rate set differentially in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on all rateable land located between the boundaries of the Pororai river, State Highway 6 and the Tasman sea at Punakaiki calculated on the capital value of each rating unit for maintenance of the sea wall protection works.**

**Punakaiki Maintenance Rating District**

	Estimated rateable Capital Value	factor per \$ of capital Value	calculated yield \$
Class A	\$ 4,912,600	0.001236421	6,074
Class B	\$ 5,377,400	0.000741853	3,989
Class C	\$ 5,810,000	0.000247284	1,437
			<u>11,500</u>
Area A Differential	1.00		
Area B Differential	0.60		
Area C Differential	0.20		

- (t) **A targeted rate set differentially in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on all rural rateable land greater than or equal to two (2) hectares situated in the Tb Pest Management Separate Rating Area and calculated on the capital value of each rating unit.**

**Endemic Area means property is in the movement control or vector risk areas as classified by the current Animal Health Board operational plan.**

**Non Endemic Area means property that is in the vector fringe and surveillance areas as classified by the current Animal Health Board operational plan.**

Differential

Rateable properties within the Buller District area to yield 33.33% of the total rate.

Rateable properties within the Grey District area to yield 33.33% of the total rate.

Rateable properties within the Westland District area to yield 33.33% of the total rate.

**Tb PEST MANAGEMENT**

	Estimated rateable Capital Value	factor per \$ of capital Value	Estimated to yield \$
Buller District- Endemic Area	\$ 913,815,600	0.00026546	242,586
Buller District- Non Endemic Area	\$ 99,161,500	0.00006637	6,581
Grey District-Endemic Area	\$ 975,564,900	0.00025541	249,166
Westland District-Endemic Area	\$ 952,930,000	0.00024882	237,105
Westland District-Non Endemic Area	\$ 193,906,000	0.00006220	12,062
	<u>\$ 3,135,378,000</u>		<u>747,500</u>

- (u) **A targeted rate set differentially in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on properties included in the Hokitika River Southbank separate rating area calculated on the capital value of each rating unit, for maintenance of the protection works.**

**Hokitika River South Bank Mtce**

	Estimated rateable Capital Value	factor per \$ of capital Value	calculated yield \$
Area A	\$ 2,538,000	0.000000	-
Area B	\$ 2,652,900	0.000000	-
			<u>-</u>
Area A Differential	1.000000		
Area B Differential	0.100000		

- (v) **A targeted rate in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on all rateable land in the Franz Josef separate rating area calculated on the capital value of each rating unit for the maintenance of flood protection works.**

**Franz Josef**

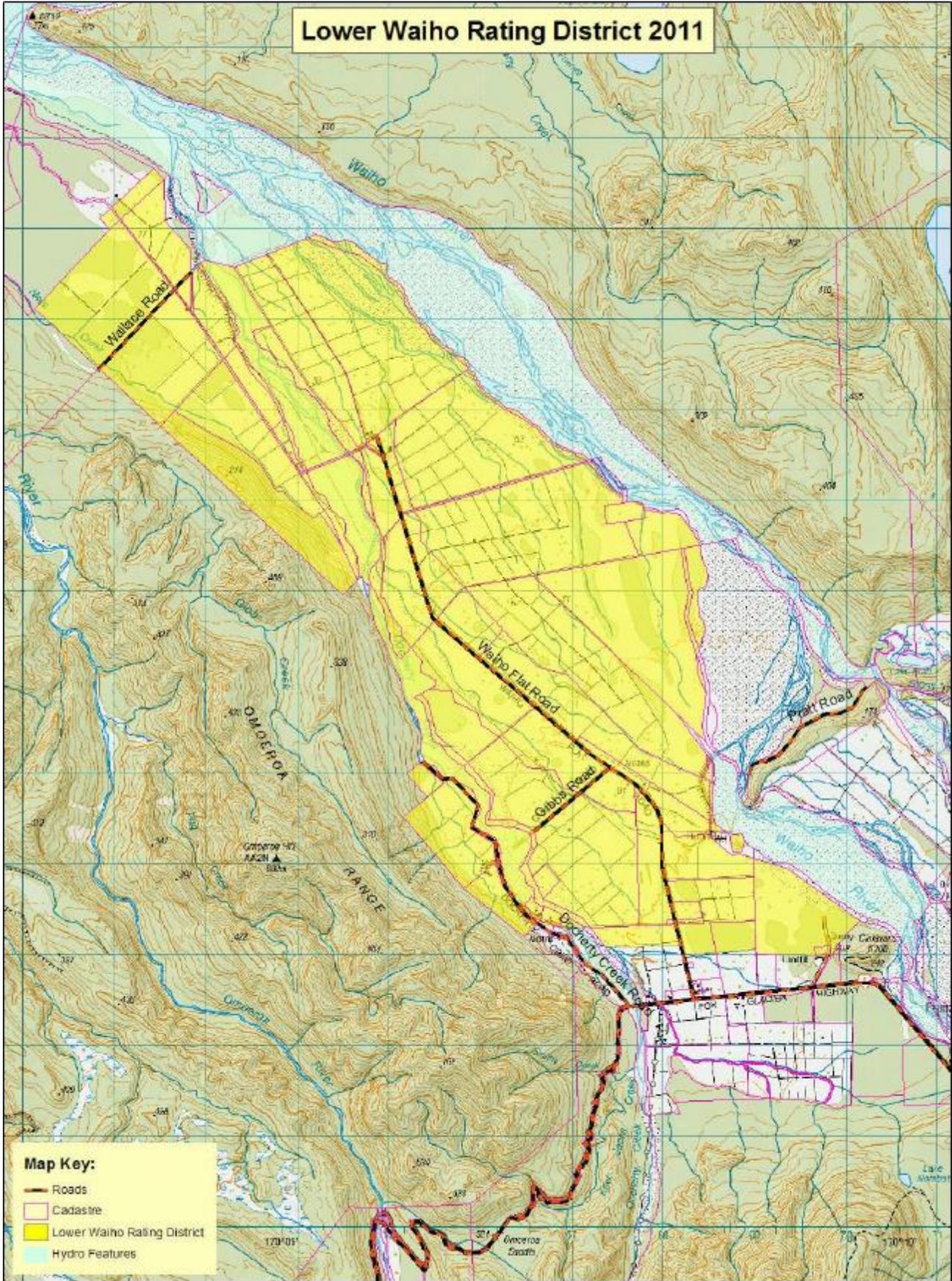
	Estimated rateable Capital Value	factor per \$ of capital Value	calculated yield \$
	\$ 96,801,500	0.001188	<u>115,000</u>

- (w) **A targeted rate in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on all rateable land in the Lower Waiho separate rating area and calculated on the capital value of each rating unit for the maintenance of flood protection works. (Refer attached maps of the boundaries of the existing Lower Waiho and Canavans Rating Districts and the proposed new Lower Waiho 2010 Rating District.)**

**Lower Waiho 2010**

	Estimated rateable Capital Value	factor per \$ of capital Value	calculated yield \$
\$	20,068,000	0.005731	<u>115,000</u>

# Lower Waiho Rating District 2011



0 0.25 0.5 1  
 Kilometres  
**Scale: 1:55,000**

Projection: NZGD 2000  
 Creation Date: 03.06.2011

Notes:  
 No Notes

THE WEST COAST REGIONAL COUNCIL  
 Produced by the West Coast Regional Council

- (x) **A targeted rate in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on all rateable land in the Matainui Creek separate rating area and calculated on the capital value of each rating unit for the maintenance of flood protection works.**

**Matainui Creek**

	Estimated rateable Capital Value	factor per \$ of capital Value	calculated yield \$
\$	11,916,000	0.000483	<u>5,750</u>

- (y) **A Targeted rate to fund Regional Emergency Management activities.**

**The Targeted Rate will be a uniform rate in the dollar set for all rateable land within the region and calculated on the Capital value of each rating unit.**

	Estimated rateable Capital Value	factor per \$ of capital Value	calculated yield \$
Rateable Value of Land in the Buller District Local authority Area	2,146,266,450		
Rateable Value of Land in the Grey District Local authority Area	2,611,765,500		
Rateable Value of Land in the Westland District Local authority Area	<u>2,374,635,800</u>		
	7,132,667,750	0.0000081	<u>57,500</u>

- (z) **A targeted rate in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on all rateable land in the Twelve Mile separate rating area calculated on the capital value of each rating unit for the funding of further investigations.**

**Twelve Mile**

	Estimated rateable Capital Value	factor per \$ of capital Value	calculated yield \$
\$	2,437,000	0.000142	<u>345</u>

- (aa) **A targeted rate in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on all rateable land in the Mokihinui separate rating area calculated as a fixed charge of \$306.67 per rating unit.**

**Mokihinui**

	Estimated number of rating units	Amount per rating unit.	calculated yield \$
	43	\$ 306.67	<u>12,880</u>

Total Rates 4,164,483

## Rating Impact Ready Reckoner

### The following rates are payable by all properties in the Buller District

Rate type	Rate per \$100,000 of Capital value
General Rate	\$32.89 including GST
Emergency Management Rate	\$ 0.81 including GST

Other targeted rates will apply depending on whether a property is located within a separate rating area.

- e.g. Karamea Separate rating Area  
Kongahu Separate Rating Area  
Punakaiki Separate Rating Area  
Mokihinui Separate Rating Area  
Tb Pest Management Rate (rural properties greater than or equal to 2 hectares)

### The following rates are payable by all properties in the Grey District

Rate type	Rate per \$100,000 of Capital value
General Rate	\$34.00 including GST
Emergency Management Rate	\$ 0.81 including GST

Other targeted rates will apply depending on whether a property is located within a separate rating area.

- e.g. Coal Creek separate rating area  
Inchbonnie Separate Rating Area  
Greymouth Floodwall Separate rating Area  
Redjacks Separate rating Area  
Nelson Creek Separate Rating Area  
Tb Pest Management Rate (rural properties greater than or equal to 2 hectares)

### The following rates are payable by all properties in the Westland District

Rate type	Rate per \$100,000 of Capital value
General Rate	\$28.77 including GST
Emergency Management Rate	\$ 0.81 including GST

Other targeted rates will apply depending on whether a property is located within a separate rating area.

- e.g. Hokitika River South Bank (Loan Repayment) Separate Rating Area  
Kaniere Separate Rating Area  
Raft Creek Separate Rating Area  
Kowhitirangi Separate Rating Area  
Vine Creek separate rating area  
Wanganui River Separate Rating Area  
Waitangi-taona River Separate Rating Area  
Franz Josef Separate Rating Area  
Canavan's Knob Separate Rating Area  
Lower Waiho Separate Rating Area  
Matainui Creek Separate Rating Area  
Okuru (Maintenance) Separate Rating Area  
Tb Pest Management Rate (rural properties greater than or equal to 2 hectares)

## Council Controlled Organisations

As noted in the 2009/19 Long Term Council Community Plan, the Council is establishing a council-controlled organisation with five other regional councils for the purposes of collaboratively developing and maintaining a software application suite for use by regional councils in the delivery of their activities under a long-term council community plan. The application suite being developed is called IRIS –Integrated Regional Information Software.

The main drivers of the IRIS project are:

- Continuity of supply
- Influence / control of the destiny of regional council sector specific software
- Risk reduction
- Economies of scale
- Standardisation of practice and / or adoption of best practice.

It is intended that the council-controlled organisation will be formed and become operative post 1 July 2010.

A council-controlled organisation can be a company, partnership, trust, arrangement for the sharing of profits, union of interest, co-operation, joint venture or other similar arrangement in which one or more local authorities, directly or indirectly, controls the organisation. This council-controlled organisation will be a limited liability company.

The shareholders of the council-controlled organisation will be the six regional councils that are developing the IRIS suite.

The Council will hold shares in the council-controlled organisation. By committing its share of the costs of development, the Council will be financing the council-controlled organisation. The Council may contribute to the operating costs of the council-controlled organisation. The Council will maintain its ownership of the council-controlled organisation as long as it continues to operate and the Council continues to utilise the products developed by the council-controlled organisation. Once established, the council-controlled organisation will prepare a statement of intent. This statement of intent will form the basis of key performance targets and other measures by which the performance of the council-controlled organisation may be judged.

## West Coast Regional Council Charges

### Introduction

The West Coast Regional Council charges users for the performance of some of its functions under the Resource Management Act 1991, the Crown Minerals Act 1991 and the Local Government Act 2002.

### The Resource Management Act 1991

The Resource Management Act allows the Council to charge resource consent applicants and resource consent holders for costs related to those consents.

The Council has a policy of recovery of all actual and reasonable costs from those who receive the benefit from or create the need for an activity within its region. Applicants and resource consent holders will pay the costs of processing and monitoring of resource consents. The provision of information in respect of plans, resource consents and supporting documents is also to be recovered.

### Crown Minerals Act 1991, Mining Act 1971 or Coal Mines Act 1979

Pursuant to sections 12 and 150 of the Local Government Act 2002 the Council may prescribe certain charges for the carrying out of its functions in relation to mining legislation. The Council will recover all actual and reasonable costs for all monitoring and transactions in respect of any privilege, including operations for expiry or forfeiture of any privileges.

**Table 1: Resource Consent Minimum Application Deposit Fees**

<b>Application for Resource Consents</b>	Minimum Application Fee GST Inclusive
Land Use Consent & associated consents for dry bed gravel extraction	\$460.00
Land Use Consent & associated consents for river protection works	\$632.50
Discharge Permits for dairy effluent discharges	\$632.50
Land Use Consent & associated consents for humping & hollowing/flipping earthworks	\$862.50
Land Use Consent & associated consents for land based alluvial gold mining operations	\$1,035.00
Land Use Consent & associated consents for alluvial gold mining operations involving watercourse diversions	\$2,070
Coastal Permits for Restricted Coastal Activities	\$5,750
Application for a change or cancellation of consent conditions	\$345.00
Application for a Certificate of Compliance or an Existing Use Certificate	\$345.00
Application for Transfer of a Water Permit	\$460.00
Application to extend the lapsing period for a consent	\$345.00
All other Resource Consents	\$517.50

## Charges Pursuant To Section 36 of the Resource Management Act

Pursuant to section 36(1) of the Resource Management Act 1991 the West Coast Regional Council intends to fix charges from time to time on the basis of the reasonable costs incurred by the Council's actions to which the charge relates.

The Council has resolved to fix charges based on a formula of an hourly rate fixed for the particular officer or consultant undertaking the function multiplied by the number of hours which are required to undertake the function. In some cases, the hourly rate specified will not be sufficient to recover the Council's full actual and reasonable costs.

For some specific activities relating to resource consents, a fixed fee applies.

Where the formula is inadequate to enable the Council to recover the actual and reasonable costs incurred by the Council then an additional charge may be imposed under section 36(3) of the Act. Those additional charges will be passed on having regard to the matters contained in section 36(4) of the Act.

Section 36(5) of the Act provides that the Council may in any particular case at its absolute discretion remit the whole or any part of the charge, including fixed and additional charges which would otherwise be payable. It should also be noted that the Council is entitled to withhold the issue of resource consent until such charges are paid under section 36(7) of the Act. It is also able to request charges to be paid prior to performing any action to which the charge relates (in addition to the deposit fees set in Table 1 above).

An applicant or a resource consent holder may object to any additional charge imposed under s36(3) pursuant to section 357 of the Act to the Council and if further dissatisfied with the Council's charges may appeal to the Environment Court under section 358 of the Act.

The Council must fix charges from time to time for carrying out of certain functions by resolution and procedures in the Local Government Act. There is no right to object to charges once they are fixed.

### Fixed Fees

Pursuant to section 36(1) the Council has fixed the charges for the following functions based on fixed rates listed below (all amounts shown exclusive of GST)

**(A) Receiving, processing and granting of applications for resource consents, certificates of compliance, changes or cancellation of conditions, transferring consents to new locations, review of conditions, surrenders of consent and extensions of lapsing periods of consents.**

Council officers	\$95 per hour
Council senior officers	\$110 per hour
Council managers	\$140 per hour
Council clerical support staff	\$70 per hour

Independent consultants at \$350 per hour – (not more than)

Note that Council engages consultants for:

- Receiving and processing resource consent applications
- Providing any report under section 42A or 92 of the Resource Management Act
- Peer review of Council employees reports
- Providing advice on technical aspects of any application

Council Hearings and/or decisions undertaken by one or more councillors, at hourly rates as determined from time to time by the Remuneration Authority (currently \$68 / hour for Councillors and \$85 / hour by the Chairperson of a hearing)

Independent Hearing Commissioners at (not more than) \$1400 per day/per Commissioner

Legal advice at \$350 per hour (not more than).

In addition:

- File establishment fee \$50 (excluding applications for changes or cancellation of conditions, surrenders of consent and extensions of lapsing periods of consents)
- Vehicle mileage at 75 cents per kilometre
- The actual cost of hire or use of any other mode of transport required during the processing of the application, e.g. Aircraft and boat hire
- Advertising, erecting site notices and telephone tolls at cost
- Photographs and laboratory costs at cost
- Venue hire, including any catering required for the hearing at cost
- Technical equipment hire and use, (including but not limited to overhead projectors, teleconferencing and audio visual equipment) at cost
- Setting up and maintaining websites for notified consent applications at cost
- Accommodation and meals at cost
- Air fares and rental vehicles
- Postage & courier costs at cost
- Printing (including provision of information in electronic format) at cost
- Photocopying at 10c/copy or \$2/colour copy

NB. In the event that the charges fixed under this special order are inadequate to enable the Council to recover its actual and reasonable costs for carrying out its functions the Council will render an additional charge pursuant to section 36 (3) of the Resource Management Act 1991.

The Council reserves the right not to perform any action to which any of the above charges relate until the charge has been paid in full, pursuant to section 36(7) of the Resource Management Act.

**(B) Notwithstanding (A), for the following whitebaiting resource consent applications the fee will be fixed as follows:**

Applications for whitebait stand structures: \$200

(NB there are also supervision, monitoring and administrative charges in accordance with (C)).

Transfer of whitebait consents and permits to any other person\*: \$100

Transfer of whitebait consents and permits to another site (relocations)\*: \$100

Monitoring of whitebait stands: \$100 per annum

\*These fees are required to be paid at the time of submitting the transfers.

NB. In the event that the charges fixed under this special order are inadequate to enable the Council to recover its actual and reasonable costs for carrying out its functions the Council will render an additional charge pursuant to section 36(3) of the Resource Management Act 1991.

The Council reserves the right to not perform any action to which any of the above charges relate until the charge has been paid in full, pursuant to section 36(7) of the Resource Management Act.

**(C) Transfer of consents and permits to another person: \$50**

**(D) Administration, supervision and monitoring of resource consents, including the preparation and service of any abatement or enforcement proceedings required to ensure compliance with the terms and conditions of resource consents.**

Council officers	\$95 per hour
Council senior officers	\$110 per hour
Council managers	\$140 per hour
Council clerical support staff	\$70 per hour

Independent consultants engaged by the Council: Not more than \$350 per hour.

Legal advisers: Not more than \$350 per hour

In addition:

- The actual cost of hire or use of any other mode of transport e.g. Aircraft and boat hire.
- Vehicle mileage at 75 cents per kilometre
- Advertising at cost
- Laboratory costs at cost
- Purchase, hire and maintenance of equipment specially required for the monitoring of the consent at cost
- Accommodation and meals at cost
- Postage & courier costs at cost
- Photographs at cost
- Photocopying at 10c/copy and \$2/colour copy
- Setting up and maintaining monitoring information on web site.

**(E) Application for preparation of plan and applications to change a policy statement or plan.**

- |                                      |          |
|--------------------------------------|----------|
| • Preparation of a plan              | \$10,000 |
| • Change of policy statement or plan | \$10,000 |

The fees are required to be paid at the time of submitting applications.

NB. In the event that the charges fixed under this special order are inadequate to enable the Council to recover its actual and reasonable costs for carrying out its functions the Council will render an additional charge pursuant to section 36(3) of the Resource Management Act 1991.

**(F) The provision of information in respect of plans and resource consents payable by persons requesting information, which includes but is not limited to pre and post consent application advice, advice on regional plans, and any enquiries regarding resource consents or plans.**

Council officers	\$95 per hour
Council senior officers	\$110 per hour
Council managers	\$140 per hour
Council clerical support staff	\$70 per hour

In addition:

- Vehicle mileage at 75 cents per kilometre
- Photographs at cost
- Printing (including provision of information in electronic format) at cost
- Photocopying at 10c/copy or \$2/colour copy

Except that information for general education and public use there will be no charge for the first hour of Council time or for the first 10 A4 photocopies.

**(G) Charges for the supply of documents are as follows:**

All Regional Plans and Strategies (except for the Regional Coastal Plan) and the Regional Policy Statement (operative and/or proposed) will be supplied at a price of \$25 per volume.

Regional Coastal Plan is \$35

Note that all Regional Plans and Strategies, and State of the Environment Reports are all available on the Council website.

## **Charges under Sections 12 and 150 Local Government Act 2002**

**(A) Dairy Effluent Inspection**

Council charges \$200 plus GST for Dairy Shed inspections required under Rule 13 of the Regional Plan for Discharges to Land and rule 73 of the proposed Land and Water Plan. In the event of an

inspection revealing non-compliance with these rules, the Council will charge any follow-up action in accordance with the costs specified in (D) below.

**(B) Assessment of Onsite Sewage Discharges**

Council charges \$110 + GST for assessments as to whether or not proposed onsite sewage discharges meet Rule 6 of the Regional Plan for Discharges to Land where no site inspection is undertaken or \$150 + GST where a site inspection is undertaken.

**(C) Mining Privileges** (All amounts shown exclusive of GST)

The following charges are payable by holders of mining privileges and coal mining privileges issued under the Crown Minerals Act 1991, Mining Act 1971 or the Coal Mines Act 1979 and relate to the monitoring and enforcement of privilege conditions, the approval of privilege surrenders and disbursement of bonds and including operations for expiry or forfeiture of any privilege.

Council officers	\$95 per hour
Council senior officers	\$110 per hour
Council managers	\$140 per hour
Council clerical support staff	\$70 per hour

Independent consultants at not more than \$350 per hour.

Legal advisors at not more than \$350 per hour.

In addition:

- Vehicle mileage at 75 cents per kilometre
- Laboratory charges at cost
- Purchase, hire and maintenance of equipment specially required for the monitoring of the privilege
- Photographs at cost
- Photocopying at 10c/copy, or \$2/colour copy

**(D) Environmental Incidents (Complaints) and Clean Up** (All amounts shown exclusive of GST)

The following charges are payable by persons found to be in breach of regional rules or the Resource Management Act 1991.

Council officers	\$95 per hour
Council senior officers	\$110 per hour
Council managers	\$140 per hour
Council clerical support staff	\$70 per hour

Independent consultants at not more than \$350 per hour.

Legal advisors at not more than \$350 per hour.

In addition:

- Vehicle mileage at 75 cents per kilometre
- The actual cost of hire or use of any other mode of transport, e.g. aircraft and boat hire
- The actual cost of mitigating the effects of and cleaning up or remedying the environmental incident
- Laboratory costs at cost
- Purchase, hire and maintenance of equipment specially required for the monitoring of the incident
- Telephone tolls at cost
- Accommodation and meals at cost
- Photographs at cost
- Printing (including provision of information in electronic format) at cost
- Photocopying at 10c/copy, or \$2/colour copy

- (E) Local Government Official Information Requests** (All amounts shown exclusive of GST)  
The following charges are payable by persons requesting information under the Local Government Official Information & Meetings Act 1987 (first hour of staff time not charged).

Council officers	\$95 per hour
Council senior officers	\$110 per hour
Council managers	\$140 per hour
Council clerical support staff	\$70 per hour

- Photographs at cost
- Printing (including provision of information in electronic format) at cost
- Photocopying at 10c/copy, or \$2/colour copy

### **Charges under Section 33(1) of the Building Act 2004**

- (A) Building Consent Applications for Dams.**  
After 30 June Building Consent Applications for dams are intended to be processed by Otago Regional Council and their charges will be applied.

- (B) Project Information Memorandum for a Dam** (All amounts shown exclusive of GST)

1. Preliminary fixed charge payable at the time of lodging an application for a Project Information Memorandum for a dam \$1000
2. Fixed charge for the issue of a Resource Management Certificate under Section 37, Building Act 2004. \$100

Additional costs and expenses:

Staff time will be charged out at the following rates:

Council officers	\$95 per hour
Council senior officers	\$110 per hour
Council managers	\$140 per hour
Council clerical support staff	\$70 per hour

In addition:

- Consultants at cost
- Legal advice at cost
- Vehicle mileage at 75 cents per kilometre
- Photographs at cost
- Printing (including provision of information in electronic format) at cost
- Photocopying at 10c/copy, or \$2/colour copy
- Disbursements at cost

The charges are payable when the application is lodged. Applications will not be processed until the Council receives the appropriate amount.

The Council may, in any particular case and at its absolute discretion, remit all or any part of the fees which would otherwise be payable under this section.

Where the charge is inadequate to recover the Council's reasonable and actual costs, it may also require under Section 33, Building Act 2004 an additional charge to be paid.

Charges for major consent applications may be significantly in excess of the prescribed amounts. Wherever possible, applicants will be informed of extra costs in advance.

Additional charges may consist of any processing costs including staff time, disbursements, legal charges and consultant(s) fees. Before using consultants to process applications staff shall consult with the applicant and advise the likely cost.

Building consent applications for dams are processed by Otago Regional Council and its charges will be applied.

## **Other Charges**

### **Regional Pest Plant Management Strategy**

The Council's Regional Pest Plant Management Strategy was made operative in 2010.

The cost of site inspections in response to complaints can be recovered from the land occupier as set out in section 5.3 of that Strategy (i.e. where a land owner fails to comply with a Notice of Direction).

Malicious or vexatious complaints may also be charged the cost of undertaking inspections, as set out under section 6.7 of the Strategy.

### **Quarry charges**

The Council operates various quarries to ensure rock availability for river protection works. Council reserves the right to adjust the price per tonne of rock from any particular quarry, at any time, in order to recover the full costs of managing these quarries, including the cost of any development planning, health and safety requirements and remediation works.