

28. Capital Management

WCRC capital is its ratepayer's funds which comprise retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 (LGA 2002) requires the Council to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community.

LGA 2002 requires the Council to make adequate provision in its LTP and Annual Plans to meet the expenditure needs identified in those plans. The sources and levels of funding of activities are set out in the funding and financial policies in Council's LTP.

WCRC has the following Council created reserves.

- Investment Growth Fund.
- Quarry Account.
- Catastrophe Fund.

WCRC has reserves for different areas of benefit where there is a discrete set of ratepayers funding the activities being rated for. Any surplus or deficit relating to these separate areas of benefit are retained within the specific reserves.

WCRC has the following reserves of this nature.

- Rating Districts Equity (River, Drainage and Coastal protection schemes).
- Tb Pest Management.

29. Cash Bond

West Coast Regional Council has received an \$892,000 (2011 \$892,000) bond from a mining company. The money is held in a separate bank account and is not controlled by Council. Council can access these funds when, and only to the extent that, Council has to incur expenditure to make good any default of the company's. Therefore no asset or liability in respect of this bond has been recognized in the financial statements.

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.	Achieved. 175 visits to active mining operations were undertaken in the reporting period. These inspections covered all of the 64 mines that were operating during the year. Where problems were identified these were followed up.
Inspect all new consents that involve major ² construction works after completion of those works, and follow up to ensure compliance is achieved.	Achieved. Major construction works inspected include the Taramakau bridge, the Amethyst and Kawatiri Hydro schemes.
Inspect all consents for whitebait stands on the Little Wanganui, Taramakau, Hokitika, Wanganui, Paringa and Waiatoto 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.	Achieved. Visits during the 2011 Whitebait season included – Little Wanganui, Orowaiti, Mokihinui, Taramakau, Hokitika, Waitaha, Wanganui, Karangarua, Jacobs, Ohinemaka, Paringa, Moeraki, Haast, Okuru, Waiatoto and Arawhata.
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.	Achieved. All dairy farms were inspected during the previous 3 years. In the 2011/12 year 296 of the 388 dairy sheds were inspected in the reporting period. Where problems were identified these were followed up by further visits. There were 12 follow up inspections. In total there were 308 visits, including follow up inspections.
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.	Achieved. The 21 farms in the catchment were visited in the reporting period. Some enforcement action was undertaken regarding stock access to water ways.
Operate a 24-hour complaints service, responding to all complaints and report all complaints to the monthly Resource Management Committee.	Achieved. All complaints received were responded to and reported to the Resource Management Committee.
Respond to known 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.	Achieved. 32 infringement notices and 22 abatement notices were issued in the reporting period. No prosecutions were recommended.

Marine Oil Spill Response Targets	Achievements/Progress
Maintain a team of at least 25 Maritime NZ (MNZ) trained personnel at all times to deal with marine oil spills and terrestrial hazardous substance spills.	Not Achieved. Due to staff leaving we only had 22 staff trained in the second half of the year and due to operation Rena, Maritime NZ were not offering training courses.
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.	Achieved. No major spills in this region, response times were within the 4 hour window. Staff assisted with the Rena response in Tauranga.
Ensure response equipment is maintained quarterly to a level ready to respond to a Tier 2 marine oil spill response.	Achieved. Maintenance inspections were undertaken at the required quarterly intervals.

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

Planning Processes

Background

The Council has a number of Resource Management Act regional plans that manage the effects of activities on air, water, land and the coastal marine area in a consistent and integrated manner. The Council is required under the RMA to review and report on the efficiency and effectiveness of policy statements and plans every five years, as well as full review after 10 years of being operative.

The Biosecurity Act enables Council to have a Pest Management Strategy. The Council has adopted a Regional Pest Plant Management Strategy to take a strategic and prioritised approach to managing pest plants in the region.

The Council makes submissions, comments and responses to other resource management documents where these may affect the West Coast. This is a key role in ensuring that the regional community is represented in other processes.

The Land Transport Act 1998 and the Land Transport Management Act 2003 require regional councils to have a regional land transport strategy, which includes how to achieve an integrated, safe, responsive, and sustainable land transport system. Council also administers the land transport committee, prepares an annual land transport programme and an annual report on implementation of the Strategy.

The Council also maintains a register of passenger services operating in the region in accordance with the Transport Services Licensing Act 1989. Additionally, the Regional Council participates on the regional Road Safety Committee and oversees the Road Safety Co-ordinator with funding sourced from Land Transport New Zealand. Council also administers subsidies for transport for those with limited mobility through the Total Mobility Programme.

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

None.

Planning Performance Targets	Achievements/Progress
Hold hearings on the submissions on the proposed Wetlands variation 2 as soon as the Court proceedings on variation 1 are concluded.	Not achieved. Still waiting for Environment Court to release decision on Wetlands variation 1.
Commence hearings on the proposed Land and Water Plan (merged plan) submissions by April 2012.	Not achieved. Hearings and deliberations were held 18-22 June 2012. Staff are currently preparing the decisions report for Council. The main reason for the delay has been the heavy workload associated with the environment court case over the Proposed Land and Riverbed Plan.
Prepare a report to Council on the proposed new structure and content of the West Coast Regional Policy Statement by May 2012.	Not achieved. Report was not presented to Council due to potentially significant changes anticipated following the Biodiversity National Policy Statement and more recently the Technical Advisory Group report on Resource Management Act principles. The Regional Policy Statement review is effectively on hold until government direction is clear.

Commence a full review of the Regional Air quality Plan by July 2012.	Achieved. Review began in February 2012 (reported to March 2012 Council Meeting).
Prepare a Draft Regional Coastal Plan, to be considered by Council, by July 2012.	Not achieved. Natural Character work is underway and should be completed by October 2012. Envirolink funded work examining hazards in the Coastal area has been completed and is being analysed by staff.
Prepare and disseminate information for resource users on rules and best practice as detailed in the annual communications programme.	Achieved. Newsletter content was prepared and information boards in the lobby are regularly updated.
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.	Achieved. Analysed and submitted on various government initiatives; including the recent Environmental Reporting Bill.

Transport Planning Targets	Achievements/Progress
Facilitate at least two public Regional Transport Committee meetings per year and arrange working group meetings as requested by the Committee.	Achieved. The Regional Transport Committee met on 28 February. The Committee resolved that the Hearing Panel would confirm the Regional Land Transport Programme following the hearing of submissions. A second Regional Transport Committee meeting was not required in 2011/12.
Prepare and submit by 30 June 2012 a triennial programme to secure funding for west Coast transport projects that meet the NZ Transport Authority guidelines.	Achieved. The draft Regional Land Transport programme 2012/15 (RLTP) was notified on 13 March 2012. Consultation on the draft RLTP closed on 13 April. A Hearing for the RLTP was held on 16 May. The final RLTP was endorsed by Council on 12 June and the RLTP was submitted to the NZ Transport Agency on 29 June.
Participate, with the three district councils, NZ Police, and others in the West Coast Road Safety Co-ordinating Committee.	Achieved. The Road Safety Coordinating Committee met on 21 July, 8 December and 29 March. Activities undertaken focussed on the risk factors affecting road users on the West Coast under the 'Safer Journeys' approach.
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	Achieved. 100% of those surveyed rated the overall service and value for money as good, very good or excellent.

Actual 2010/11	Cost of Services Statement for the year ended 30 June 2012	Actual 2011/12	Budget 2011/12
	Planning Processes		
	<u>Operating Expenditure</u>		
13,282	Regional Policy Statement	4,613	77,184
110,705	Land & Riverbed mgmt Plan	45,606	10,592
0	Air Quality Plan	11,465	13,462
172	Discharge Contaminants to Land	161	0
93,520	Water Mgmt Plan	183,320	95,609
8,552	Pest Mgmt Strategy	47	5,400
26,121	Responses	8,994	47,226
40,953	Regional Coastal Plan	93,654	65,997
54,112	Policy & Plan Implementation & Review	15,477	64,339
0	Land Management Projects	23,639	0
23,783	Public Enquiries	17,259	40,198
23,950	Wetlands	70,226	8,622
2,191	Waste Management	1,179	17,923
21,680	Pest Strategy Implementation	15,655	16,724
7,500	Contributions to National Strategies	22,676	15,000
3,985	Honda Tree Fund	0	0
8,910	Total Mobility Admin	9,600	13,136
58,114	Total Mobility	79,315	68,750
42,471	Regional Land Transport Admin	49,278	36,845
8,464	Passenger Transport Admin	5,263	7,354
91,868	Safety Programme	123,622	123,796
<u>640,333</u>	<u>Total Operating Expenditure</u>	<u>781,049</u>	<u>728,157</u>
	<u>Operating Revenue</u>		
5,695	User Charges	2,000	0
186,981	Subsidies	277,295	204,650
	Targeted Rates	0	0
<u>192,676</u>	<u>Total Operating Revenue</u>	<u>279,295</u>	<u>204,650</u>
	<u>Funding Requirements</u>		
-447,657	Operating Surplus / -Deficit to be funded	-501,754	-523,507
0	Capital Expenditure	0	0
<u>-447,657</u>	<u>Total Funding Required</u>	<u>-501,754</u>	<u>-523,507</u>
	Funded by:		
447,657	General Rates & Investment Income	501,754	523,507
0	Depreciation Funds	0	0
<u>447,657</u>	<u>Total Funding</u>	<u>501,754</u>	<u>523,507</u>

Environmental Monitoring

Background

State of the Environment Monitoring assesses trends in environmental quality and detects emerging issues. Such information is fundamental for assessing the effectiveness of resource management policies and plans. It assists Council to make decisions based on sound knowledge and information on environmental trends and emerging issues.

Flood warning services are provided for five of the West Coast's major rivers. This complements Council's Civil Defence and Emergency Management functions.

Water quality monitoring ensures water resources, including lakes, rivers and coastal sites, are of a suitable standard for a particular use or value. Air quality monitoring is required under the new national air quality standards where the national standards are exceeded.

Council's role in administering potentially contaminated sites is limited by section 30 (ca) of the RMA to initial identification and assessment procedures and ongoing maintenance of a database of sites for the region.

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

None.

Performance Targets	Achievements/Progress
Provide a continuous flood monitoring service for the five rivers monitored and respond in accordance with the flood-warning manual and ensure real time data on river levels is available on the Council website and Info line.	Achieved. Continuous flood warning service provided. All responses to floods were in accordance with flood-warning manual. Problems have been encountered and resolved with the Buller sites data transfer.
Review the flood-warning manual annually and liaise with work groups as required.	Achieved. Review completed.
Complete all regular water sampling programmes and an annual Lake Brunner summary report every December, for Council's web site.	Achieved. Quarterly rounds all completed, Lake Brunner report completed mid December.
Report monthly summer contact recreation results to Council, and to media, and complete any follow-up investigations required by Council as they arise.	Achieved. Contact recreation sampling is completed. A system is in place to publish results in local papers.
Continue wintertime ambient air quality monitoring in Reefton and provide monthly summary reports to Council during winter months.	Achieved. All results were reported through the Council meetings and on the website.

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.	Achieved. Advice and information given to requesters of SAHS information. All sites have been reclassified according to current protocols. Hard files have been scanned so all SAHS files are now electronic.
Publish on the Council web site a Hydrometric and Meteorological Data Summary Report by December 2011.	Not achieved. Deferred due to flood report and other tasks taking precedence. The report will be presented to the October 2012 Council meeting.

Actual 2010/11	Cost of Services Statement for year ended 30 June 2012	Actual 2011/12	Budget 2011/12
	Environmental Monitoring		
	<u>Operating Expenditure</u>		
361,108	Hydrology	363,833	376,571
15,843	Ground Water Monitoring	21,188	33,223
314,879	Surface Water Quality Monitoring	351,798	313,961
16,463	Contaminated Sites	13,510	15,549
12,262	Air Quality Monitoring	20,070	27,012
3,433	Information and general	2,878	0
<u>723,988</u>	Total Operating Expenditure	<u>773,277</u>	<u>766,316</u>
	<u>Operating Revenue</u>		
0	User Charges	0	0
0	Subsidies	0	0
0	Targeted Rates	0	0
<u>0</u>	Total Operating Revenue	<u>0</u>	<u>0</u>
	<u>Funding Requirements</u>		
-723,988	Operating Surplus / -Deficit to be funded	-773,277	-766,316
-57,097	Capital Expenditure	-108,785	-88,000
<u>-781,085</u>	<u>Total Funding Required</u>	<u>-882,062</u>	<u>-854,316</u>
	Funded by:		
723,988	General Rates & Investment Income	773,277	766,316
57,097	Depreciation Funds	108,785	88,000
<u>781,085</u>	Total Funding	<u>882,062</u>	<u>854,316</u>

Emergency Management

Background

Under the Civil Defence and Emergency Management Act 2002 the Regional Council is the administering authority for the West Coast Civil Defence Emergency Management Group (CDEM). The functions of the CDEM Group include the co-ordination of civil defence emergency management planning, programmes and activities across the region, carrying out risk management, monitoring and reviewing the civil defence emergency management group plan, and delivering emergency management at the group level.

The Co-ordinating Executive Group (CEG) oversees implementation of the Plan and the CDEM Group's directives. The Regional Council provides a Group Emergency Operations Centre (EOC) which must be maintained in a state of readiness at all times.

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

None.

Performance Targets	Achievements/Progress
Prepare and organise the distribution of public information linked to the development and release of the national public information programme.	Achieved. The Get Ready Get Thru booklet was distributed; a community comment question appeared in the Messenger; Council's March newsletter advised of ideal tsunami response. A link to Exercise ShakeOut is on Council's website and various items of information are available at reception.
Maintain a ready-to-operate headquarters in preparation for potential emergencies, in accordance with the Group Plan and Group Controllers Guide.	Achieved. The Group Emergency Operations Centre is ready to operate for potential emergencies. The alternate Emergency Operations Centre at GDC was tested in November during Exercise Pacific Wave and this alternative is now also ready to use at any time.
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.	Achieved. 30 staff have received training to various levels. 17 staff participated in Exercise Pacific Wave in November including several new staff members.

Actual 2010/11	Cost of Services Statement for year ended 30 June 2012 Emergency Management	Actual 2011/12	Budget 2011/12
	<u>Operating Expenditure</u>		
106,616	Civil Defence Response	112,050	104,526
24,774	Natural Hazards	54,699	40,376
<u>131,390</u>	<u>Total Operating Expenditure</u>	<u>166,749</u>	<u>144,902</u>
	<u>Operating Revenue</u>		
213	User Charges	0	0
18,444	Subsidies	39,651	0
<u>40,413</u>	<u>Targeted Rates</u>	<u>50,637</u>	<u>50,000</u>
<u>59,070</u>		<u>90,288</u>	<u>50,000</u>
	<u>Funding Requirements</u>		
-72,320	Operating Surplus / -Deficit to be funded	-76,461	-94,902
-2,958	Capital Expenditure	0	0
<u>-75,278</u>	<u>Total Funding Required</u>	<u>-74,461</u>	<u>-94,902</u>
	<u>Funded by</u>		
72,320	General Rates & Investment Income	74,461	94,902
2,958	Depreciation Funds	0	
<u>75,278</u>	<u>Total Funding</u>	<u>74,461</u>	<u>94,902</u>

River, Drainage and Coastal Protection Works

Background

Council is authorised under the Soil Conservation and Rivers Control Act 1941 to mitigate soil erosion, and prevent damage by floods. Council manages protection works for 19 Rating Districts throughout the Region, participates on the Joint Greymouth Floodwall Committee, and rates for structural maintenance of the Floodwall. Council manages 10 quarries to provide rock for protection works, and owns a quarry truck, compressor and drilling rig, to ensure capacity on the West Coast for winning rock for river and coastal protection works.

Handling enquiries and providing engineering advice on flood and erosion control is carried out in response to ratepayer demand, and is charged for on a user pays basis where anything other than minor amounts of staff time is taken.

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 information helps to identify what, if any, maintenance or additional protection is needed. The cross section studies and aerial photography are also carried out on other larger rivers and coastal areas that are prone to build-up and increased risk of flooding or erosion. This information helps to identify gravel volumes and determine if new protection works might be needed.

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

None.

Performance Targets	Achievements/Progress
Oversee implementation of the quarry management plans, and review those plans by 2011.	Achieved. All Quarry management plans are current.
Monitor and review quarry contracts and permits and visit sites to ensure Health and Safety and other legal requirements are met.	Achieved. Regular visits are undertaken to quarry sites to ensure compliance.
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.	Achieved. Rock has been supplied for requests within the 2 week timeframe. Rock prices may need to be lifted slightly due to a small deficit this year in the quarry account.
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.	Achieved. Mokihinui Asset Management Plan completed. No other communities requested plan reviews and no significant changes occurred. Waiho report may lead to review of Franz Josef AMP next year.
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.	Achieved. All assets were maintained to or exceeding the levels set in the Asset Management Plans. Several upgrades have also occurred this year (eg Coal Creek, Karamea).

<p>Complete all annual maintenance works identified in the adopted annual works report for each rating district, and complete all rating district meetings by November 2011.</p>	<p>Achieved. Rating District meetings were completed in October 2011. Annual maintenance work has been completed for most areas while some are still in progress but will be complete before October 2012.</p>
<p>Assist with organising and securing infrastructure loans for major capital works as and when required.</p>	<p>No loans were required during the reporting period.</p>
<p>Provide civil engineering advice on Council's behalf for consent applications and compliance matters within statutory timeframes.</p>	<p>Achieved. Advice is provided as and when required.</p>

Actual 2010/11	Cost of Services Statement for year ended 30 June 2012 River, Drainage & Coastal Protection	Actual 2011/12	Budget 2011/12
	<u>Operating Expenditure</u>		
919,984	Works Within Rating Districts	1,014,323	741,799
162,469	Rating District Management	128,024	164,453
7,577	Asset Mgmt Plans	2,257	22,866
12,791	Inspections	6,113	22,310
39,220	Technical Services	7,616	76,301
669,891	Quarries	443,254	252,324
50,361	River Cross Sections	61,839	62,726
<u>1,862,293</u>	<u>Total Operating Expenditure</u>	<u>1,663,426</u>	<u>1,342,779</u>
	<u>Operating Revenue</u>		
341,250	User Charges Rating Districts	31,612	63,000
747,034	User Charges Quarries	402,851	218,000
868,736	Targeted Rates	991,863	941,557
<u>1,957,020</u>	<u>Total Operating Revenue</u>	<u>1,426,326</u>	<u>1,222,557</u>
	<u>Funding Requirements</u>		
94,727	Operating Surplus / -Deficit to be funded	-237,100	-120,222
0	Capital Expenditure	-173,985	-350,000
-290,002	Transfers to Rating District Reserves	-9,152	-262,758
-77,143	Transfers to Quarry Account Reserves	0	0
<u>-272,418</u>	<u>Total Funding Required</u>	<u>-420,237</u>	<u>-732,980</u>
	Funded by:		
0	Transfers from Rating District Reserves	173,246	350,000
0	Transfers from Quarry Account Reserves	40,403	34,324
0	Depreciation Funds	739	0
272,418	General Rates & Investment Income	205,849	348,656
<u>272,418</u>	<u>Total Funding</u>	<u>420,237</u>	<u>732,980</u>

Vector Control Services Business Unit

Background:

Vector Control Services (VCS) specialises in competing for and completing ground and aerial possum control contracts for the Animal Health Board (AHB).

Operating as a business unit has enabled service delivery functions of the Council such as vector (possum) control and other operations to be carried out efficiently and effectively in accordance with sound business practices. This is consistent with the principles of the Local Government Act 2002.

Staff of the business unit are also trained and equipped for urgent or emergency work.

VCS competes on the open market for possum control work. VCS has the capability to compete for other contract work as appropriate, to maintain a profitable business and provide a reasonable return to Council.

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

None.

Performance Targets	Achievements/Progress
Tender for, and win, sufficient contracts to provide or exceed the annual budgeted return to Council.	Achieved. Exceeded annual budgeted return to Council. Completed largest ever annual volume of ground control contracts (109,000 hectares).
Meet the performance objectives and contractual obligations set by the Animal Health Board for ground and aerial pest control contracts.	Partially achieved. 33 contract blocks completed and monitored. Achieved 97% pass rate. One block required a re-monitor following further work.
Keep sufficient pest plant work records to assist the review of the Pest Plant Management Strategy.	Achieved. Nodding thistle inspections at Mai Mai on going. Assisted with African feather grass inspection in Westport.
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.	Achieved. Five staff assisted with the Rena response. Two staff were booked to attend MSA training in November but the training course was cancelled due to Rena incident.
Maintain oil spill response equipment to the level required in the West Coast Tier 2 Oil Spill Response Plan.	Achieved. Quarterly inspections all completed.
Develop new business areas as appropriate, complementary to existing roles.	Achieved. Developed new branch of the VCS business called 'VCS Environmental'. Employed 2 new staff and developed marketing material to attract clients

	<p>needing RMA advice services.</p> <p>Tendered for aerial work (successfully) in the Tasman, Canterbury & Otago. Won 4 aerial contracts in Tasman & 1 in Canterbury in 2012/13; Won 6 aerial contracts in Otago in 2013/14 and 2014/15. Unsuccessful with winning North Island AHB Aerial tenders.</p>
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Actual 2010/11	Cost of Services Statement for year ended 30 June 2012	Actual 2011/12	Budget 2011/12
Vector Control Services Business Unit			
	<u>Operating Expenditure</u>		
2,172,205	External expenditure	2,369,820	2,312,000
15,870	Internal expenditure	206,626	
<u>2,188,075</u>	Total Operating Expenditure	<u>2,576,446</u>	<u>2,312,000</u>
	<u>Operating Revenues</u>		
3,372,318	External Revenue	3,459,506	2,885,000
15,870	Internal Revenue	206,626	
<u>3,388,188</u>	Total Operating Revenues	<u>3,666,132</u>	<u>2,885,000</u>
	<u>Funding Requirements</u>		
1,200,113	Operating Surplus / -Deficit to be funded	1,089,686	573,000
-1,200,113	Transfer to Retained earnings	-1,089,686	-573,000
-175,377	Capital Expenditure	-112,726	-20,000
<u>-175,377</u>	Total Funding required	<u>-112,726</u>	<u>-20,000</u>
	Funded by:		
175,377	Depreciation Funds	112,726	20,000
0	Transfer from Retained earnings	0	0
<u>175,377</u>	Total Funding	<u>112,726</u>	<u>20,000</u>

Major Budget Variations

<u>Cost of Services</u>	2012 Actual	2012 Budget	Variance \$	%	Note
Governance	358,264	385,543	\$ (27,279)	-7%	
Regulatory Consents & Compliance	2,169,280	1,811,878	\$ 357,402	20%	1
Planning Processes	781,049	728,157	\$ 52,892	7%	2
Environmental Monitoring	773,277	766,316	\$ 6,961	1%	
Emergency Management	166,749	144,902	\$ 21,847	15%	
River, Drainage & Coastal Protection	1,663,426	1,342,779	\$ 320,647	24%	3
Regional Share of Vector Controls	902,137	814,523	\$ 87,614	11%	4
Vector Control services Business Unit	2,369,820	2,312,000	\$ 57,820	3%	
Other	260,983	0	\$ 260,983		5
	9,444,985	8,306,098	\$ 1,138,887	14%	
 <u>Income</u>					
General Rates	1,982,899	1,980,000	\$ 2,899	0%	
Penalties	66,831	75,000	\$ (8,169)	-11%	
Investment Income	165,731	986,250	\$ (820,519)	-83%	6
Regulatory Consents & Compliance	1,614,850	1,033,727	\$ 581,123	56%	7
Planning Processes	279,295	204,650	\$ 74,645	36%	8
Emergency Management	90,288	50,000	\$ 40,288	81%	9
River, Drainage & Coastal Protection	1,426,326	1,222,557	\$ 203,769	17%	10
Regional Share of Vector Controls	653,410	650,000	\$ 3,410	1%	
Vector Control Services Business Unit	3,459,506	2,885,000	\$ 574,506	20%	11
	9,739,136	9,087,184	\$ 651,952	7%	
 Net Surplus / (Deficit) for year	294,151	781,086			

Statement Of Financial Position @ 30 June 2012	Actual	Budget	Variance		Note
			\$	%	
Current Assets					
Total Current Assets	<u>6,045,430</u>	<u>3,651,929</u>	2,393,501	64%	12
Non-Current Assets					
Total Non-Current Assets	<u>62,986,554</u>	<u>64,091,171</u>	-1,104,617	-2%	
Total Assets	<u>69,031,984</u>	<u>67,743,100</u>			
Liabilities					
Current Liabilities	<u>3,857,452</u>	<u>1,924,510</u>	1,932,942	100%	13
Non-Current Liabilities	<u>2,447,395</u>	<u>2,193,203</u>	254,192	12%	14
Total Liabilities	<u>6,304,847</u>	<u>4,117,713</u>			
Equity	<u>62,727,137</u>	<u>63,625,387</u>			
Total Liabilities and Equity	<u>69,031,984</u>	<u>67,743,100</u>			

Note	Commentary
1	Total Regulatory Consents and Compliance Expenditure exceeded budget by \$357,000. Significant amounts exceeding budget included Consent Processing (\$240,000) and Marine Oil Spill Response (\$180,000). Total Consent Processing costs are influenced by the mix of large scale applications, which is not really possible to predict with any real degree of accuracy. The Marine Oil Spill Response Expenditure was influenced by costs incurred relating to the MV Rena response, to which Council provided staff.
2	Planning Processes expenditure exceeded budget by \$53,000. This included; <ul style="list-style-type: none"> • Under budget of -\$16,000 in RMA Plan expenditure. • Over budget of \$17,000 in Transport area. • Wetlands projects not budgeted \$70,000 (DOC funding for some of this work.) • Net under budget of -\$18,000 in other sundry areas.
3	River, Drainage & Coastal Protection expenditure exceeded budget by \$320,000. This included; <ul style="list-style-type: none"> • Rating District expenditure exceeded budget by \$236,000 due to the strong demand for works due to flood damage. • Expenditure under budget in other areas amounted to -\$105,000. The aerial photography budget was not required. • Quarry expenditure exceeded budget by \$191,000 due to the requirement to have adequate supplies of rock available in our key Quarries.
4	Regional Share of Controls exceeded budget by \$88,000. This included the additional \$82,000 approved by Council subsequent to the Annual Plan budget process.
5	Other. The \$261,000 included; <ul style="list-style-type: none"> • Riskpool call \$55,000 • Portfolio Management fees \$59,000 • Unbudgeted urgent building maintenance \$147,000

6	Investment income was \$821,000 below budget due to poor International Equity returns caused by ongoing European economic uncertainty.
7	Regulatory Consents & Compliance Income exceeded budget due to the mix of large scale applications processed, improved cost recovery and reimbursement of legal costs relating to the surrendered Mokihinui Hydro consent. Included in income were called bonds amounting to \$118,000 which had not been budgeted for.
8	Planning Processes income included unbudgeted income from DOC grants for wetlands projects.
9	Emergency Management Income included unbudgeted MCDEM grants for satellite communications and other projects.
10	River Drainage & Coastal Protection income included; <ul style="list-style-type: none"> • Unbudgeted Whataroa rates income \$50,000. • Quarry income exceeding budget by \$183,000
11	VCS Business Unit income from aerial contracts exceeded budgeted expectations.
12	Total Current Assets @ 30 June 2012 of \$6,045,000 exceeded budgeted \$3,652,000 due to <ul style="list-style-type: none"> • Other Financial Assets of \$2,911,000 exceeding the \$1,500,000 budgeted. • Inventories of \$1,044,000 exceeding the budgeted \$152,000. Inventories included Quarry rock amounting to \$436,000 and Poison amounting to \$593,000.
13	Current Liabilities @ 30 June 2012 of \$3,857,000 exceeded budgeted \$1,925,000 due to; <ul style="list-style-type: none"> • Unbudgeted short term borrowings of \$857,000. This was due to significant expenditure on ensuring a plentiful supply of rock in Council quarries and continued heavy demand for Rating District maintenance works. • Payables of \$2,575,000 exceeded budgeted \$1,500,000.
14	Non Current Liabilities @ 30 June 2012 of \$2,447,000 exceeded budgeted \$2,193,000 due to Derivative Financial Liabilities amounting to \$261,000.