

West Coast Regional Council

Annual Report

July 1, 2015 to June 30, 2016



**THE WEST COAST
REGIONAL COUNCIL**

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Chairman's Report

It is my pleasure to present the West Coast Regional Council's 2015/2016 Annual Report.

The Council's mission is to work with the people of the West Coast to sustainably manage the environment for the social, cultural and economic wellbeing of present and future generations. 2015/2016 has seen the Council continue to progress actions to achieve this.

In the past year we have farewelled long serving Chief Executive Chris Ingle. Replaced by Michael Meehan, who was already employed by Council in another role, has meant that we have continued to meet our targets across the board with minimum delay.

We have also welcomed Gerard McCormack from the UK as the new Consents and Compliance Group Manager and Kevin Stratful as the new Economic Development Manager. These appointments have further strengthened the leadership of Council and are providing new insights and perspectives in both the environmental and economic fields of management throughout the West Coast.

The Tai Poutini West Coast Regional Growth Study commenced in February 2016. The final document identifies and prioritises the economic opportunities in the region that have the most potential to sustainably grow investment, incomes and employment. A stocktake of where we are now, this is a once in a generation opportunity to make significant gains for the communities of the West Coast. The development and implementation of the Action Plan will take place in the next financial year - 2016/2017, and I am excited to see where this will lead us.

The tourism industry continues to flourish on the West Coast, attracted in large part by our outstanding natural attractions including our beautiful lakes, rivers and coastal environments. Council efforts to maintain or enhance the water quality of Lake Brunner continue to show success, with further improvements evident compared to the 2002 – 2006 baseline. The ongoing improvements in this catchment through the hard work of these landowners, supported by our Council staff, ensures that we retain the values our iconic tourist attractions are visited for, as well as our own communities being able to enjoy these.

The 2015/2016 year has been a difficult year financially, with Council still experiencing the ongoing impact of the economic recession that has been affecting the Region, and the managed investment portfolio not performing to expectations. In spite of this, Council has continued to meet its targets across the board, achieving our mission for the region and our communities.

I gratefully acknowledge the efforts and achievements of Council staff during the year, as well as the governance provided by our Councillors who have continued to provide clear and consistent direction.



Andrew Robb
Chairman

Directory and Councillors

Council Office: 388 Main South Road, Paroa, Greymouth
Postal Address: PO Box 66, Greymouth, 7805
Fax: 03 768 7133
Email: info@wcr.govt.nz
Web: www.wcr.govt.nz

The Council has seven Councillors, representing the following constituencies:

Buller Constituency

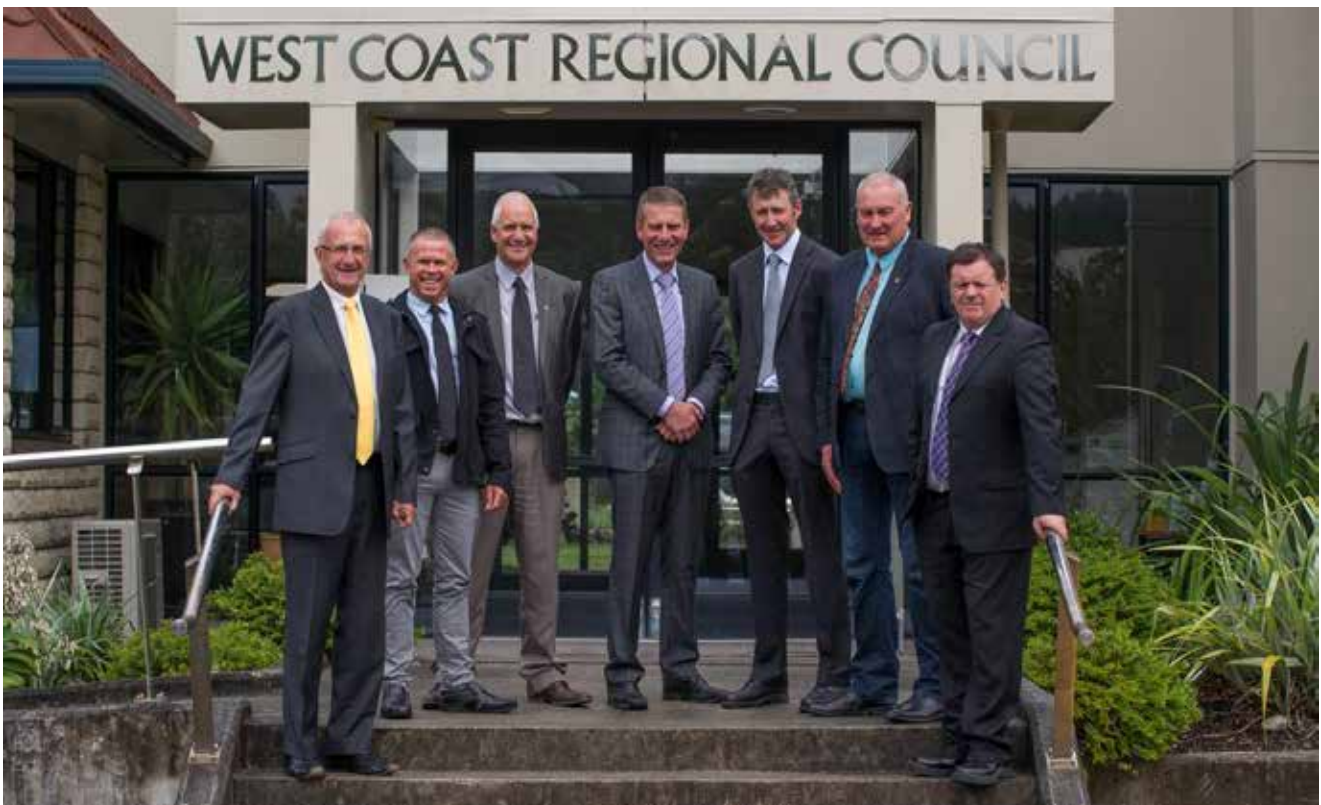
Neal Clementson - Councillor
Terry Archer - Councillor

Grey Constituency

Peter Ewen – Council Deputy Chair, Resource Management
Committee Chair
Andrew Robb – Council Chair
Allan Birchfield - Councillor

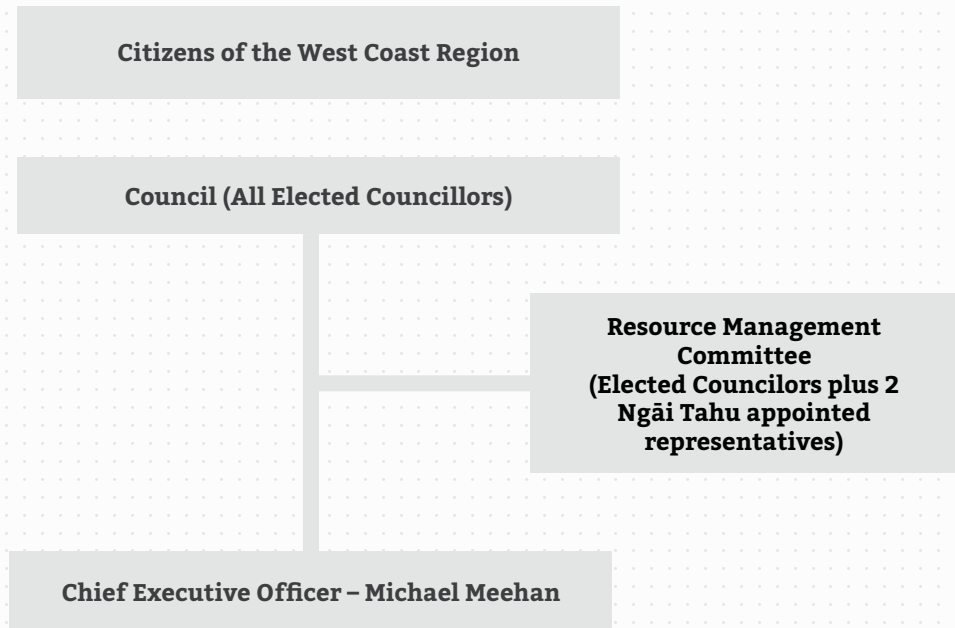
Westland Constituency

Peter McDonnell – Councillor
Stuart Challenger - Councillor



Left to Right: Terry Archer, Neal Clementson, Stuart Challenger, Andrew Robb, Peter McDonnell, Allan Birchfield and Peter Ewen

Council Organisation Structure



Division	Manager	Functions
Chief Executive Officer	Michael Meehan	Civil Defence Emergency Management Regional Transport Planning
Consents & Compliance Group	Gerard McCormack	Resource Consent Processing Compliance Monitoring & Enforcement Environmental Incident Complaints Pollution Response
Planning & Science	Vacant	Regional Planning Science Hydrology
Operations	Randal Beal	VCS Business Unit Engineering Quarries Biosecurity
Corporate Services	Robert Mallinson	Corporate Support
IT	Les Gibbs	IT Support
Strategy & Communications	Nichola Costley	Strategy & Communications
Civil Defence	Christopher Raine	Civil Defence & Emergency Management
Economic Development	Kevin Stratful	Regional Economic Development

Community Outcomes

In the Long Term Plan 2012-2022 the West Coast Regional Council identified the following three high-level Community Outcomes:

Economy: A thriving, resilient and innovative economy is promoted, which creates many opportunities for growth, wealth generation and employment.

Environment: The high quality and distinctive character of our environment is retained.

Safety: A region that is a safe place to live, with strong community spirit and cohesion.

The Council activities set out in this Annual Report relate to the achievement of the above outcomes as follows:

Activity Area	Community Outcomes
Governance	Economy, Environment and Safety
Resource Management Activities	Economy, Environment and Safety
Regional Transport Planning	Economy, Environment and Safety
Hydrology & Flood Warning Services	Economy, Environment and Safety
Civil Defence Emergency Management	Economy, Environment and Safety
River, Drainage & Coastal Protection Works: Rating Districts & Quarries	Economy, Environment and Safety
Vector Control Services Business Unit	Economy, Environment and Safety

Measurement of Progress towards achievement of Community Outcomes

Schedule 10 – clause 23 (c) of the Local Government Act 2002 requires Council to report the results of any measurement undertaken during the year of progress towards the achievement of community outcomes.

Council has not undertaken any such measurement during the year.

Report on Activities Undertaken to Provide Opportunities for Maori to Contribute to Decision Making Processes

(Local Government Act 2002, Schedule 10, Clause 35)

Council has continued to invite representation on its Resource Management Committee from representatives of both local Runanga, Te Rūnanga o Ngāti Waewae and Te Rūnanga o Makaawhio.

Statement of Compliance and Responsibility

Compliance

The Council and management of the West Coast Regional Council confirm that all the statutory requirements of the Local Government Act 2002 have been complied with.

Responsibility

1. The Council and management of the West Coast Regional Council accept responsibility for the preparation of the annual financial statements and the judgements used in them.
2. The Council and management of the West Coast Regional Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.
3. In the opinion of the Council and management of the West Coast Regional Council, the annual financial statements for the year ended 30 June 2016 fairly reflects the financial position and operations of the West Coast Regional Council.



A. Robb
Chairman



M. Meehan
Chief Executive

Dated: 27 October 2016

Independent Auditor's Report

To the readers of West Coast Regional Council's annual report for the year ended 30 June 2016

The Auditor-General is the auditor of West Coast Regional Council (the Regional Council). The Auditor-General has appointed me, Scott Tobin, using the staff and resources of Audit New Zealand, on her behalf, to:

- audit the information included in the Regional Council's annual report that we are required to audit under the Local Government Act 2002 (the audited information);
- report on whether the Regional Council has complied with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report and the Local Government (Financial Reporting and Prudence) Regulations 2014.

Opinion on the audited information

In our opinion:

- the financial statements on pages 11 to 34 and 62 to 65:
 - present fairly, in all material respects:
 - the Regional Council's financial position as at 30 June 2016;
 - the results of its operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 49, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the Regional Council's Long-term plan;
- the statement of service provision on pages 35 to 46:
 - presents fairly, in all material respects, the Regional Council's levels of service for each group of activities for the year ended 30 June 2016, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand;

- the statement about capital expenditure for each group of activities on pages 48 to 55, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the Regional Council's Long-term plan;
- the funding impact statement for each group of activities on pages 48 to 55, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the Regional Council's Long-term plan.

Compliance with requirements

The Regional Council has:

- complied with the requirements of schedule 10 of the Local Government Act 2002 that apply to the annual report; and
- made the disclosures on pages 18 to 61 which are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 which represent a complete list of required disclosures and accurately reflects the information drawn from the Regional Council's audited information.

Our audit was completed on 27 October 2016. This is the date at which our opinion is expressed.

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

Basis of opinion

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

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

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

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of the disclosures in the information we audited;

- determining the appropriateness of the reported the statement of service provision within the Regional Council's framework for reporting performance; and
- the overall presentation of the information we audited.

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

When reporting on whether the Regional Council complied with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report, we limited our procedures to making sure the annual report included the required information and identifying material inconsistencies, if any, with the information we audited. We carried out this work in accordance with International Standard on Auditing (New Zealand) 720; The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements.

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

Responsibilities of the Council

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

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

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the annual report in accordance with the reporting requirements of the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014. Our responsibility arises from the Public Audit Act 2001.

Independence

When carrying out our audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. Other than this audit, we have no relationship with or interests in the Regional Council.



Scott Tobin
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

Statement of Accounting Policies for Year Ended 30 June 2016

Reporting Entity

The West Coast Regional Council (WCRC) is a public benefit entity (PBE) for financial reporting purposes.

The financial statements of WCRC are for the year ended 30 June 2016. The financial statements were authorised for issue by Council on 4 October 2016.

Basis of preparation

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period.

The financial statements have been prepared in accordance with the requirements of the Local Government Act 2002 (LGA 2002), which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements have been prepared in accordance with Tier 2 PBE accounting standards. WCRC qualifies as a Tier 2 entity as its total expenditure is less than \$30 million per annum.

These financial statements comply with the PBE standards.

These financial statements are presented in New Zealand dollars.

Investment in associate

The Council's associate investment is accounted for using the equity method. An associate is an entity over which the Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. The investment in an associate is initially recognised at cost and subsequently equity accounted.

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 at the start of the year to which the resolution relates.

Other revenue

WCRC receives government grants from 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.

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 finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. 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.

Trade and other receivables

Trade and other receivables are initially measured at face value, 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 cost. The write down from cost to current replacement cost, or net realisable value, is recognised in the surplus or deficit.

Inventories held for use in the provision of goods and services on a commercial basis are valued at the lower of cost (using the "First in First Out" method) and net realisable value.

Derivative financial instruments and hedge accounting

Derivative financial instruments are used to manage exposure to foreign exchange and interest rate risks arising from financing activities. In accordance with its treasury

policy, the Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each balance date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and, if so, the nature of the item being hedged.

The associated gains or losses of derivatives that are not hedge accounted are recognised in the surplus or deficit.

Council has not designated any derivatives as hedging instruments.

The Council designates certain derivatives as either:

- Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or
- Hedges of highly probable forecast transactions (cash flow hedge).

The Council documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Council also documents its assessment, both at hedge inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The full fair value of a derivative is classified as non-current if the remaining maturity of the hedged item is more than 12 months, and as current if the remaining maturity of the hedged item is less than 12 months.

Other Financial assets

WCRC has two classifications for its financial assets:

- Financial assets at fair value through surplus or deficit.
- 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 are initially measured at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. Council fund manager Westpac 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. Westpac valuations use the redemption unit price to value unit trust products. The value of a unit is based on the net value of the relevant fund.

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 surplus or deficit

This category has two sub-categories: financial assets held for trading, and those designated at fair value through surplus or deficit at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date. After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the surplus or deficit. 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. WCRC has adopted the provisions for 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, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit. Loans and receivables are classified as "trade and 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 surplus or deficit.

Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through 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. Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised. Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

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 surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to WCRC and the cost of the item can be measured reliably. The costs of day to day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

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 Vehicle	6 - 7 years	15 %

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 the most recent market based rating valuations. Valuations are as at 1 September 2015 (Grey District area land), 1 September 2014 (Westland District area land), and 1 September 2013 (Buller 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 prepared internally and reviewed by Mr Mark Gordon of AECOM. The valuation date was as at 31 December 2015.

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 and other comprehensive income. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the surplus or deficit. Any subsequent increase on revaluation that offsets a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset and other comprehensive income.

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 the surplus or deficit.

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

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

Impairment of non-financial assets

Assets that have a finite useful life and are measured at cost are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable

amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

The value in use for cash-generating assets is the present value of expected future cash flows. If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

The total impairment loss is recognised in the surplus or deficit.

Investment property

Property leased, or intended to be leased to third parties under operating leases, is classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation. Investment property is measured initially at cost, including transaction costs. After initial recognition, all investment property is measured at fair value as determined annually by an independent valuer. Gains or losses arising from a change in the fair value of the investment property are recognised in the surplus or deficit.

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 surplus or deficit as incurred.

Provisions

WCRC recognises a provision for future expenditure of uncertain amounts 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; and
- 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.

Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense. The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position. The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows. Commitments and contingencies are disclosed exclusive of GST.

Budget figures

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

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. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Statement of Comprehensive Revenue and Expense for Year Ended 30 June 2016

2015	Notes	2016	2016
Actual	Expenses	Actual	Budget
397,666	Governance	419 022	423,128
0	Economic Development	144 490	150,000
3,228,374	Resource Management	3,067 502	3,057,270
180,113	Transport	146 543	167,110
571,065	Hydrology & Flood-warning Services	562 027	505,695
328,891	Emergency Management	291 322	252,512
1,803,714	River, Drainage & Coastal Protection	1,796 513	1,525,135
759,181	Regional Share of Vector Controls	725 741	725,741
3,617,651	Vector Control services Business Unit	2,546,578	2,347,975
0	Impairment Land Value	287,000	0
195,538	Other	395 359	201,156
11,082,193	3(a),4,5	10,382,097	9,355,722
	Revenue		
4,271,303	Rates	4,035,600	4,039,778
464,910	Subsidies & Grants	221,100	90,500
46,859	Commercial Property rental	93,718	122,400
14,301	Gains/-Losses disposal of assets	9,553	0
0	Commercial Property Revaluation	80,000	33,814
1,189,585	Investment Income	420,963	920,318
5,180,943	User Fees & Charges	4,644,210	4,581,525
11,167,901	1,2	9,505,144	9,788,335
85,708	Net Surplus / (Deficit) for year	-876,953	432,613
-675,000	Revaluation Reserve Movement	3,714,933	3,121,103
-589,292	Total Comprehensive Revenue and Expense	2,837,980	3,553,716

(Refer Page 62 for explanation of major variances)

The accompanying notes and accounting policies form part of these financial statements.

Statement of Changes in Equity for Year Ended 30 June 2016

Actual 2015		Notes	Actual 2016	Budget 2016
67,827,076	Balance 1 July		67,237,784	68,875,590
-589,292	Comprehensive Income		2,837,980	3,553,716
<hr/> 67,237,784	Balance 30 June		<hr/> 70,075,764	<hr/> 72,429,306

The accompanying notes and accounting policies form part of these financial statements

Statement of Financial Position as at 30 June 2016

Actual 2015	ASSETS	Notes	Actual 2016	Budget 2016
	Current Assets			
55,384	Cash & Cash equivalents	6	-247,617	97,349
1,453,032	Receivables	7	1,870,762	1,600,000
810,494	Inventories	8	729,660	700,000
68,079	Loan Advances	9	66,004	75,758
1,841,430	Other Financial Assets	9	1,873,384	1,500,000
<u>4,228,419</u>	Total Current Assets		<u>4,292,193</u>	<u>3,973,107</u>
	Non-Current Assets			
58,714,932	Property, Plant & Equipment	10	62,169,591	61,485,756
245,803	Intangible Assets	11	212,451	212,450
1,340,000	Investment Property	12	1,420,000	1,386,375
627,496	Loan Advances	9	511,640	584,522
694,454	Investment in Associate	19	825,482	700,000
215,059	Investment in Council Controlled Company	20	215,059	202,500
10,370,019	Other Financial Assets	9	10,023,374	11,338,102
<u>72,207,763</u>	Total Non-Current Assets		<u>75,377,597</u>	<u>75,909,705</u>
<u>76,436,182</u>	Total Assets		<u>79,669,790</u>	<u>79,882,812</u>
	LIABILITIES			
	Current Liabilities			
36,686	Borrowings	17	10,397	13,810
1,789,639	Payables	15	1,798,325	2,000,000
485,778	Employee Benefit Liabilities	16	449,991	300,000
0	Derivative Financial Liabilities	18	0	0
<u>2,312,103</u>			<u>2,258,713</u>	<u>2,313,810</u>
	Non-Current Liabilities			
11,419	Employee Benefit Liabilities	16	11,419	0
6,624,441	Borrowings	17	7,052,363	5,069,696
180,435	Derivative Financial Liabilities	18	201,531	0
70,000	Future Quarry Restoration	26	70,000	70,000
<u>6,886,295</u>			<u>7,335,313</u>	<u>5,139,696</u>
9,198,398	Total Liabilities		9,594,026	7,453,506
	EQUITY			
19,569,640	Ratepayers Equity	21(a)	19,186,709	21,170,744
1,720,248	Rating Districts	21(b)	1,816,030	2,341,602
34,624,357	Revaluation Reserve	21(c)	38,339,289	38,420,460
69,250	Lake Brunner Project Reserve	21(h)	0	0
317,206	TB Special Rate	21(f)	0	0
-267,076	Quarry Account	21(e)	-252,818	0
10,307,000	Investment Growth Reserve	21(d)	10,010,000	9,491,500
897,159	Catastrophe Fund	21(i)	976,554	1,005,000
<u>67,237,784</u>	Total Equity		<u>70,075,764</u>	<u>72,429,306</u>
<u>76,436,182</u>	Total Liabilities and Equity		<u>79,669,790</u>	<u>79,882,812</u>

The accompanying notes and accounting policies form part of these financial statements

Statement of Cash Flows for the Year Ended 30 June 2016

2015 Actual	Notes	2016 Actual	2016 Budget
Cashflow from Operating Activities			
Cash was provided from:			
4,346,605	Rates	4,038,487	3,979,778
6,538,597	Other Income	4,172,147	4,732,025
69,558	Other Investment Income	93,718	0
<u>10,954,760</u>		<u>8,304,352</u>	<u>8,711,803</u>
Cash was Disbursed to:			
10,294,404	Payments to Suppliers & Employees	9,001,539	8,675,174
351,002	Interest Paid	333,239	313,471
-124,093	Net GST Movement	84,086	0
<u>10,521,313</u>		<u>9,418,864</u>	<u>8,988,645</u>
<u>433,447</u>	Net Cash Flow from Operations	<u>-1,114,512</u>	<u>-276,842</u>
Cashflow from Investing Activities			
Cash was provided from:			
1,138,371	Redemption of Investments	853,586	1,042,718
109,382	Sale of Fixed Assets	35,549	8,568
<u>1,247,753</u>		<u>889,135</u>	<u>1,051,286</u>
Cash was Disbursed to:			
1,353,821	Purchase of Fixed assets	381,258	158,000
676,475	Investment Property	0	0
40,012	Investment in Associates	98,000	0
0	Investments Purchased	0	438,102
<u>2,070,308</u>		<u>479,258</u>	<u>596,102</u>
<u>-822,555</u>	Net Cash Flow from Investing	<u>409,877</u>	<u>455,184</u>
Cashflow from Financing Activities			
Cash was provided from:			
575,000	Loan Raised	850,000	0
104,936	Loans repaid by Borrowers	0	0
<u>679,936</u>		<u>850,000</u>	<u>0</u>
Cash was Disbursed To:			
0	Loans Advanced	0	0
460,589	Loan Principal Repaid	448,366	280,993
<u>460,589</u>		<u>448,366</u>	<u>280,993</u>
<u>219,347</u>	Net Cash Flow from Financing	<u>401,634</u>	<u>-280,993</u>
-169,761	Total Increase in Cash Held	-303,001	-102,651
225,145	Opening Balance of Cash Resources	55,384	200,000
<u>55,384</u>	Closing Balance of Cash Resources	<u>-247,617</u>	<u>97,349</u>

The accompanying notes and accounting policies form part of these financial statements

Notes to the Financial Statements

1	Actual 2015	Rates Revenue	Actual 2016
	2,117,945	General Rates	2,152,452
	42,533	Penalties	57,841
		Targeted Rates attributable to activities:	
	1,140,439	River, Drainage & Coastal Erosion	1,095,188
	660,256	TB Pest Management	397,080
	109,563	Warm West Coast	106,388
	200,567	Regional Emergency Management	226,651
	<u>4,271,303</u>	Total Rates Revenue	<u>4,035,600</u>
	0	Rates Remissions	0
	<u>4,271,303</u>	Rates Revenue net of remissions	<u>4,035,600</u>
2	Actual 2015	Revenue	Actual 2016
		Other Revenue	
		Investment Income:	
	179,994	Realised Gains/-Losses (Price)	179,746
	682,252	Unrealised Gains/-Losses(Price)	-38,381
	88,190	Income from Associate	33,028
	185,814	Interest	164,735
	53,335	Dividends	81,835
	<u>1,189,585</u>	Total Investment Income	<u>420,963</u>
	46,859	Commercial Property Rental	93,718
	14,300	Gains / -Losses on disposal Property, Plant, Equipment	9,553
	0	Revaluation of Investment Property	80,000
	<u>1,250,745</u>		<u>604,234</u>
		Fees and Charges	
	535,990	Resource Consents & Compliance Monitoring	950,712
	4,120,430	Rendering of Services (Business Unit Income)	2,986,842
	144,349	Sale of Goods (Quarry Rock)	464,130
	37,957	Infringements & Fines	29,032
	342,217	Other Fees & Charges	213,494
	<u>5,180,943</u>		<u>4,644,210</u>
		Subsidies & Grants	
	Actual 2015		Actual 2016
	421,662	NZ Transport Agency	74,105
	4,552	Ministry for the Environment	136,995
	8,696	Department of Conservation	0
	30,000	Ministry Civil Defence Emergency Mgmt	10,000
	<u>464,910</u>	Total	<u>221,100</u>

3 (a)	Actual 2015	Employee Benefit Expenses	Actual 2016
	3,843,528	Salaries and wages	3,885,091
	26,922	Increase in Annual Leave liability	14,622
	6,184	Increase in Long Service Leave provision	-1,700
	-273	Increase in Alternative Holidays Provision	1,298
	-1,409	Increase in Time in Lieu Liability	1,530
	16,515	Increase in accrued payroll	29,241
	<u>3,891,467</u>		<u>3,930,082</u>

3 (b) Key Personnel Remuneration Disclosures in accordance with Local Government Act 2002, schedule 10, clause 32 (1), (a), (b), (c)

30/6/15	Councillors	Salaries	Superannuation	Vehicle	30/6/16
31,100	N Clementson	33,900			33,900
31,100	P McDonnell	33,900			33,900
36,052	P Ewen	39,295			39,295
31,100	S Challenger	33,900			33,900
72,300	A Robb	74,200			74,200
31,100	T Archer	33,900			33,900
31,100	A Birchfield	33,900			33,900
<u>263,852</u>		<u>282,995</u>			<u>282,995</u>
219,789	Chief Executive (until 24/5/16)	212,731	6,307	14,030	233,067
0	Chief Executive (from 20/6/16)	6,058	0	0	6,058
576,378	4 Second Tier Group Managers	522,319	15,829	20,298	558,447
<u>1,060,019</u>		<u>1,024,103</u>	<u>22,136</u>	<u>34,328</u>	<u>1,080,567</u>

The above remuneration comprises salaries and other short term benefits.

3 (c) Banded Remuneration Disclosures Pursuant to clause 32A, Schedule 10, Local Government Act 2002

		@ 30/6/16
< \$60,000		25
>\$60,000	< \$80,001	11
> \$80,000	<\$100,001	8
>\$100,000	<\$140,001	5
>\$140,000	<\$200,001	3
		52
Full time		44.00
Part time (full time equivalent)		4.33
		<u>50</u>
		@ 30/6/15
< \$60,000		25
>\$60,000	< \$80,001	13
> \$80,000	<\$100,001	6
>\$100,000	<\$180,001	5
>\$200,000	<\$220,001	1
		50
Full time		45.00
Part time (full time equivalent)		2.66

4	Actual 2015	Other Expenses	Actual 2016
	20,838	Impairment of receivables	0
	12,958	Minimum Lease payments Operating Leases	10,500
	0	Impairment PPE	287,000
	6,565,844	Other Operating expenses	5,800,180
	28,383	Investment property revaln	0
	129,396	Inventory write off	0
	<u>6,757,419</u>		<u>6,097,680</u>

5	Actual 2015	Finance Costs	Actual 2016
	351,002	Interest on borrowings	333,239
	82,305	Interest rate swap losses	21,096
	<u>433,307</u>		<u>354,335</u>

6	Actual 2015	Cash & Cash Equivalents	Actual 2016
	54,393	Cash at bank and in hand	-247,617
	991	Short term deposits maturing 3 months or less from date of acquisition	0
	<u>55,384</u>		<u>-247,617</u>

The carrying value of short term deposits with maturity dates of 3 months or less approximates their fair value.

7	Actual 2015	Trade and Other Receivables	Actual 2016
	237,561	Rates Receivables	234,242
	917,020	Other Receivables	282,575
	122,446	Other Receivables accrued	1,136,626
	139,731	Prepayments	84,719
	117,490	Unbilled revenue	181,327
	<u>1,534,248</u>		<u>1,919,489</u>
	-81,216	Less provision for impairment of receivables	-48,727
	<u>1,453,032</u>		<u>1,870,762</u>
	0	Non-current	0
	<u>1,453,032</u>	Current	<u>1,870,762</u>
	<u>1,453,032</u>		<u>1,870,762</u>

Movements in the provision for impairment of receivables are as follows

Actual 2015		Actual 2016
60,378	@ 1 July	81,216
20,838	Additional provision made during year.	-32,489
0	Receivables written off during period.	0
<u>81,216</u>	@ 30 June	<u>48,727</u>

8	Actual 2015	Inventories	Actual 2016
	233,618	Poison and pest supplies	211,836
	557,712	Rock in Quarries	494,184
	19,164	Stationery and Office supplies	23,640
	<u>810,494</u>		<u>729,660</u>

All these inventories are held for consumption in the provision of services and are carried at the lower of cost or current replacement cost.

9	Actual 2015	Other Financial Assets	Actual 2016
		Current	
	1,841,430	Financial Assets at fair value through profit or loss	1,873,384
		Financial Assets at fair value through equity	
		Held to maturity investments	
	68,079	Loans and receivables	66,004
	<u>1,909,509</u>		<u>1,939,388</u>
		Non-Current	
	10,370,019	Financial Assets at fair value through profit or loss	10,023,374
		Financial Assets at fair value through equity	
		Held to maturity investments	
	627,496	Loans and receivables	511,640
	<u>10,997,515</u>		<u>10,535,014</u>
	<u>12,907,024</u>	Total Current and Non-Current	<u>12,474,402</u>
	Actual 2015	By Asset Class	Actual 2016
	7,045,613	Fixed Interest	7,421,034
	1,592,105	Australasian Equities	1,499,135
	2,342,187	International Equities	1,870,839
	695,575	Loans	577,644
	532,217	Property Equities	518,600
	699,327	Alternative Asset Classes	587,150
	<u>12,907,024</u>	Total	<u>12,474,402</u>

There was no impairment provision for Other Financial Assets.

These investments are held by Council in accordance with its Investment Policy to create income to be able to be used to fund Council activities and to be able to be reinvested to ensure portfolio growth over time.

10 Property, Plant and equipment – Council Operational Assets

2016	Cost/ Revaluation July 15	Accumulated depreciation/ impairment 1 July 15	Carrying amount 1 July 15	Current year additions	Current year disposals	Current year impairment	Transfer depreciation on disposal	Current year depreciation	Revaluation surplus	Cost/revaluation 30 June 16	Accumulated depreciation/ impairment 30 June 16	Carrying amount 30 June 16
Land	1913000	0	1913000	78261				0	-367000	1624261	0	1624261
Quarry Development	522957	0	522957	0				0		522957	0	522957
Buildings	1538774	-402826	1135948	0				-34204		1538773	-437031	1101742
Plant & equipment	2115640	-1603206	512434	148440				-150590		2264082	-1753796	510286
Vehicles	861816	-293180	568636	147942	-71353		45358	-137126		938405	-384948	553457
	6952187	-2299212	4652975	374643	-71353		45358	-321920	-367000	6888476	-2575774	4312702
Council Infrastructure Assets - River, Drainage & Coastal Protection Assets												
Canavans Knob	340471	0	340471	0	0	0	0	0	9078	349549	0	349549
Coal Creek	2208011	0	2208011	0	0	0	0	0	81258	2289269	0	2289269
Franz Josef	3167209	0	3167209	0	0	0	0	0	230155	3397364	0	3397364
Inchbonnie	2795023	0	2795023	0	0	0	0	0	74177	2869200	0	2869200
Kanieri	391690	0	391690	0	0	0	0	0	10366	402056	0	402056
Karamea	3556633	0	3556633	0	0	0	0	0	140014	3696647	0	3696647
Kongahu Swamp	600531	0	600531	0	0	0	0	0	13786	614317	0	614317
Kowhitirangi	4070895	0	4070895	0	0	0	0	0	125502	4196397	0	4196397
Lower Waitohi	1974789	0	1974789	0	0	0	0	0	1008058	2982847	0	2982847
Matainui Creek	51275	0	51275	0	0	0	0	0	1379	52654	0	52654
Nelson Creek	2282268	0	2282268	0	0	0	0	0	91523	2373791	0	2373791
Raft Creek	280674	0	280674	0	0	0	0	0	14919	295593	0	295593
Redjacks	536005	0	536005	0	0	0	0	0	17734	553739	0	553739
Taramakau Settlement	8294321	0	8294321	0	0	0	0	0	378674	8672995	0	8672995
Vine Creek	1712287	0	1712287	0	0	0	0	0	195060	1907347	0	1907347
Waitangitaona	2163321	0	2163321	0	0	0	0	0	164270	2327591	0	2327591
Wanganui	14686983	0	14686983	0	0	0	0	0	918425	15605408	0	15605408
Okuru	779925	0	779925	0	0	0	0	0	34865	814790	0	814790
Hokitika South Bank	905359	0	905359	0	0	0	0	0	62305	967664	0	967664
Punakaiki	1445405	0	1445405	0	0	0	0	0	138482	1583887	0	1583887
Hokitika Seawall	1818882		1818882	0	0	0	0	0	84902	1903784	0	1903784
	54061957	0	54061957	0	0	0	0	0	3794932	57856889	0	57856889
TOTAL	61014144	-2299212	58714932	374643	-71353	0	45358	-321,920	3427932	64745365	-2575774	62169591

2015	Cost/revaluation 1 July 14	Accumulated Depreciation/ Impairment 1 July 14	Carrying amount 1 July 14	Current year additions	Current yr disposals	Current yr impairment	Transfer Depreciation on disposal	Current year depreciation	Revaluation surplus	Cost/ Revaluation 30 June 15	depreciation/ impairment 30 June 15	Carrying amount 30 June 15
Land	1853000	0	1853000	735,000	0	0	0	0	-675000	1,913,000	0	1,913,000
Quarry Development	433402	0	433402	89555	0	0	0	0	0	522957	0	522957
Buildings	1538774	-367995	1170779	0	0	0	0	-34831	0	1538774	-402826	1135948
Plant & equipment	1893979	-1455383	438596	221661	0	0	0	-147823	0	2115640	-1603206	512434
Vehicles	793827	-296419	497408	299888	-231899	0	136818	-133579	0	861816	-293180	568636
	6512982	-2119797	4393185	1346104	-231899	0	136818	-316233	-675000	6952187	-2299212	4652975
Council Infrastructure Assets – River, Drainage & Coastal Protection Assets												
Canavans Knob	340471	0	339169	0	0	0	0	0	0	340471	0	340471
Coal Creek	2208011	0	1977682	0	0	0	0	0	0	2208011	0	2208011
Franz Josef	3167209	0	3011316	0	0	0	0	0	0	3167209	0	3167209
Inchbonnie	2795023	0	2604257	0	0	0	0	0	0	2795023	0	2795023
Kaniere	391690	0	367150	0	0	0	0	0	0	391690	0	391690
Karamea	3556633	0	3349323	0	0	0	0	0	0	3556633	0	3556633
Kongahu Swamp	600531	0	600531	0	0	0	0	0	0	600531	0	600531
Kowhitirangi	4070895	0	4044232	0	0	0	0	0	0	4070895	0	4070895
Lower Waiho	1974789	0	1818689	0	0	0	0	0	0	1974789	0	1974789
Matainui Creek	51275	0	51275	0	0	0	0	0	0	51275	0	51275
Nelson Creek	2282268	0	2141651	0	0	0	0	0	0	2282268	0	2282268
Raft Creek	280674	0	278200	0	0	0	0	0	0	280674	0	280674
Redjacks	536005	0	468968	0	0	0	0	0	0	536005	0	536005
Taramakau Settlement	8294321	0	7888210	0	0	0	0	0	0	8294321	0	8294321
Vine Creek	1712287	0	1624830	0	0	0	0	0	0	1712287	0	1712287
Waitangitona	2163321	0	1861210	0	0	0	0	0	0	2163321	0	2163321
Wanganui	14686983	0	13970780	0	0	0	0	0	0	14686983	0	14686983
Okuru	779925	0	709239	0	0	0	0	0	0	779925	0	779925
Hokitika South Bank	905359	0	765285	0	0	0	0	0	0	905359	0	905359
Punakaiki	1445405	0	1308360	0	0	0	0	0	0	1445405	0	1445405
Hokitika wall	1818882	0	1818882	0	0	0	0	0	0	1818882	0	1818882
	54061957	0	54061957	1346104	0	0	0	0	0	54061957	0	54061957
Total	60574939	-2119797	58455182	1346104	-231899	0	136818	-316233	-675000	61014144	-2299212	58714932

11 Intangible Assets 2016	Cost 1 July 2015	Accumulated Amortisation/ Impairment 1 July 2015	Carrying Amount 1 July 2015	Current year additions	Current year disposals	Current year impairment	Transfer Amortisation on disposal	Current year amortisation	Revaluation Surplus	Cost/ Revaluation 30 June 2016	Accumulated Amortisation/ Impairment 30 June 2016	Carrying Amount 30 June 2016
Computer Software	369742	-123939	245803	0	0	0	0	-33352	0	369742	-157291	212451
Intangible Assets 2015	Cost 1 July 2014	Accumulated Amortisation/ Impairment 1 July 2014	Carrying Amount 1 July 2014	Current Year additions	Current Year disposals	Current Year impairment	Transfer Amortisation on disposal	Current year amortisation	Revaluation Surplus	Cost/ Revaln 30 June 2015	Accumulated Amortisation/ Impairment 30 June 2015	Carrying Amount 30 June 2015
Computer Software	369742	-90587	279155	0	0	0	0	-33352	0	369742	-123939	245803

12	Investment Property	Actual 2016
	1 July	1,340,000
	Additions from acquisitions	0
	Additions from subsequent expenditure	0
	Disposals	0
	Transfer to inventory	0
	Fair value gains / (losses) on valuation	80,000
	30 June	<u>1,420,000</u>

13	Actual 2015	Depreciation and Amortisation Expense by Groups of Activities	Actual 2016
		(Required by Local Government (Financial Reporting) Regulation 2011)	
	8,984	Resource Management	7,960
	51,674	Hydrology & Floodwarning Services	45,345
	4,335	Emergency Management	11,562
	4,386	River, Drainage & Coastal Protection	11,710
	0	Economic Development	3,088
	91,618	Vector Control Services Business Unit	86,784
	<u>160,997</u>		<u>166,449</u>
	188,588	Corporate not directly related to Groups of Activities	188,823
	<u>349,585</u>		<u>355,272</u>

14 Statement of Significant Capital Acquisitions

Actual 2015	Group of Activities	Classification	Description	Actual 2016	Budget 2016
0	Res Mgmt	Replace existing assets	Plant	6,825	0
27,139	Hydrology	Replace existing assets	Plant	61,283	60,000
735,000	River protection	Improve level of service	Land	78,261	0
14,461	VCS Business Unit	Replace existing assets	Plant	1,184	0
124,737	VCS Business Unit	Replace existing assets	Vehicles	110,116	83,000
89,555	VCS Business Unit	Improve levels of service	Plant development	7,551	0
70,505	River protection	Improve levels of service	Plant	0	0
	Economic Development Unit	Improve levels of service	Plant	45,708	0
			Furn. & Fttgs	12,950	
	River protection	Improve levels of service	Plant	2,667	0
1,061,397				326,545	143,000
	Not directly related to Groups of Activities				
67,669	Corporate	Replace existing assets	IT	41,860	15,000
15,554	Corporate	Improve levels of service	IT		
	Corporate	Improve levels of service	Software		
7,228	Corporate	Replace existing assets	Furn. & Fttgs	3,760	0
16,706	Corporate	Replace existing assets	Plant	2,478	0
177,551	Corporate	Replace existing assets	Vehicle		
<u>284,708</u>				<u>48,098</u>	<u>15,000</u>
1,346,105	TOTAL			374,643	158,000

15	Actual 2015	Trade and Other Payables	Actual 2016
	637,654	Trade Payables	683,209
	759,466	Deposits and bonds	894,903
	83,433	Accrued Expenses	50,632
	217,273	Other Revenue in Advance	60,574
	91,813	Rates in advance	109,007
	0	Due to related parties	0
	<u>1,789,639</u>		<u>1,798,325</u>

Trade and other payables are non-interest bearing and are normally settled on monthly terms, therefore the carrying value of trade and other payables approximates their fair value

16	Actual 2015	Employee Benefit Liabilities	Actual 2016
	87,044	Accrued payroll	116,286
	252,478	Annual Leave	204,401
	18,397	Long Service Leave	16,697
	13,806	Time in Lieu	15,336
	5,472	Alternative Holidays	6,770
	0	Other	1,920
	0	Sick Leave	0
	120,000	Accrued Bonuses	100,000
	<u>497,197</u>		<u>461,410</u>
	485,778	Current	449,991
	11,419	Non-Current	11,419
	<u>497,197</u>		<u>461,410</u>

17	Actual 2015	Borrowing	Actual 2016
		Current	
	22,543	Punakaiki Seawall	0
	14,143	Lease Liabilities	10,397
	<u>36,686</u>		<u>10,397</u>
		Non-Current	
	1,200,000	Westpac working capital	2,023,570
	1,804,244	Greymouth Floodwalls	1,722,365
	730,000	Warm West Coast	595,000
	235,140	Lower Waiho	208,020
	1,387,500	Hokitika Seawall	1,312,500
	1,257,160	Strategic Investments	1,190,908
	10,397	Lease Liabilities	0
	<u>6,624,441</u>		<u>7,052,363</u>
	<u>6,661,127</u>	Total Borrowings	<u>7,062,760</u>

Security

All bank borrowing is secured to Westpac NZ by a general Deed of Charge over rates income. Finance Lease Liabilities are effectively secured as the rights to the leased asset revert to the Lessor in the event of default.

Analysis of Finance Lease Liabilities		
Actual 2015	Minimum Lease Payments Due	Actual 2016
16,319	Not later than 1 year	10,879
10,879	Later than 1 year: not later than 5	0
0	Later than 5 years	0
<u>27,199</u>		<u>10,879</u>

WCRC enters into finance leases for various items of plant and equipment. The net carrying amount of the leased items within each class of property, plant and equipment is included in note 11. These Finance Leases can be renewed at WCRC option, with rentals set by reference to current market rates for items of equivalent age and condition. WCRC does not have an option to purchase these assets at the end of the lease term. There are no restrictions placed on WCRC by any of the finance lease arrangements.

18	Actual 2015	Derivative Financial Instruments	Actual 2016
		Current Assets	
	0	Foreign Exchange Hedges	0
	0	Non-Current assets	0
	<u>0</u>	Total Derivative Financial Instrument Assets	<u>0</u>
		Current Liabilities	
	0	Foreign Exchange Hedges	0
		Non-Current Liabilities	
	180,435	Interest Rate Swaps – Cash Flow Hedges	201,531
	<u>180,435</u>	Total Derivative Financial Instrument Liabilities	<u>201,531</u>

The fair values of interest rate swaps have been determined by calculating the expected future cash flows under the terms of the swaps and discounting these values to present value. The inputs into the valuation model are from independently sourced market parameters such as interest rate yield curves. Most market parameters are implied from instrument prices.

19	2015	Investment in Associate @ 30 June (49%)	2016
	<u>694,454</u>	Investment in Pest Control Research LP	<u>825,482</u>

20	2015	Investment in Council Controlled Organisation @ 30 June (4%)	2016
	<u>215,059</u>	Investment in Regional Software Holdings Ltd	<u>215,059</u>

21	Actual 2015	Equity	Actual 2016
	(a)	Ratepayers Equity	
	18,980,384	Balance 1 July	19,569,640
	85,708	Surplus transferred	-876,953
	90,021	Net Transfers (to) / from Rating District Equity	-95,782
	-90,870	Transfers (to) / from TB Targeted Rate Balance	317,206
	-69,250	Transfer (to) / from Lake Brunner Project Funding	69,250
	255,325	Transfers (to) / from Quarry Account	-14,258
	436,000	Transfers (to) / from Investment Growth Reserve	297,000
	-117,678	Transfers (to) / from Catastrophe Fund	-79,394
	<u>19,569,640</u>	Balance 30 June	<u>19,186,709</u>

(b) Rating District Equity (River, Drainage & Coastal Protection Schemes)

1,810,269	Balance 1 July	1,720,248
1,882,954	Revenue	1,202,289
-1,733,652	Expenditure	-948,463
0	Capital Expenditure	0
0	Prior period adjustment	47,086
0	Loan raised	0
-239,323	Loan Principal repaid	-205,130
<u>1,720,248</u>	Balance 30 June	<u>1,816,030</u>

Rating District Equity represents the unspent credit balance with regard to the 26 River, Drainage & Coastal Protection Rating Districts. These balances, originally raised by targeted rates, can only be spent within these Rating Districts.

(c) Actual 2015	Asset Revaluation Reserves	Actual 2016
	Infrastructural Assets	
34,544,357	Opening Balance	34,544,357
0	Revaluation gains / (losses)	3,794,932
<u>34,544,357</u>		<u>34,544,357</u>
	Land	
755,000	Opening Balance	80,000
-675,000	Revaluation gains / (losses)	-80,000
<u>80,000</u>		<u>0</u>
<u>34,624,357</u>	Total Revaluation Reserve	<u>38,339,289</u>

(d) Actual 2015	Investment Growth Reserve	Actual 2016
10,743,000	Balance 1 July	10,307,000
-436,000	Transfer (to) / from Ratepayers Equity	-297,000
<u>10,307,000</u>	Balance 30 June	<u>10,010,000</u>

This reserve represents the balance of the managed funds portfolio, less amounts attributable to rating district balances. These funds are invested in accordance with Council Investment Policy with the objectives of generating income and capital growth.

(e) Actual 2015	Quarry Account	Actual 2016
-11,751	Balance 1 July	-267,076
-255,325	Transfer (to) / from Ratepayers Equity	14,258
<u>-267,076</u>	Balance 30 June	<u>-252,818</u>

This reserve represents the accumulated profits (and losses) of the Council Quarry activities.

(f) Actual 2015	Tb Pest Management	Actual 2016
226,336	Balance 1 July	317,206
90,870	Transfer (to) / from Ratepayers Equity	-317,206
<u>317,206</u>	Balance 30 June	<u>0</u>

This reserve is the credit balance of the TB Pest Management rate. These balances were originally raised by targeted rates and can only be spent on funding the Council's regional share of the cost of vector controls undertaken by Tbfree New Zealand Ltd.

(h)	Actual 2015	Lake Brunner Project Funding Reserve	Actual 2016
	0	Balance 1 July	69,250
	69,250	Transfer (to) / from Ratepayers Equity	-69,250
	69,250	Balance 30 June	0
(i)	Actual 2015	Catastrophe Fund	Actual 2016
	779,481	Balance 1 July	897,159
	117,678	Transfer (to) / from Ratepayers Equity	79,395
	897,159	Balance 30 June	976,554

This reserve is fully funded by investments and was created when Council withdrew from the LAPP Fund.

22	Actual 2015	Capital Commitments and operating leases.	Actual 2016
	0	Capital expenditure contracted for at 30 June but not yet incurred for property, plant and equipment.	0
	0		0
	0	Non-cancellable operating leases as lessee:	0
	0	not later than 1 year	0
	0	Later than 1 year but not later than 5 years	0
	0	Later than 5 years	0
	0		0

23 Contingencies and Significant Post Balance Date Events
Contingent Liabilities @ 30 June 2016
Nil

Contingent Assets @ 30 June 2016 (a) and (b)
Significant Post Balance Date Events (b)

- (a) Council VCS Business Unit has an agreement with Birchfield Minerals Ltd with regard to the costs of obtaining the Grey River Dredge consent as part of readying the Dredge for sale. VCS Business Unit will recover the costs of the resource consent and various marketing costs (\$157,025 @ 30 June 2016) + a % of the sale price if a sale agreement for the Dredge is secured. There can be no absolute certainty of recovery of these costs until a sale agreement for the Dredge is secured.

(@ 30 June 2015 \$118,000)

- (b) Council has a claim for defective work against a supplier. In September 2016 the claim was settled. The settlement is subject to a confidentiality agreement and therefore no further information is provided. The settlement sum will be recognised as revenue in the 2016/17 financial year.

24 Related Party Transaction

Council's VCS Business Unit has an agreement with Birchfield Minerals Ltd (elected West Coast Regional Councilor Allan Birchfield) with regard to the costs of obtaining the Grey River Dredge consent as part of the process of readying the Dredge for sale.

VCS Business Unit will recover the costs of the resource consent and various marketing costs (\$157,000 @ 30 June 2016) + a % of the sale price if a sale agreement for the Dredge is secured. There can be no absolute certainty of recovery of these costs until a sale agreement for the Dredge is secured.

During 2015/16 costs amounting to \$39,000 were incurred by VCS Business unit with regard to this consent. (2014/15 \$104,000)

25 Severance Payments

There were two severance payments made during the year to 30 June 2016 amounting to \$48,167. That included payments of \$36,667 and \$11,500. (2015 \$nil)

26 Future Quarry Restoration Liability at 30 June 2016.

Assessed liability as at 30 June 2016 \$70,000. This liability is calculated using a net present value approach to discounting future cash flows. (2015 \$70,000)

27 Rating Base Information Required to be disclosed pursuant to the Local Government 2002 Amendment Act 2015

(a)	The number of rating units within the West Coast region as at 30 June 2015	22,529
(b)	The total capital value of these rating units as at 30 June 2015	\$7,496,367,000
(c)	The total land value within the West Coast Region as at 30 June 2015	\$4,035,453,000

28 Information regarding Insurance of Assets as at 30 June 2016

(a)	The total value of all assets of the West Coast Regional Council that are covered by insurance contracts.	
	Land & Buildings, Plant & equipment, Motor Vehicles, Commercial Property Values included in Statement of Financial Position.	\$3,272,795
	Buildings are insured for replacement values	\$5,610,700
	Plant & Equipment is insured for indemnity value	\$800,000
	Motor Vehicles are insured for market value	\$737,000
	Inventory is insured for indemnity value	\$200,000
(b)	Total value of assets that are covered by risk sharing arrangements	Nil
(c)	Total value of assets that are self-insured River, Drainage & Coastal protection infrastructure with a value in the Statement of Financial Position totaling	\$57,857,000
	Total value of separately invested Catastrophe Fund as at 30 June 2016	\$976,553

Governance

Governance covers the costs of operating the democratic function of the Council. Elected Councillors determine policies, and monitor the achievement of these. Key Changes from the 2015/2025 Long Term Plan: None.

Levels of Service	Measure	Performance Target	Achievement																
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.	Number of public meetings held and individual Councillor attendance.	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 all Councillors.	<p>Councillor attendance</p> <table border="1"> <thead> <tr> <th></th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Robb</td> <td>12 out of 12</td> </tr> <tr> <td>Birchfield</td> <td>12 out of 12</td> </tr> <tr> <td>Ewen</td> <td>12 out of 12</td> </tr> <tr> <td>Challenger</td> <td>9 out of 12</td> </tr> <tr> <td>McDonnell</td> <td>12 out of 12</td> </tr> <tr> <td>Clementson</td> <td>9 out of 12</td> </tr> <tr> <td>Archer</td> <td>11 out of 12</td> </tr> </tbody> </table> <p>Achieved: The audited Annual Report for the year to 30 June 2015 was adopted by Council at the Council meeting on 2 November 2015. As 31 October was a Saturday the target was met. The Annual Plan 2016/17 Consultative Document was adopted by Council on 12 April and the Annual Plan was finally confirmed by Council on 7 June 2016.</p>		%	Robb	12 out of 12	Birchfield	12 out of 12	Ewen	12 out of 12	Challenger	9 out of 12	McDonnell	12 out of 12	Clementson	9 out of 12	Archer	11 out of 12
		%																	
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Archer	11 out of 12																		
	Compliance with statutory timeframes.	Prepare and notify the Council's Annual Plan or LTP Statement of Proposal by 31 May each year, and the Annual Report by 31 October, in accordance with the procedures outlined in the Local Government Act 2002.	Achieved: The rates instalments which were sent out in September 2015 and March 2016 and contained the usual newsletters. Council website continues to be updated whenever submissions are invited on a new or revised policy document.																
	Timing and number of newsletters, and internet website based information related to public consultation processes.	Publish an informative Council newsletter twice a year to be circulated to all ratepayers, with their rate demand, in March and September and ensure required information is posted on the Council website when Council invites submissions on a new or revised policy document.	Achieved: Council has continued to invite both Makaawhio and Ngāti Waewae representatives to attend all Resource Management Committee meetings.																
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.	Attendance of Iwi appointees at Resource Management Committee meetings.	Continue to invite attendance of Makaawhio and Ngāti Waewae representatives as appointees to the Council's resource management committee, to enable Maori participation in resource management decision-making.																	

Resource Management Activities

Background

The Resource Management Act 1991 (RMA) requires regional councils to have certain RMA Plans to provide certainty to resource users on when consents are required.

The plans enable 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 potential effects. The Council also has a Pest Plant Strategy to take a strategic and prioritised approach to managing pest plants in the region. All Plans are required to be reviewed within the ten year period by law, by inviting public submissions.

The Council also makes submissions and responds to other resource management documents or proposed government policies or standards where these may affect the West Coast. This is in order to advocate for the interest of the West Coast communities.

Council monitors the state of our environment to detect trends in environmental quality and to 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.

Resource consents allow activities that are otherwise restricted by the RMA. Our 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.

Compliance monitoring and enforcement involves monitoring the exercise of resource consents, permitted activity dairy shed discharges and mining permits. Where non-compliance is detected the Council's Enforcement Policy guides decisions around enforcement actions. This is a critical element of resource management that underpins the integrity of the regional plans and consents issued under them.

Under the Maritime Transport Act 1994 the Regional Council is responsible for responding to marine oil spills within the territorial waters of the West Coast.

RMA Staff are also trained to respond to terrestrial hazardous substance spills, assisting the responsible party to clean up spills in order to minimise environmental impacts.

Key Changes from the Long Term Plan for 2015/25: None

Levels of Service	Measure	Performance Target	Achievement																								
<p>To maintain or enhance water quality in the West Coast's rivers.</p>	<p>Ammoniacal nitrogen, periphyton, clarity, turbidity and faecal coliforms are measured quarterly at 38 river sites. These parameters characterise the water quality of West Coast rivers and have been measured since 1996.</p>	<p>Improvement of these parameters, when compared with a baseline of 1996 data on water quality.</p>	<p>Achieved:</p> <table border="0"> <tr> <td></td> <td>% sites improving</td> <td>% sites declining</td> <td>% sites no change</td> </tr> <tr> <td>Ammonia-N (2)</td> <td>54</td> <td>3</td> <td>43</td> </tr> <tr> <td>Faecal Coliforms (2)</td> <td>16</td> <td>8</td> <td>76</td> </tr> <tr> <td>Turbidity (2)</td> <td>16</td> <td>8</td> <td>76</td> </tr> <tr> <td>Water Clarity (2)</td> <td>42</td> <td>9</td> <td>49</td> </tr> <tr> <td>Periphyton (1)</td> <td>90</td> <td>10</td> <td>-</td> </tr> </table> <p>Note:</p> <p>(1) Periphyton is assessed by comparing the current rolling 5 year mean with a baseline 2002 – 2006 mean.</p> <p>(2) For ammoniacal nitrogen, clarity, turbidity, and faecal coliforms, trends are assessed using Seasonal Kendal trend testing (4 seasons beginning in March, no medians).</p> <p>Only sites with 20 or more data points will be considered for this assessment.</p> <p>An important change is one that has: a P value of less than 0.05, and a percent annual change of the median of more than 1%. The whole data record is used for each site.</p>		% sites improving	% sites declining	% sites no change	Ammonia-N (2)	54	3	43	Faecal Coliforms (2)	16	8	76	Turbidity (2)	16	8	76	Water Clarity (2)	42	9	49	Periphyton (1)	90	10	-
	% sites improving	% sites declining	% sites no change																								
Ammonia-N (2)	54	3	43																								
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Periphyton (1)	90	10	-																								
<p>The number of compliant or non-compliant point source discharges to water, or discharges likely to enter water; and council's response to any non-compliance.</p>	<p>All significant consented discharges¹ are monitored at least annually, and all dairy sheds at least bi-annually depending on each individual compliance record. All non-compliances publicly reported to the Resource Management Committee and responded to using Council's Enforcement Policy.</p>	<p>Achieved:</p> <p>All non-compliant activities were publicly reported and appropriate enforcement action taken.</p>																									

¹ Significant Consented Discharge includes: any consented discharge from a municipal sewage scheme or landfill, any consented discharge from a working mine site, any consented discharge of dairy effluent to water, and any large scale industrial discharge (WMP, Kokiri).

Levels of Service	Measure	Performance Target	Achievement
To maintain or enhance the water quality in Lake Brunner.	The trophic state of Lake Brunner is measured by the Trophic Level Index (TLI) which combines clarity, nutrient and algal measures. The rolling 5-year mean is compared with a 2002-2006 baseline mean.	The annual (rolling 5-year mean) TLI of Lake Brunner is less than the 2002-2006 TLI baseline mean of 2.79.	Achieved: The Lake Brunner TLI score 5 year rolling mean from April 2011 – March 2016 was 2.75.
To maintain or enhance the life supporting capacity and amenity value of the West Coast's rivers.	Instream macroinvertebrate community health (SQMCI) scores are measured at 29 river sites. The values for each site are calculated using five year rolling means and comparing them to baseline means calculated from data from 2005-2009.	Macroinvertebrate health index ² (SQMCI) mean is higher, or no more than 20% lower, than the baseline mean.	Not achieved: Three sites in 2015 had a 5 yearly rolling mean that was more than 20% lower than the baseline mean. These sites were Deep Ck @ Arnold Vly Rd Br, Sawyers Ck @ Dixon Park and Page Stm @ Chasm Ck Walkway. Macroinvertebrate data is collected twice a year in spring and autumn. Autumn 2016 results have not yet been received.
	16 swimming sites are sampled, ten times per summer season (fortnightly) for E coli (moderate-high risk > 550) or Enterococci (moderate-high risk > 280).	Scheduled swimming sites do not exceed the moderate-high risk threshold more than once during the summer sampling season.	Achieved: No site exceeded the moderate-high risk threshold on more than 10% of sampling occasions.
To protect human health from adverse impacts of poor groundwater quality.	28 Wells are monitored at least twice annually, 24 of which are used for human consumption. The guideline of 11.3mg/L of nitrate is used to protect human health, particularly for babies. The data from the year is averaged before comparing against the 11.3mg guideline.	In wells used for human consumption, nitrate levels remain below the health guideline of 11.3 mg/L.	Partially achieved: In 2016, one of 23 wells used for human consumption was outside guidelines.

² This macroinvertebrate index uses comparative samples of aquatic invertebrates to evaluate water quality, based on the type of invertebrates (bugs) found at that site and how those communities of invertebrates may change over time. Some bug species are pollution tolerant while others are pollution sensitive, so the mix of species tells us a lot about the water quality at the site.

Levels of Service	Measure	Performance Target	Achievement
To protect human health from any adverse impacts of poor air quality in Reefton.	Reefton's air is monitored in accordance with the National Environmental Standard (NES) for air quality by measuring PM10 (airborne particles smaller than ten micrometers, which affect human respiration). The threshold is a 24hr mean PM ₁₀ of 50 micrograms/m ³ .	NES Requirement: 24hr PM ₁₀ values do not exceed the NES threshold more than three times in one year, between 2016 & 2020; whereas after 2020 only 1 exceedance per year is allowed.	Not achieved: So far in 2016 there have been 4 exceedances of the NES standard.
Compliance with the consent processing timeframes in the RMA and mining legislation.	Compliance with discounting regulations and mining timeframes.	Process all resource consent applications without incurring any cost to Council due to the RMA discounting regulations; and process at least 95% of mining work programmes within 20 working days of receipt.	Achieved: No Discounting Regulations costs have been incurred, and all mining work programmes have been processed within the 20 day timeframe.
Respond to all genuine incident complaints received by the Council and take enforcement action where needed.	Number of complaints received and number of enforcement actions resulting from these.	Operate a 24-hour complaints service, assess and respond to all genuine complaints within 24 hours where necessary.	Achieved: All genuine complaints are responded to within 24 hours where necessary, and reported publicly to the Resource Management Committee each month.
Complete current regional plans to operative stage, and review them to maintain their community acceptability.	Statutory requirements for review.	Compliance with statutory requirements for the review of Council's plans and strategies.	Achieved: The Regional Land Transport Plan and Passenger Transport Plan were completed in April 2015. There is no further work required in regards to these plans at present.

³ This target assumes the work programme is submitted with all necessary information provided.

Levels of Service	Measure	Performance Target	Achievement
<p>Advocate for the West Coast interests when external environmental policymaking may affect the West Coast.</p>	<p>Number of submissions made and number of successful advocacy outcomes.</p>	<p>Submit on all central or local government discussion documents, draft strategies, policies or Bills that may impact on West Coast interests, within required timeframes.</p>	<p>Achieved:</p> <p>Submissions have been made on the following emerging policy documents:</p> <ul style="list-style-type: none"> • NPS - Freshwater Management amendments • NPS - Urban Development Capacity • Buller District Plan Changes 133-145 • Paparoa National Park Management Plan review • Marine Protected Areas Act <p>National Regulation for Streamlining the Regulatory Regime for Pest Control</p>
<p>Respond to marine oil spills in coastal waters in accordance with the Tier 2 Oil Spill Response Plan and maintain readiness for spill response.</p>	<p>Timing of responses & number of trained staff.</p>	<p>Respond within 4 hours to all spills, using Council or MNZ spill equipment to contain spills; plus ensure at least 25 staff are trained responders.</p>	<p>Achieved:</p> <p>No spills occurred during the reporting period. Sufficient trained responders are available.</p>

Regional Transport Planning

Background

The Council primarily has a co-ordinator and administrator role in relation to transport issues so that funding can be effectively accessed from the New Zealand Transport Agency. In order to obtain that funding the Council must adhere to the Land Transport Act 1998 and the Land Transport Management Act 2003. Council must appoint a Regional Transport Committee, with membership to include local authorities, funding agencies and other transport stakeholders who then prepare a Regional Land Transport Plan (RLTP). The Committee also prepare a Land Transport Programme to implement the RLTP.

Section 35 of the Land Transport Management Act 2003 requires that the needs of persons who are transport disadvantaged be considered in land transport programmes. To implement this function, 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.

Key Changes from the Long Term Plan for 2015/25: None.

Levels of Service	Measure	Performance Target	Achievement
Maintain a Regional Land Transport Plan in compliance with relevant legislation and is acceptable to the West Coast community.	An operative Regional Land Transport Plan.	Compliance with statutory requirements for the preparation, review and implementation of the Regional Transport Plan and Passenger Transport Plan.	Achieved: The Regional Land Transport Plan and Passenger Transport Plan were completed in April 2015. There is no further work required in regards to these plans at present.

Hydrology and Flood Warning Services

Background

Section 35 of the RMA requires councils to monitor the state of the environment. Hydrology monitoring records trends in water levels in key rivers and can also detect emerging issues. This information assists Council to make decisions based on sound factual and up to date information.

Flood warning provides information to civil defence, police and local communities that enables them to assess risk of flood events, so appropriate action can be taken.

Key Changes from the Long Term Plan for 2015/25: None.

Levels of Service	Measure	Performance Target	Achievement
Continue to provide flood warning to assist communities to assess risk of impending floods, for the five rivers (Karamea, Buller, Grey, Hokitika, and Waiho).	Availability of information about high flow events and the staff response to those.	Provide a continuous flood monitoring service for the five rivers monitored and respond in accordance with the flood-warning manual, ensuring real time data on river levels is available on the Council website.	Partially achieved: All flood events were responded to. (Achieved) With regard to data availability for river levels on the Council website, it was not possible to demonstrate audit logging on the secondary comms pathways for Waiho River. (Partially achieved).
	Low flow recorders installed and transmitting to Council HQ.	Complete the installation of new low flow monitoring equipment in the Mawheraiti river catchment.	Achieved: This work was completed in the 2014/2015 financial year

Emergency Management

Background

The Council is part of the Civil Defence Emergency Management (CDEM) Group, along with the region's District Councils. The Group is made up of the Council Mayors and Regional Council Chair; while the coordinating Executive Group (CEG), which is the main working group of civil defence in the region, is made up of the CEOs of the Councils plus emergency services and health representatives. The CEG generally reports to the CDEM Group quarterly. There is also an engineering lifelines group which provides advice.

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 Group Plan was prepared in 2005, was reviewed in 2010, and is due for another review in 2015.

The LTP levels of service and performance targets reflect only this Council's role in the CDEM work. District Council LTP's and Annual Plans will have CDEM targets related more to community readiness and response activities, whereas the regional council role is regional co-ordination.

Key Changes from the Long Term Plan for 2015/25: None.

Levels of Service	Measure	Performance Target	Achievement
Maintain a Civil Defence Plan that delivers efficient and effective management of the region's civil defence functions in compliance with the legislation and is acceptable to West Coast community desires.	Civil Defence Plan always operative.	Compliance with statutory requirements for the preparation, review and implementation of the Group CDEM Plan.	Achieved: The Group Plan is in its final stages of review. It has been rewritten. It will go to the next CEG meeting then onto the Minister of Civil Defence for final review before adoption by the end of the year
	Number of trained staff.	Ensure at least 30 Council staff are trained as Emergency Operations Centre (EOC) personnel so that we have three shifts of EOC staff trained and exercised in case of a regional emergency.	Achieved: There are over 30 staff trained across council to work in the ECC. ECC personnel have attended regional and district refresher EOC and EMIS training this year. Some were involved in EOC activities during the Franz Josef declared emergency at Easter weekend at Westland District Council.

River, Drainage and Coastal Protection Works

Background

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 existing 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 Districts. 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.

The Council Rating Districts all have different levels of flood protection according to the history of the works and the affordability issues for the funding community. The following section sets out the levels of flood protection or 'levels of service' for each scheme.

The Council manages quarries to ensure security of supply of rock 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 few years the quarries have performed better than break-even.

Management plans have been prepared for each rock quarry. The speed of quarry development is driven by demand for rock, therefore the performance targets focus on the process for managing the quarries. There generally appears to be sufficient rock in the existing quarries to supply the anticipated level of maintenance or additions to existing protection works in the existing Rating Districts, however there are not always rock sources close by to the flood and river protection works that need repair or maintenance.

The cost of any additional quarries, or maintenance of existing ones, will be paid for either on a user pays basis, or based on quantities of rock used.

Key Changes from the Long Term Plan for 2015/25: None.

Levels of Service for Quarries	Measure	Performance Target	Achievement
Ensure efficient and effective management and safe operation of Council's quarries, delivering rock to any customers within ten working days with priority given to Council rating district customers.	Timing of delivering on rock requests.	Deliver on requests for rock within two weeks, and ensure sufficient stockpiled rock is available where practical.	Achieved. Development is undertaken progressively to ensure rock is available in all quarries.
	Number of site inspections to monitor contractor health and safety and performance.	Visit each active quarry site at least twice a year, when contractors are working the quarry (where possible), to ensure Health and Safety standards and other permit requirements are being adhered to.	Achieved: Visits are undertaken every time a contractor is working in the quarries.
Meet or exceed the flood protection, drainage or erosion protection levels as described in the 'levels of service – background' section above.	Completion of rating district works and annual consultation meetings.	Complete all rating district meetings, and perform all repair and maintenance works as agreed at those meetings.	Achieved. All inspections were undertaken before the 2015 Rating District meetings.
	Proportion of schemes performing to their agreed service level.	Monitor all rating district infrastructural assets to ensure they perform to the service level consistent with the Asset Management Plan of each Rating District, or whatever level the community has decided is an acceptable risk.	Achieved. Infrastructure is re-inspected following heavy rainfall events to ensure it will perform to agreed service levels.
	Meet timeframes for plan review	Review Rating District Asset Management Plans and update registers that were not reviewed or updated within the last 3 years.	Achieved. The plans were all reviewed and updated in 2014, and the infrastructure registers were updated in December 2015.

Vector Control Services Business Unit

Background

The VCS business unit was set up in December 2004 and is still developing. 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 a business unit enables Council's service delivery functions 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 also ensures the Council has suitably trained staff and equipment at short notice for emergency work.

A new initiative was implemented in 2012 is the developments of a new RMA contracting service which is expected to attract clients that require assistance with meeting their RMA responsibilities

Key Changes from the Long Term Plan for 2015/25: None.

Levels of Service	Measure	Performance Target	Achievement
To produce a financial surplus (to offset general rates) by tendering for, winning and delivering on vector control contracts.	Achieve or exceed budgeted financial return.	Tender for, and win, sufficient contracts to provide or exceed the annual budgeted return to Council.	Partially achieved: The final surplus of \$440,000 was 88% of the budgeted \$500,000.
To provide marine oil spill and terrestrial hazardous substance spill support, and biosecurity response services for the MNZ, MPI and the Regional Council.	Availability of trained staff.	Have staff available as a response unit for marine and terrestrial pollution spill events as per the MOU dated 11 November 2005.	Achieved.
	Availability of trained staff.	Have 4 staff plus a vehicle available for biosecurity emergencies, as per the National Biosecurity Capability Network agreement 2011.	Achieved: Staff and a vehicle are available to assist with a national biosecurity emergency.

Funding Impact Statements

Pursuant to the Local Government (Financial Reporting) Regulations 2011

Annual Plan 2014/15	Annual Report 2014/15		Annual Report 2015/16	Long Term Plan 2015/16
West Coast Regional Council Sources of Funding				
2,100,000	2117943	General Rates	2,152,453	4,644,210
60,000	42,533	Rates Penalties	2,142,000	4,581,525
2,161,136	2,110,825	Targeted Rates	57,841	604,233
104,600	129,910	Subsidies & Grants	60,000	1,042,718
4,973,461	4,880,943	Fees & Charges	1,825,307	0
0	1,189,585	Income from Investments	1,837,778	0
1,095,409	61,162	Fines, Infringement Fees & Other Receipts	221,100	9,505,144
10,494,606	10,532,901	Total Operating Funding (A)	90,500	9,754,521
Applications of Operating Funding				
8,749,883	10,270,918	Payments to staff and suppliers	9,385,490	8,690,173
370,650	351,002	Finance costs	333,239	298,471
		Other operating funding applications	0	
9,120,533	10,621,920	Total Applications of operating funding (B)	9,718,729	8,988,644
1,374,073	-89,019	Surplus (deficit) of Operating Funding (A) - (B)	-213,585	765,877
Sources of Capital Funding				
	635000	Subsidies and Grants	0	0
		Development and Financial Contributions	0	
-318,487	114,413	Increase (decrease) in debt	401,633	-365,993
111912	109,382	Gross Proceeds Sale assets	25,996	8,568
		Lump sum contributions	0	
-206,575	858,795	Total Sources of capital funding (C)	427,629	-357,425
Applications of capital funding				
	0	Capital expenditure-additional demand	0	
150,000	910,614	Capital expenditure-improved levels of service	144,470	0
310,000	435,491	Capital expenditure-replace existing assets	230,174	158,000
0	239,513	Increase (decrease) in investments	131,028	438,102
707,498	-815,842	Increase (decrease) in reserves	-291,628	-187,650
1,167,498	769,776	Total applications of capital funding (D)	214,044	408,452
-1,374,073	89,019	Surplus (Deficit) of Capital Funding (C) - (D)	213,585	-765,877
0	0	Funding Balance (A - B) + (C - D)	0	0

Annual Plan 2014/15	Annual Report 2014/15		Annual Report 2015/16	Long Term Plan 2015/16
		Governance		
		Sources of Funding		
305,570	190,800	General Rates	270,726	387,308
9,967	3,832	Rates Penalties	7,275	0
		Targeted Rates	106388	109000
		Subsidies & Grants		
		Fees & Charges	69242	
		Internal Charges & Overheads Recovered		
	107167	Fines, Infringement Fees & Other Receipts	0	573939
315,537	301,799	Total Operating Funding (A)	453,631	1,070,247
		Applications of Operating Funding		
367,277	365,414	Payments to staff and suppliers	759,097	642,563
	336	Finance costs	145,105	91339
37,198	29,886	Internal charges and overheads applied	28,252	33,617
		Other operating funding applications		
404,475	395,636	Total Applications of operating funding (B)	932,455	767,519
-88,938	-93,837	Surplus (deficit) of Operating Funding (A) - (B)	-478,824	302,728
		Sources of Capital Funding		
		Subsidies and Grants	0	
		Development and Financial Contributions	0	
	-1,232	Increase (decrease) in debt	608,175	-166859
	1,197	Gross Proceeds Sale assets	25,996	8568
		Lump sum contributions		
0	-35	Total Sources of capital funding (C)	634,171	-158291
		Applications of capital funding		
	170	Capital expenditure-additional demand		
	2,946	Capital expenditure-improved levels of service	58,658	
		Capital expenditure-replace existing assets	48,100	15000
-88,938	-96,988	Increase (decrease) in reserves	-82,439	-308,665
		Increase (decrease) in Investments	131,028	438,102
-88,938	-93,872	Total applications of capital funding (D)	155,347	144,437
88,938	93,837	Surplus (Deficit) of Capital Funding (C) - (D)	478,824	-302,728
0	0	Funding Balance (A - B) + (C - D)	0	0

Annual Plan 2014/15	Annual Report 2014/15		Annual Report 2015/16	Long Term Plan 2015/16
		Transport		
		Sources of Funding		
52,176	44,838	General Rates	46,801	51,771
1,702	900	Rates Penalties	1,258	0
	0	Targeted Rates	0	
104,600	86,662	Subsidies & Grants	74,105	90,500
		Fees & Charges	0	
		Internal Charges & Overheads Recovered	0	
		Fines, Infringement Fees & Other Receipts	21,721	21245
158,478	132,400	Total Operating Funding (A)	143,885	163516
		Applications of Operating Funding		
122,976	112,115	Payments to staff and suppliers	110,246	118,990
	708	Finance costs	0	
50,688	63,011	Internal charges and overheads applied	33,639	44,526
		Other operating funding applications	0	0
173,664	175,834	Total Applications of operating funding (B)	143,885	163516
-15,186	-43,434	Surplus (deficit) of Operating Funding (A) - (B)	0	0
		Sources of Capital Funding		
		Subsidies and Grants	0	
		Development and Financial Contributions	0	
	-2,597	Increase (decrease) in debt	0	
	2,523	Gross Proceeds Sale assets	0	
		Lump sum contributions	0	
0	-74	Total Sources of capital funding (C)	0	0
		Applications of capital funding		
		Capital expenditure-additional demand		
		Capital expenditure-improved levels of service	0	
	6,210	Capital expenditure-replace existing assets	0	
-15,186	-24,893	Increase (decrease) in reserves	0	0
-15,186	-18,683	Total applications of capital funding) (D)	0	0
15,186	18,609	Surplus (Deficit) of Capital Funding (C) - (D)	0	0
0	-24,825	Funding Balance (A - B) + (C - D)	0	0

Annual Plan 2014/15	Annual Report 2014/15		Annual Report 2015/16	Long Term Plan 2015/16
Resource Management				
Sources of Funding				
1,142,662	1,280,673	General Rates	1,197,713	1,130,565
37,272	25,719	Rates Penalties	32,185	0
	109,563	Targeted Rates	0	
	13,248	Subsidies & Grants	136,995	
1,144,000	532,807	Fees & Charges	1,006,160	1,418,550
	0	Internal Charges & Overheads Recovered	0	
	719,315	Fines, Infringement Fees & Other Receipts	461,025	367450
<u>2,323,934</u>	<u>2,681,325</u>	Total Operating Funding (A)	2,834,078	<u>2,916,565</u>
Applications of Operating Funding				
1,250,488	1,194,329	Payments to staff and suppliers	1,266,326	1,319,543
	57,099	Finance costs	0	
1,406,022	1,877,556	Internal charges and overheads applied	1,661,894	1,597,022
		Other operating funding applications	0	
<u>2,656,510</u>	<u>3,128,984</u>	Total Applications of operating funding (B)	2,928,220	<u>2,916,565</u>
-332,576	-447,659	Surplus (deficit) of Operating Funding (A) - (B)	-94,142	0
Sources of Capital Funding				
		Subsidies and Grants	0	
		Development and Financial Contributions	0	
	-137,396	Increase (decrease) in debt	0	
	75,205	Gross Proceeds Sale assets	0	
		Lump sum contributions	0	
<u>0</u>	<u>-62191</u>	Total Sources of capital funding (C)	0	<u>0</u>
Applications of capital funding				
		Capital expenditure-additional demand	0	
0	10,693	Capital expenditure-improved levels of service	0	0
0	185,056	Capital expenditure-replace existing assets	6,826	0
-332,576	-705,599	Increase (decrease) in reserves	-100,967	0
<u>-332,576</u>	<u>-509,850</u>	Total applications of capital funding) (D)	-94,142	<u>0</u>
332,576	447,659	Surplus (Deficit) of Capital Funding (C) - (D)	94,142	0
0	0	Funding Balance (A - B) + (C - D)	0	0

Annual Plan 2014/15	Annual Report 2014/15		Annual Report 2015/16	Long Term Plan 2015/16
		Hydrology & Floodwarning Services		
		Sources of Funding		
267,405	273,997	General Rates	363,120	341,738
8,722	5,502	Rates Penalties	9,758	0
		Targeted Rates	0	
		Subsidies & Grants	0	
		Fees & Charges	0	
		Internal Charges & Overheads Recovered	0	
	153896	Fines, Infringement Fees & Other Receipts	121,488	80083
<u>276,127</u>	<u>433,395</u>	Total Operating Funding (A)	494,365	<u>421,821</u>
		Applications of Operating Funding		
180,381	205,202	Payments to staff and suppliers	211,668	199,372
	3,272	Finance costs	0	
173,575	291,145	Internal charges and overheads applied	282,678	222,449
		Other operating funding applications	0	0
<u>353,956</u>	<u>499,619</u>	Total Applications of operating funding (B)	494,345	<u>421,821</u>
-77,829	-66,224	Surplus (deficit) of Operating Funding (A) - (B)	20	0
		Sources of Capital Funding		
		Subsidies and Grants		
		Development and Financial Contributions		
	-12,001	Increase (decrease) in debt	0	
	11,662	Gross Proceeds Sale assets	0	
		Lump sum contributions		
<u>0</u>	<u>-339</u>	Total Sources of capital funding (C)	0	<u>0</u>
		Applications of capital funding		
		Capital expenditure-additional demand		
		Capital expenditure-additional demand		
	1658	Capital expenditure-improved levels of service	0	
63,906	55,835	Capital expenditure-replace existing assets	61,283	60,000
-141,735	-124,056	Increase (decrease) in reserves	-61,263	-60,000
-77,829	-66,563	Total applications of capital funding) (D)	20	0
<u>77,829</u>	<u>66,224</u>	Surplus (Deficit) of Capital Funding (C) - (D)	-20	<u>0</u>
0	0	Funding Balance (A - B) + (C - D)	0	0

Annual Plan 2014/15	Annual Report 2014/15		Annual Report 2015/16	Long Term Plan 2015/16
		Emergency Management		
		Sources of Funding		
42,685	30,979	General Rates	28,386	7,104
1,392	622	Rates Penalties	763	0
53,000	200,567	Targeted Rates	226,651	226,000
0	30,000	Subsidies & Grants	10,000	0
18,000	33,758	Fees & Charges	10,736	16,000
0	0	Internal Charges & Overheads Recovered	0	
	17,400	Fines, Infringement Fees & Other Receipts	0	
115,077	313,326	Total Operating Funding (A)	276,536	249,104
		Applications of Operating Funding		
71,352	148,836	Payments to staff and suppliers	188,858	145,039
	1,830	Finance costs	0	
56,148	162,832	Internal charges and overheads applied	84,245	83,478
		Other operating funding applications	0	0
127,500	313,498	Total Applications of operating funding (B)	273,103	228,517
-12,423	-172	Surplus (deficit) of Operating Funding (A) - (B)	3,433	20,587
		Sources of Capital Funding		
		Subsidies and Grants		
		Development and Financial Contributions		
	-6,712	Increase (decrease) in debt	0	
	6,522	Gross Proceeds Sale assets	0	
		Lump sum contributions		
0	-190	Total Sources of capital funding (C)	0	0
		Applications of capital funding		
		Capital expenditure-additional demand		
	928	Capital expenditure-improved levels of service	0	
	16,049	Capital expenditure-replace existing assets	0	
-12,423	-17,339	Increase (decrease) in reserves	3,433	20,587
-12,423	-362	Total applications of capital funding (D)	3,433	20,587
12,423	172	Surplus (Deficit) of Capital Funding (C) - (D)	-3,433	-20,587
0	0	Funding Balance (A - B) + (C - D)	0	0

Annual Plan 2014/15	Annual Report 2014/15		Annual Report 2015/16	Long Term Plan 2015/16
River, Drainage & Coastal Protection				
Sources of Funding				
184,411	205,592	General Rates	245,707	283,514
6,015	4,129	Rates Penalties	6,603	0
934,394	1,140,439	Targeted Rates	1,095,188	1,102,778
	0	Subsidies & Grants	0	
289,600	193,948	Fees & Charges	571,230	299,000
		Internal Charges & Overheads Recovered	0	
	115,475	Fines, Infringement Fees & Other Receipts	0	
1,414,420	1,659,583	Total Operating Funding (A)	1,918,728	1,685,292
Applications of Operating Funding				
913,625	1,161,831	Payments to staff and suppliers	1,274,167	989,360
145,317	228,010	Finance costs	188,134	207,132
210,527	306,377	Internal charges and overheads applied	298,885	303,313
		Other operating funding applications		
1,269,469	1,696,218	Total Applications of operating funding (B)	1,761,186	1,499,805
144,951	-36,635	Surplus (deficit) of Operating Funding (A) - (B)	157,542	185,487
Sources of Capital Funding				
	635,000	Subsidies and Grants	0	
		Development and Financial Contributions		
-137,876	-255,270	Increase (decrease) in debt	-206,542	-199,134
	12,272	Gross Proceeds Sale assets	0	
		Lump sum contributions	0	
-137,876	392,002	Total Sources of capital funding (C)	-206,542	-199,134
Applications of capital funding				
	0	Capital expenditure-additional demand	0	
0	896,806	Capital expenditure-improved levels of service	78,261	
0	30,197	Capital expenditure-replace existing assets	2,666	
7,075	-571,636	Increase (decrease) in reserves	-129,927	-13,647
7,075	355,367	Total applications of capital funding (D)	-49,000	-13,647
-144,951	36,635	Surplus (Deficit) of Capital Funding (C) - (D)	-157,542	-185,487
0	0	Funding Balance (A - B) + (C - D)	0	0

Annual Plan 2014/15	Annual Report 2014/15		Annual Report 2015/16	Long Term Plan 2015/16
		Regional Share of Controls		
		Sources of Funding		
151,095	91,064	General Rates	0	
4,929	1,829	Rates Penalties	0	
675,000	660,256	Targeted Rates	397,080	400,000
		Subsidies & Grants		
		Fees & Charges		
		Internal Charges & Overheads Recovered		
	51,147	Fines, Infringement Fees & Other Receipts	0	
831,024	804,296	Total Operating Funding (A)	397,080	400,000
		Applications of Operating Funding		
857,443	759,181	Payments to staff and suppliers	725,741	725,741
		Finance costs		
		Internal charges and overheads applied		
		Other operating funding applications		
857,443	759,181	Total Applications of operating funding (B)	725,741	725,741
-26,419	45,115	Surplus (deficit) of Operating Funding (A) - (B)	-328,661	-325,741
		Sources of Capital Funding		
		Subsidies and Grants		
		Development and Financial Contributions		
		Increase (decrease) in debt		
		Gross Proceeds Sale assets		
		Lump sum contributions		
0	0	Total Sources of capital funding (C)	0	0
		Applications of capital funding		
		Capital expenditure-additional demand		
		Capital expenditure-improved levels of service		
		Capital expenditure-replace existing assets		
-26,419	45,115	Increase (decrease) in reserves	-328,661	-325,741
-26,419	45,115	Total applications of capital funding) (D)	-328,661	-325,741
26,419	-45,115	Surplus (Deficit) of Capital Funding (C) - (D)	328,661	325,741
0	0	Funding Balance (A - B) + (C - D)	0	0

Annual Plan 2014/15	Annual Report 2014/15		Annual Report 2015/16	Long Term Plan 2015/16
		Vector Control Services Business Unit		
		Sources of Funding		
		General Rates		
		Rates Penalties		
		Targeted Rates		
		Subsidies & Grants		
2,279,098	4,120,430	Fees & Charges	2,986,842	2,847,975
	61162	Internal Charges & Overheads Recovered		
		Fines, Infringement Fees & Other Receipts	0	
<u>2,279,098</u>	<u>4,181,592</u>	Total Operating Funding (A)	2,986,842	<u>2,847,975</u>
		Applications of Operating Funding		
1,623,284	3,493,201	Payments to staff and suppliers	2,359,794	2,165,159
	59,747	Finance costs	0	
100,000	100,000	Internal charges and overheads applied	100,000	100,000
		Other operating funding applications		
<u>1,723,284</u>	<u>3,652,948</u>	Total Applications of operating funding (B)	2,459,794	<u>2,265,159</u>
555,814	528,644	Surplus (deficit) of Operating Funding (A) - (B)	527,048	582,816
		Sources of Capital Funding		
		Subsidies and Grants		
		Development and Financial Contributions		
	529,622	Increase (decrease) in debt	0	
	0	Gross Proceeds Sale assets	0	
		Lump sum contributions		
<u>0</u>	<u>529,622</u>	Total Sources of capital funding (C)	0	<u>0</u>
		Applications of capital funding		
		Capital expenditure-additional demand		
		Capital expenditure-improved levels of service	7551	
30,962	139,198	Capital expenditure-replace existing assets	111,300	83,000
	239,513	Increase in Investments	0	
524,852	679,555	Increase (decrease) in reserves	408,197	499,816
<u>555,814</u>	<u>1,058,266</u>	Total applications of capital funding (D)	527,048	<u>582,816</u>
-555,814	-528,644	Surplus (Deficit) of Capital Funding (C) - (D)	-527,048	-582,816
<u>0</u>	<u>0</u>	Funding Balance (A - B) + (C - D)	0	<u>0</u>

Local Government (Financial Reporting and Prudence) Regulations 2014

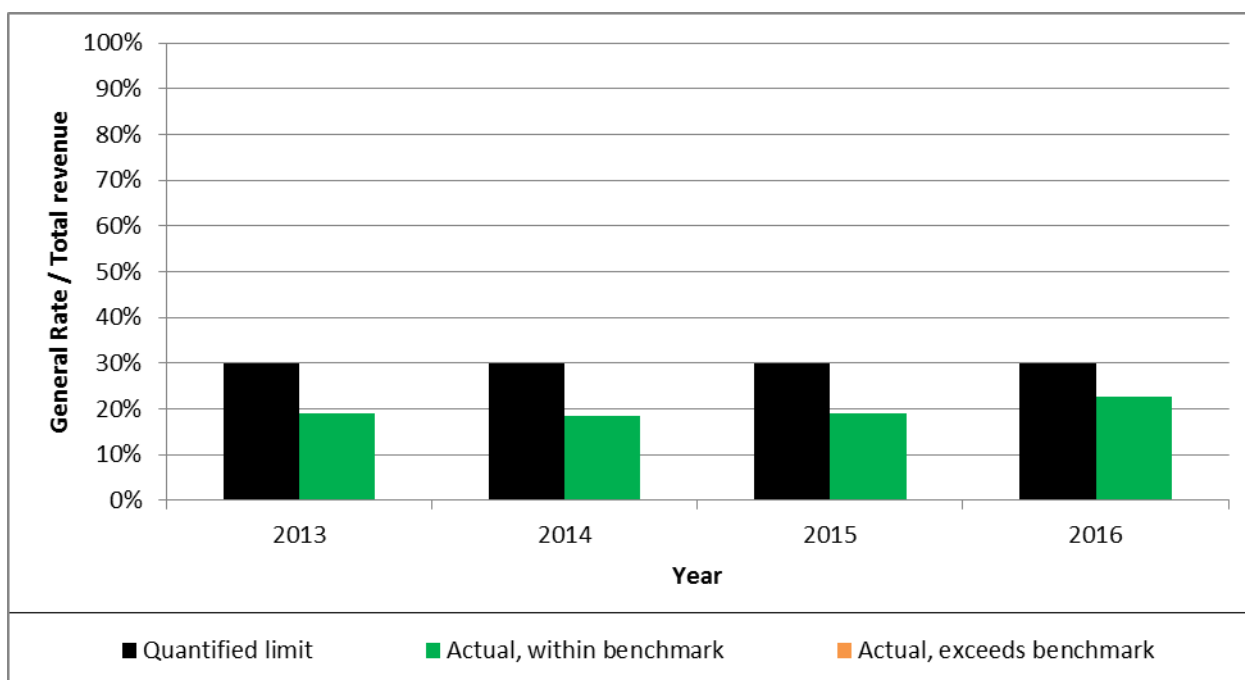
Council is required to include these statements in its Annual Report in accordance with these regulations.

RATES AFFORDABILITY BENCHMARKS

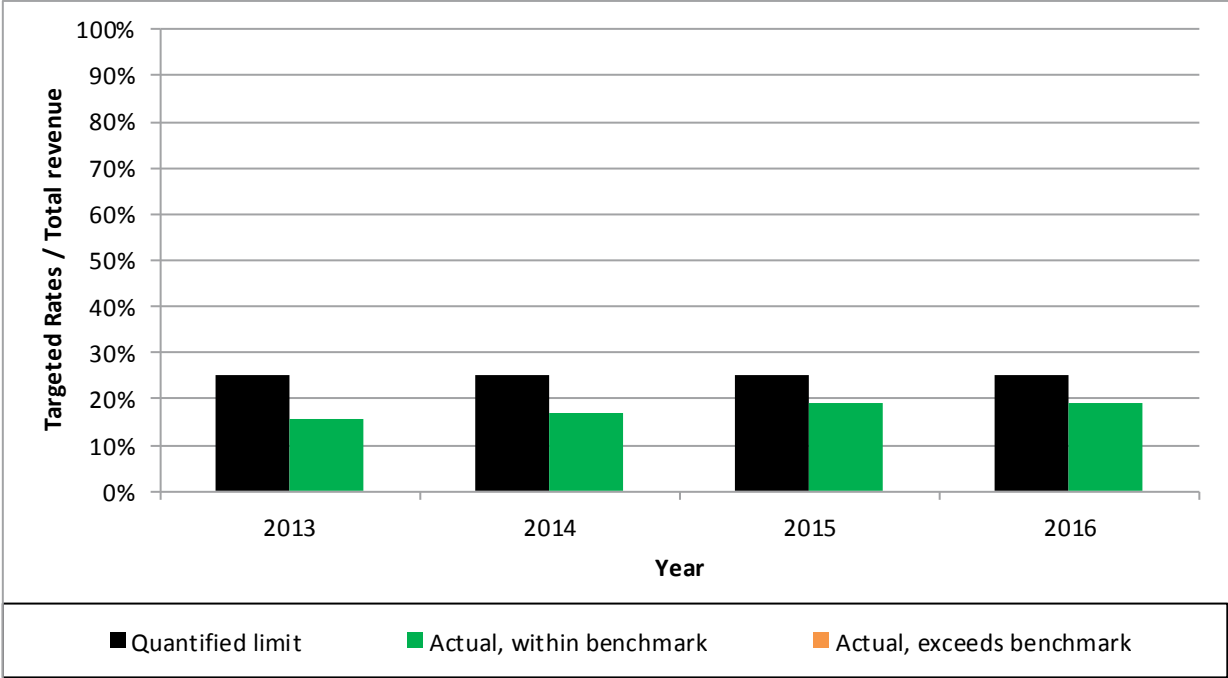
Council meets the various rates affordability benchmarks if its actual rates income is equal to or less than the quantified limit.

1. The first benchmark, (included by Council in the Financial Strategy contained in the 2015/25 Long Term Plan).

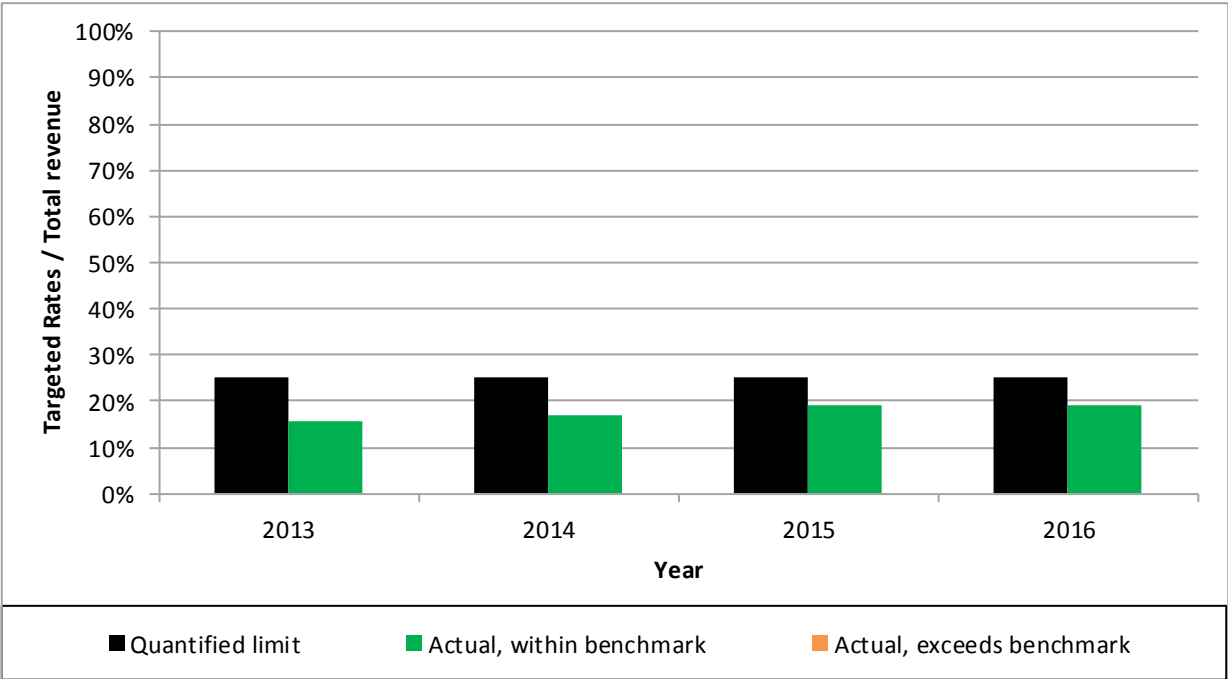
General Rates will not exceed 30% of Total Income



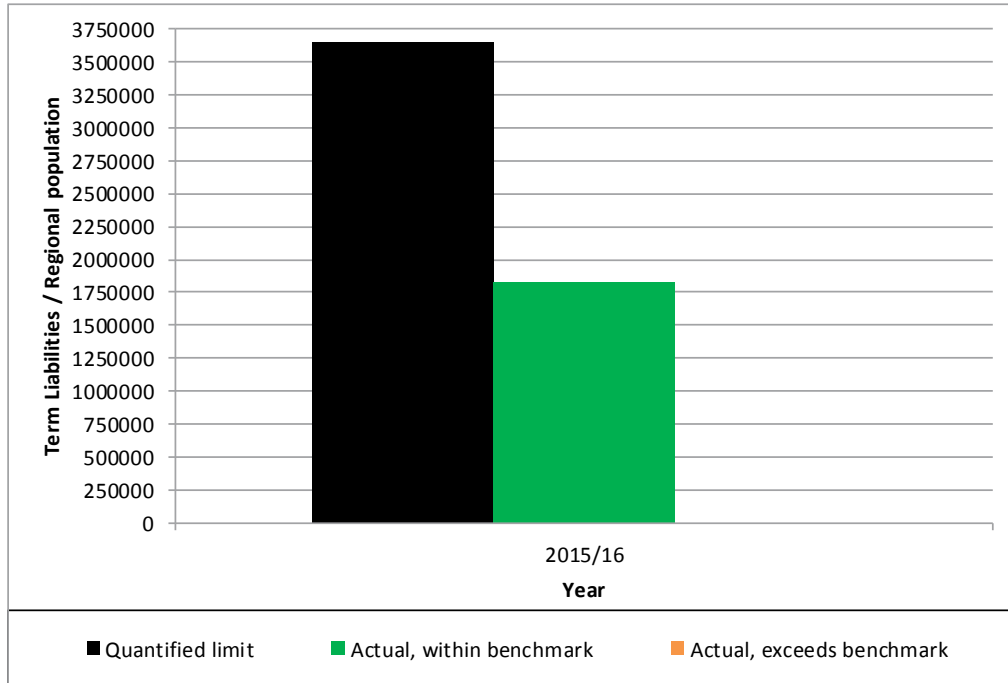
2. The second benchmark, (included by Council in the Financial Strategy contained in the 2015/25 Long Term Plan).
Targeted Rates will not exceed 25% of Total Income



3. The third benchmark, (included by Council in the Financial Strategy contained in the 2015/25 Long Term Plan).
The General Rate will not exceed the Business and Economic Research Ltd (BERL) “Other Inflation” cost index produced in 2015 (2015/16 baseline \$2,142,000 + index movements.)



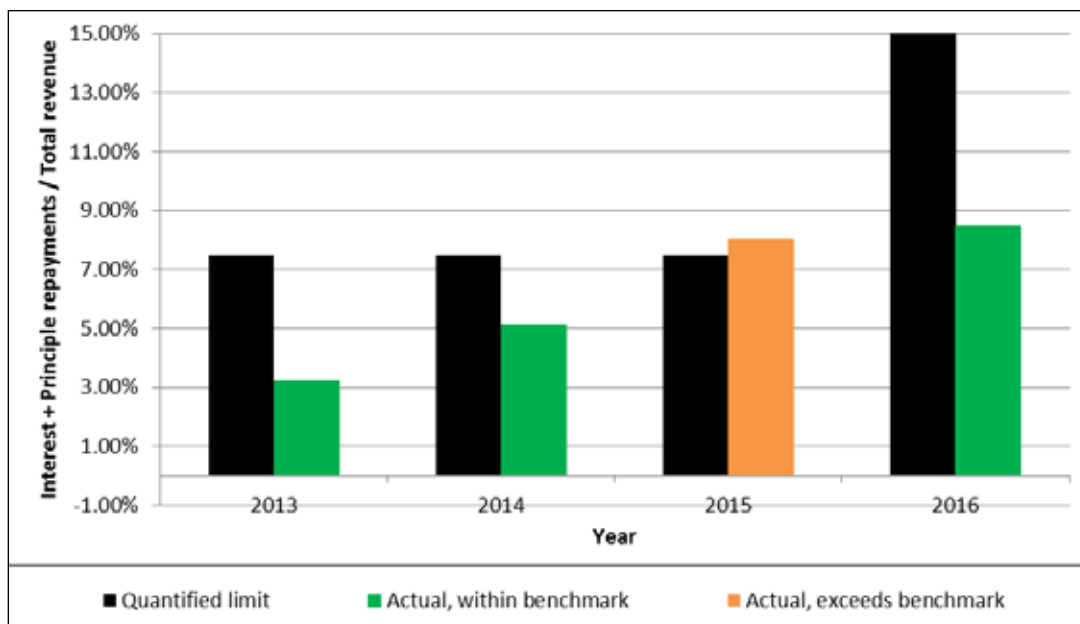
4. The fourth benchmark, (included by Council in the Financial Strategy contained in the 2015/25 Long Term Plan)
Targeted Rates will not exceed the 2015/16 baseline (\$1,835,000) + 100% over the 10 year term of the LTP.



Debt Affordability Benchmarks

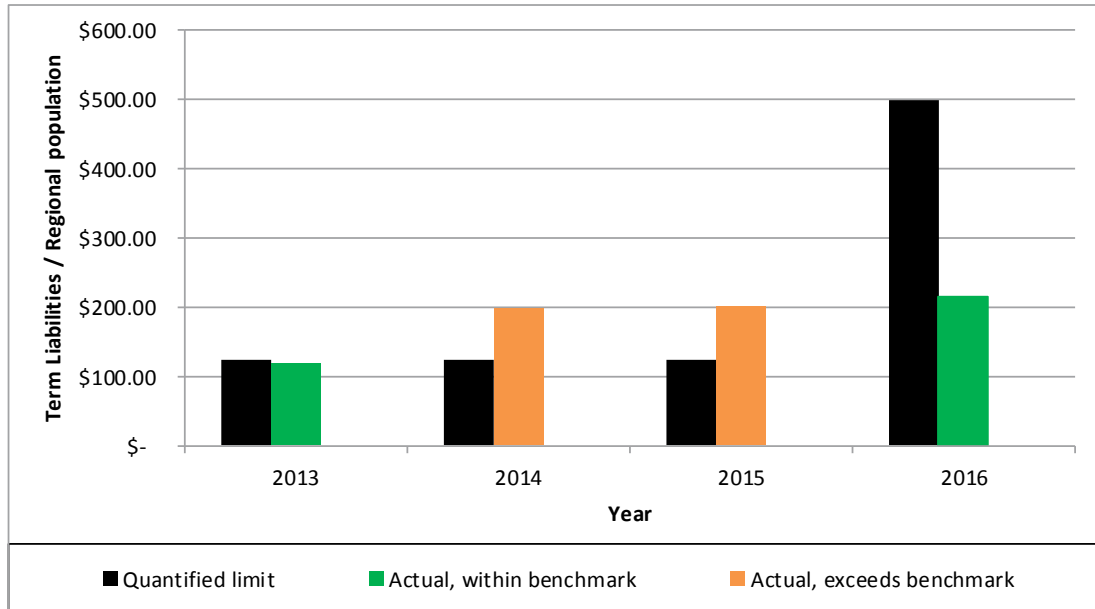
Council meets the various debt affordability benchmarks if its actual borrowing is within each quantified limit on borrowing.

1. The first benchmark, (included by Council in the Financial Strategy contained in the 2015/25 Long Term Plan).
Interest + Principle repayments do not exceed 15.00% of Total Revenue



2. The second benchmark, (included by Council in the Financial Strategy contained in the 2015/25 Long Term Plan).

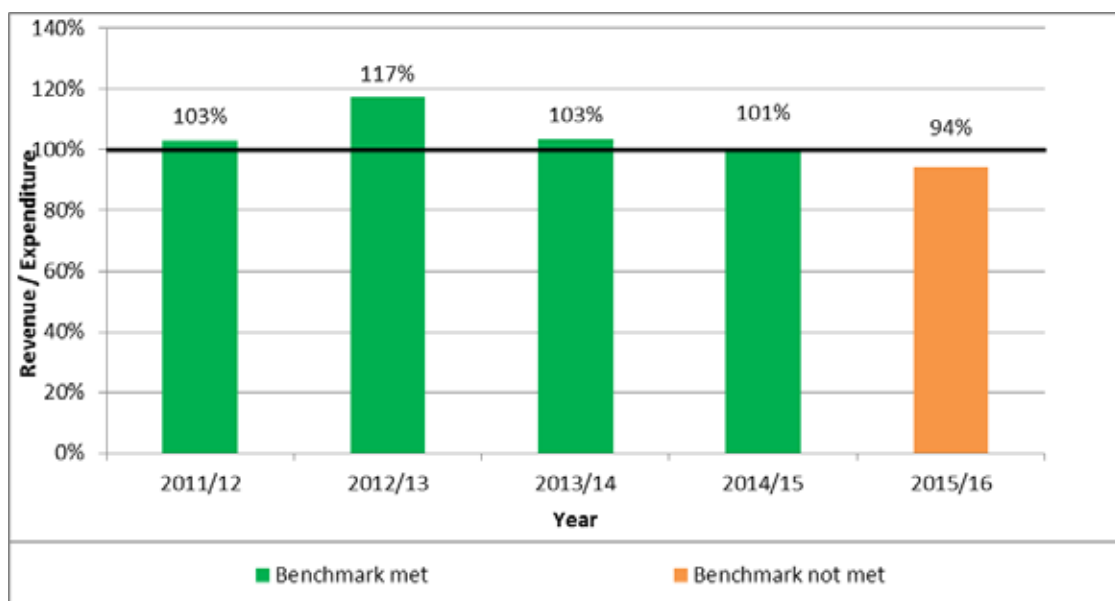
Term Liabilities will not exceed \$500 / head of regional population (32,900)



Mandatory Benchmarks as prescribed by the Regulations

Balanced Budget Benchmark

Council meets this benchmark if its revenues equal or exceed its operating expenses.



Essential Services Benchmark

Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services. Network services means infrastructure related to:

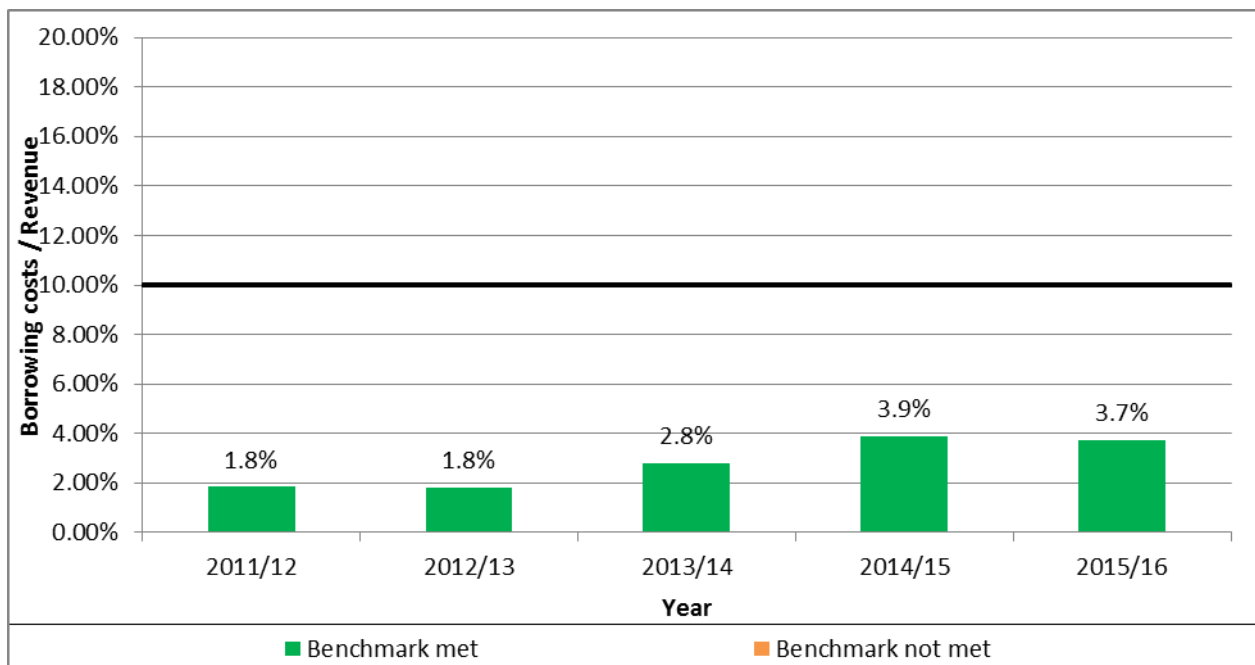
- (a) Water Supply;
- (b) Sewerage and the treatment and disposal of sewage;
- (c) Stormwater drainage;
- (d) Flood protection and control works; or
- (e) Provision of roads and footpaths.

Council’s only network services relate to flood protection and control works. Council does not provide any other network services. These network services are in the form of assets such as rock protection, stopbanks, seawalls etc. These assets are not subject to depreciation. Council’s capital expenditure on flood protection and control network assets will always be equal to or greater than the depreciation expense.

As there is no depreciation, the graph required by schedule 5 of the Local Government (Financial Reporting and Prudence) Regulations 2014 cannot be produced.

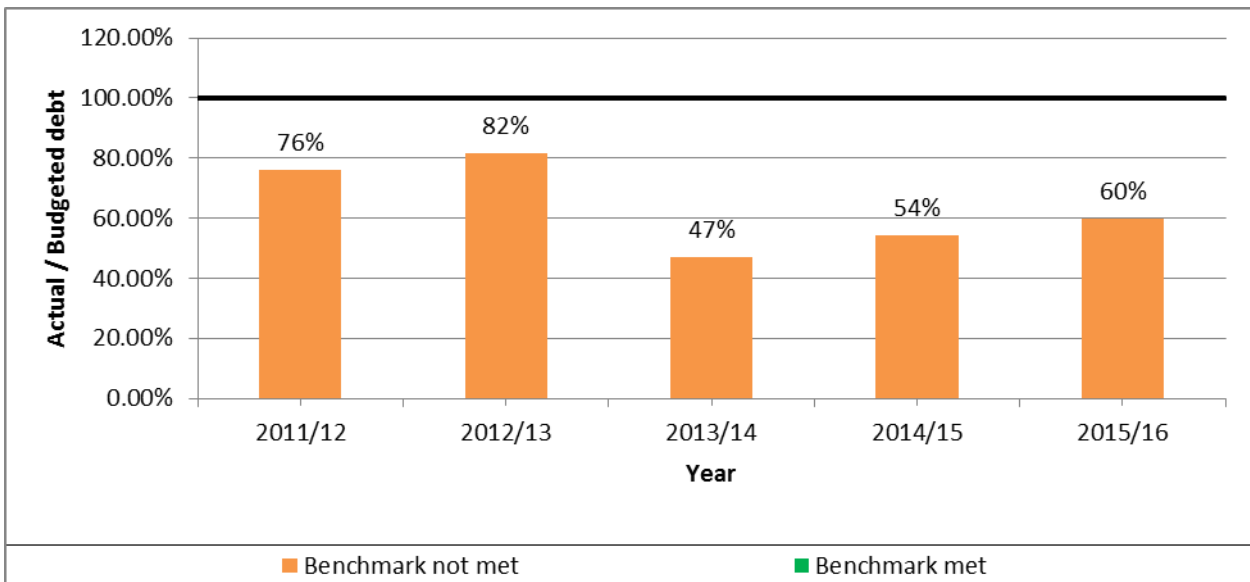
Debt Servicing Benchmark

Council meets this benchmark if its borrowing costs are equal to or less than 10% of its revenue (excluding development or financial contributions, vested assets, gains on derivative financial instruments, revaluations of property, plant & equipment).



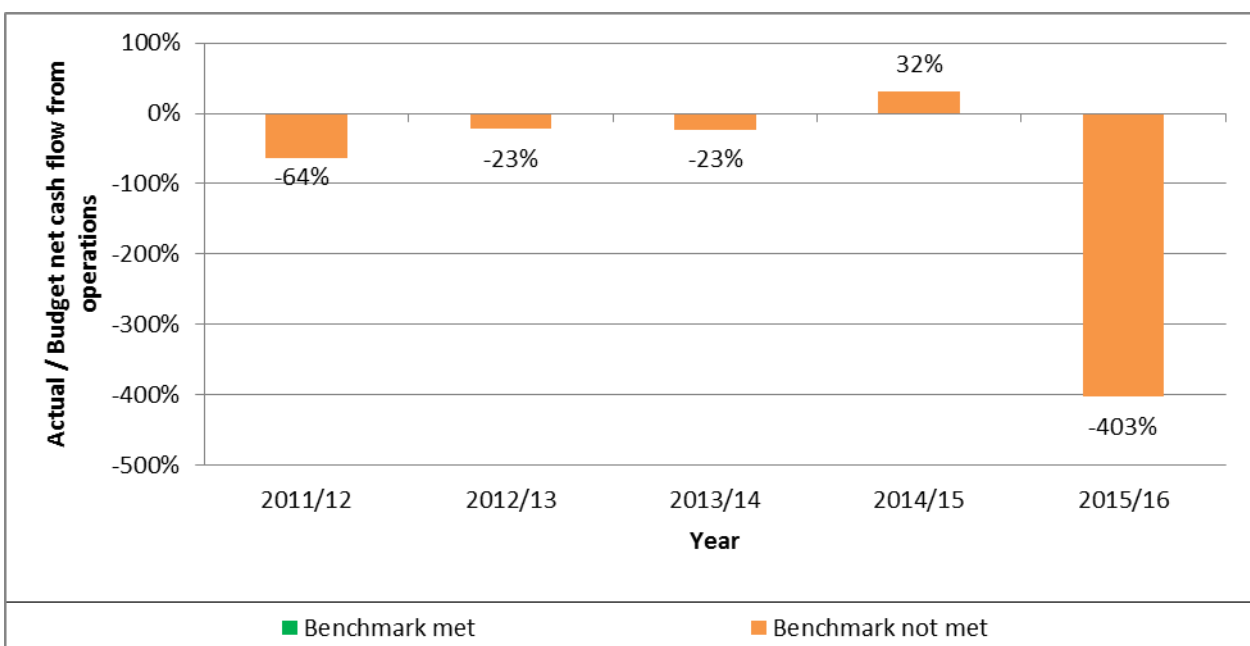
Debt Control Benchmark

Council budgets to have net assets (financial assets (excluding Trade & Other Receivables) exceeds its debt). Council meets this benchmark if its actual net financial assets are equal to, or is more than, its planned net assets.



Operations Control Benchmark

Council meets this benchmark if its actual net cash flow from operations for the year is equal to, or greater than, it's planned net cash flow from operations for the year.



Major Budget Variations

	2016 Actual	2016 Budget	Variance	Note	
Cost of Services					
Governance	419,022	423,128	\$ (4,106)	-1%	
Economic Development	144,490	150,000	\$ (5,510)	-4%	
Resource Management	3,067,502	3,057,270	\$ 10,232	0%	
Transport	146,543	167,110	\$ (20,567)	-12%	1
Hydrology and Floodwarning Services	562,027	505,695	\$ 56,322	11%	2
Emergency Management	291,322	252,512	\$ 38,810	15%	3
River, Drainage and Coastal Protection	1,796,513	1,525,135	\$ 271,378	18%	4
Regional Share of Vector Control	725,741	725,741	-	0%	
Vector Control Services Business Unit	2,546,578	2,347,975	\$ 198,603	8%	5
Other	395,359	201,156	\$ 194,203	97%	6
Land Valuation Impairment	287,000	0	\$ 287,000	0%	7
	10,382,097	9,355,722	\$ 739,375	8%	
Less Income					
Rates	4,035,600	4,039,778	\$ (4,178)	0%	
Other Revenues	604,234	1,076,532	\$ (472,298)	-44%	8
Fees and Charges	4,644,210	4,581,525	\$ 62,685	1%	
Subsidies and Grants	221,100	90,500	\$ 130,000	144%	9
	9,505,144	9,788,335	\$ (283,191)	-3%	
Net Surplus / (Deficit for year)	(876,953)	432,613			
Statement of Financial Position @ 30 June 2016					
Current Assets					
Total Current Assets	4,292,193	3,973,107	319086	8.0%	10
Non-Current Assets					
Property, Plant and Equipment	62,169,591	61,485,756	\$ 683,835	1.1%	
Intangible Assets	212,451	212,450	\$ 1	0.0%	
Loan Advances	511,640	584,522	\$ (72,882)	-12.5%	11
Investment Property	1,420,000	1,386,375	\$ 33,625	2.4%	12
Investment in Associate	825,482	700,000	\$ 125,482	17.9%	13
Investment in CCO	215,059	202,500	\$ 12,559	6.2%	14
Other Financial Assets	10,023,374	11,338,102	\$ (1,314,738)	-11.6%	15
Total Non-Current Assets	75,377,597	75,909,705	\$ (532,108)	-0.70%	
Total Assets	79,669,790	79,882,812			
Liabilities					
Current Liabilities					
	2,258,713	2,313,810	55097	2.4%	
Non-Current Liabilities					
	7,335,313	5,139,696	-219617	-42.7%	16
Total Liabilities	9,594,026	7,453,506			
Equity	70,075,764	72,429,306	2353542	3.2%	
Total Liabilities and Equity	79,669,790	79,882,812			

Note	Commentary																		
1	Transport expenditure was \$20,000 less than budgeted because Total Mobility administration costs were \$10,000 less than budgeted and Community Road Safety costs \$12,000 less than budgeted.																		
2	Hydrology & Flood-warning Services expenditure was \$56,000 more than budgeted as staff time charged to this cost centre exceeded that budgeted.																		
3	<p>Emergency Management expenditure exceeded budget by \$39,000 due to;</p> <p>(a) Unbudgeted "Youth in Emergency Management" costs of \$6,000. However these costs were funded by MCDEM subsidy.</p> <p>(b) Conference, travel & accommodation costs exceeded budget by \$18,000.</p> <p>(c) Staff time charged to exercises exceed budget by \$8,000</p> <p>(d) Total "Lifelines" costs exceeded budget by \$17,000. (Revenue recoveries from other organisations amounted to \$11,000).</p> <p>(e) Natural hazards expenditure was \$10,000 less than budgeted.</p>																		
4	<p>River, Drainage & Coastal Protection expenditure exceeded budget by \$271,000 due to;</p> <p>(a) Contract work requirements within rating Districts exceeded budget by \$127,000</p> <p>(b) Rating District Management costs less than budgeted by \$30,000.</p> <p>(c) Other cost centres less than budgeted by \$8,000</p> <p>(d) Quarry expenditure \$183,000 more than budgeted. However revenue was also commensurately higher.</p>																		
5	<p>VCS Business Unit exceeded budgeted expenditure by \$222,000.</p> <p>Total expenditure depends on contracts won which is difficult to accurately estimate in advance.</p>																		
6	<table border="0"> <tr> <td>Other expenditure includes</td> <td style="text-align: right;">actual</td> <td style="text-align: right;">budget</td> </tr> <tr> <td>Interest rate hedge negative movement</td> <td style="text-align: right;">21,000</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Warm West Coast interest cost</td> <td style="text-align: right;">30,000</td> <td style="text-align: right;">109,000</td> </tr> <tr> <td>Commercial property investment expenditure</td> <td style="text-align: right;">79,000</td> <td style="text-align: right;">92,000</td> </tr> <tr> <td>One off recruitment, legal and HR costs</td> <td style="text-align: right;">266,000</td> <td style="text-align: right;">0</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">396,000</td> <td style="text-align: right; border-top: 1px solid black;">201,000</td> </tr> </table>	Other expenditure includes	actual	budget	Interest rate hedge negative movement	21,000	0	Warm West Coast interest cost	30,000	109,000	Commercial property investment expenditure	79,000	92,000	One off recruitment, legal and HR costs	266,000	0		396,000	201,000
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	396,000	201,000																	

Note	Commentary																			
7	Land valuation impairment \$287,000. This was the unanticipated reduction of Council owned properties in excess of the balance of the Land Revaluation reserve of \$80,000.																			
8	Other revenue is below budget by \$472,000 mainly due to reduced investment portfolio returns.																			
9	Subsidies include \$137,000 of Ministry for the Environment funding for the Freshwater project. (The expenditure of an identical amount wasn't budget for either).																			
10	<p>Current assets of \$4,292 million exceeds budgeted amount of \$3,973 million due to;</p> <table data-bbox="292 779 1340 969"> <tr> <td>(a) Cash -\$248,000 compared to budgeted \$97,000</td> <td style="text-align: right;">-345000</td> </tr> <tr> <td>(b) Receivables \$1.871 million compared to budgeted \$1.6 million</td> <td style="text-align: right;">271000</td> </tr> <tr> <td>(c) Inventories \$730k million compared to budgeted \$700k</td> <td style="text-align: right;">30000</td> </tr> <tr> <td>(d) Other Financial Assets actual \$1.873 million compared to budgeted \$1.5 million</td> <td style="text-align: right;">373000</td> </tr> <tr> <td>(e) Loan advances \$10k less than budgeted</td> <td style="text-align: right;">-9000</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">320000</td> </tr> </table> <p>Council has had a tough year financially, with the downturn in economic activity also affecting Council finances. This tough year has impacted on Council cash resources.</p> <p>Receivables include amounts related to completed aerial contracts.</p> <p>Actual Financial assets of \$1.873 million exceeded the budgeted amount of \$1.5 million. This depends on the maturity date of various investments.</p>	(a) Cash -\$248,000 compared to budgeted \$97,000	-345000	(b) Receivables \$1.871 million compared to budgeted \$1.6 million	271000	(c) Inventories \$730k million compared to budgeted \$700k	30000	(d) Other Financial Assets actual \$1.873 million compared to budgeted \$1.5 million	373000	(e) Loan advances \$10k less than budgeted	-9000		320000							
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(e) Loan advances \$10k less than budgeted	-9000																			
	320000																			
11	Loan advances were \$72,000 less than budgeted @ 30 June due to early repayments by some property owners who participated in the scheme.																			
12	The annual revaluation of Council commercial property investment exceeded the amount budgeted.																			
13	Investment in associate of \$825,000 included share of accumulated profits and capital calls.																			
14	Investment in Council Controlled Organisation includes share of surpluses.																			
15	<p>Other Financial Assets actual \$10.023 million compared to budgeted \$11.338 million.</p> <table data-bbox="292 1664 938 1854"> <tr> <td></td> <td style="text-align: center;">actual</td> <td style="text-align: center;">budgeted</td> </tr> <tr> <td>included in C/Assets</td> <td style="text-align: right;">\$1,873,384</td> <td style="text-align: right;">\$1,500,000</td> </tr> <tr> <td>Incl Non-C/Assets</td> <td style="text-align: right; border-bottom: 1px solid black;">\$10,023,374</td> <td style="text-align: right; border-bottom: 1px solid black;">\$11,338,102</td> </tr> <tr> <td></td> <td style="text-align: right;">\$11,896,758</td> <td style="text-align: right;">\$12,838,102</td> </tr> <tr> <td></td> <td style="text-align: right;">\$941,344</td> <td style="text-align: center;">Variance</td> </tr> </table> <p>Contributing factors included;</p> <table data-bbox="292 1910 938 1977"> <tr> <td>(a) Investment income shortfall</td> <td style="text-align: right;">\$528,000</td> </tr> <tr> <td>(b) Unbudgeted portfolio withdrawals</td> <td style="text-align: right;">\$200,000</td> </tr> </table>		actual	budgeted	included in C/Assets	\$1,873,384	\$1,500,000	Incl Non-C/Assets	\$10,023,374	\$11,338,102		\$11,896,758	\$12,838,102		\$941,344	Variance	(a) Investment income shortfall	\$528,000	(b) Unbudgeted portfolio withdrawals	\$200,000
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Note	Commentary
16	Non-Current Liabilities actual \$7.335 million compared to budgeted \$5.139 million. Borrowings of \$7.052 million actual compared to \$5.069 budgeted reflects the difficult past couple of financial years where Council had expected to pay down short term borrowing but was unable to due cash pressures.



Cover photo: Lake Brunner

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**THE WEST COAST
REGIONAL COUNCIL**