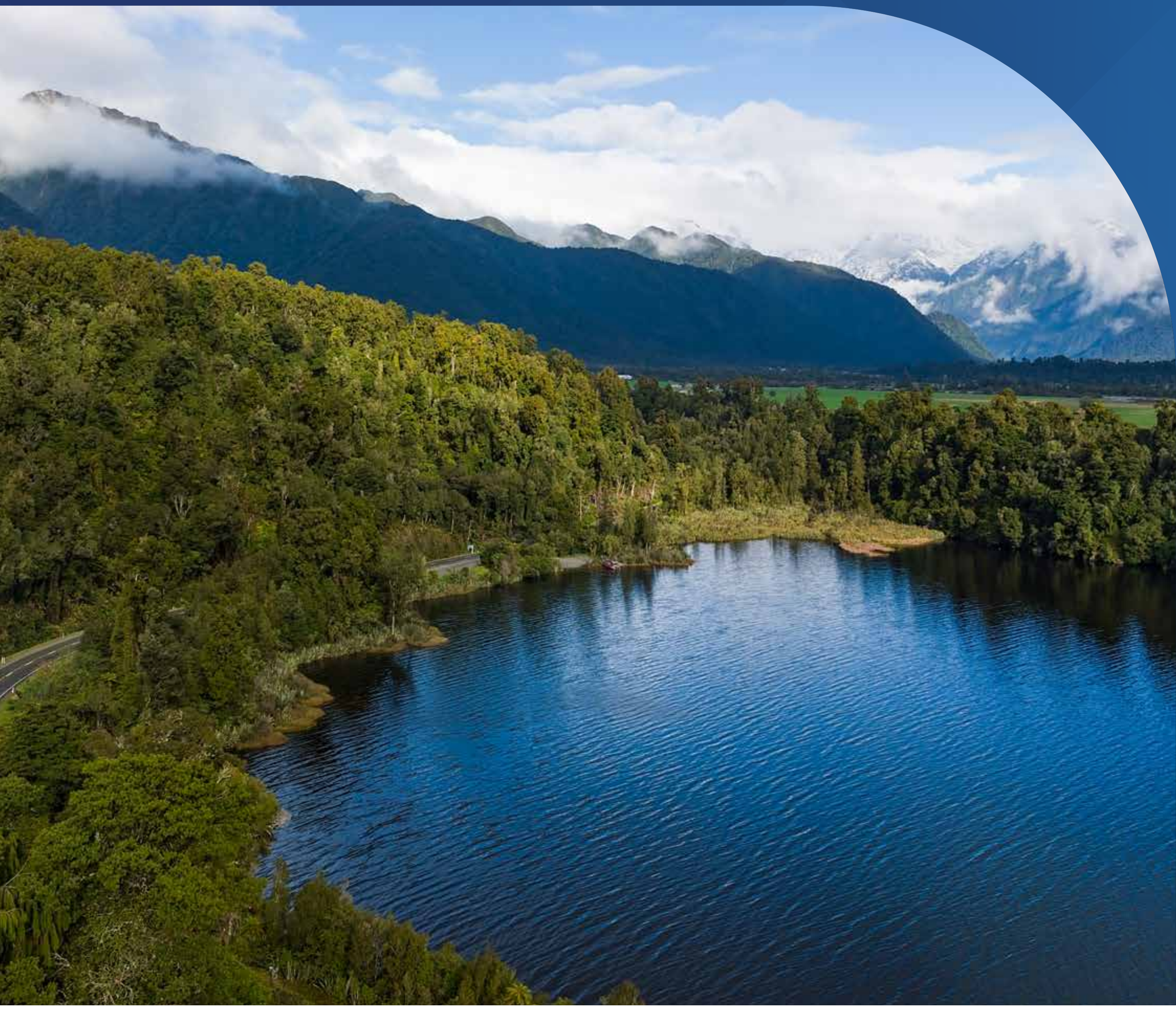
West Coast Regional Council

Draft Long-term Plan 2024-34



WEST COAST REGIONAL COUNCIL

wcrc.govt.nz

Contents

Foreword

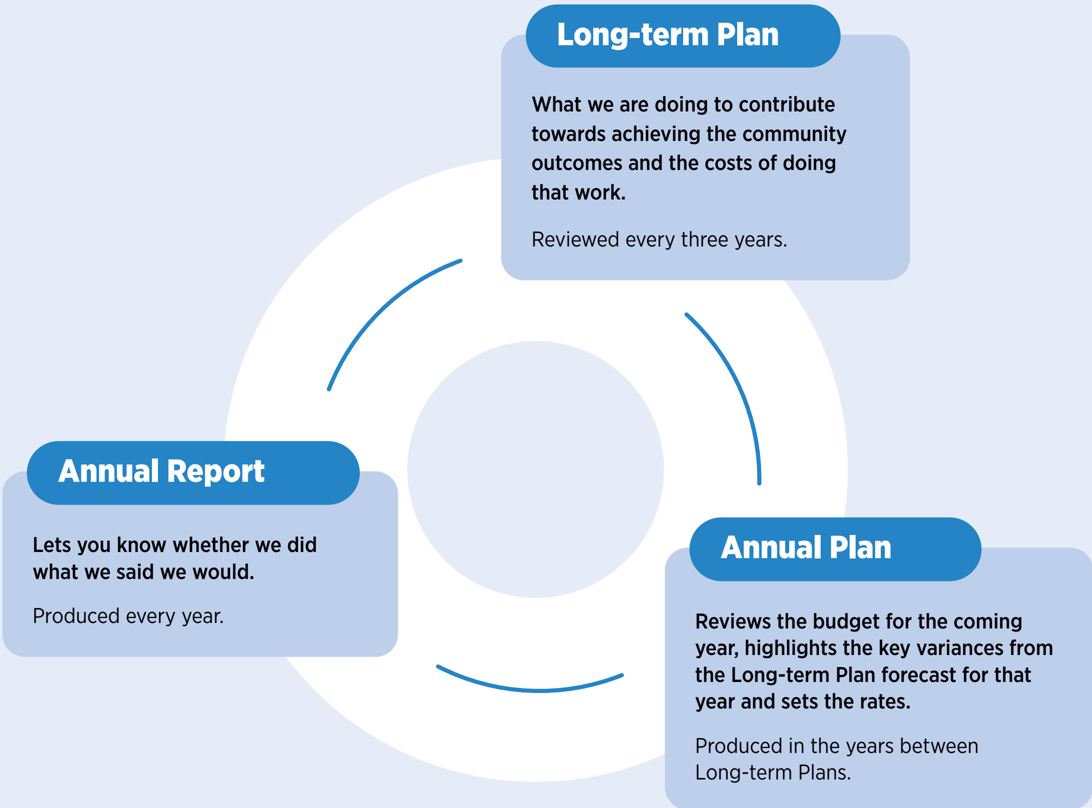
Part 1

Introduction and Overview

Introduction

As the Regional Council for Te Tai Poutini – the West Coast region – the West Coast Regional Council is responsible for managing the natural resources of the region.

This includes regional planning, consenting and compliance activities to manage land use, water, soil, air quality and the coastal environment. Council also responds to pollution events and takes an active role in minimising risks from natural hazards and supporting communities with the provision of flood and erosion protection. Biodiversity and pest management, as well as providing access to targeted public transport, are also roles undertaken by the organisation.



About this Long-term Plan

Council's role and purpose is determined by central government legislation and policy. The purpose of local government is to promote the social, economic, environmental and cultural wellbeing of the communities we serve.

The long-term plan is a statutory document that describes the community outcomes Council will aim to achieve and the activities it will fund and undertake to achieve those outcomes over a 10-year period. Long-term plans are reviewed and adopted every three years. An annual plan is prepared in the years between a long-term plan. An annual plan sets the budget and sources of funding for that year and highlights any variance from the long-term plan. An annual report is produced at the end of each financial year, documenting actual financial and service performance against targets.

About West Coast Regional Council

The West Coast Regional Council has seven representatives elected by the community through local body elections every three years.

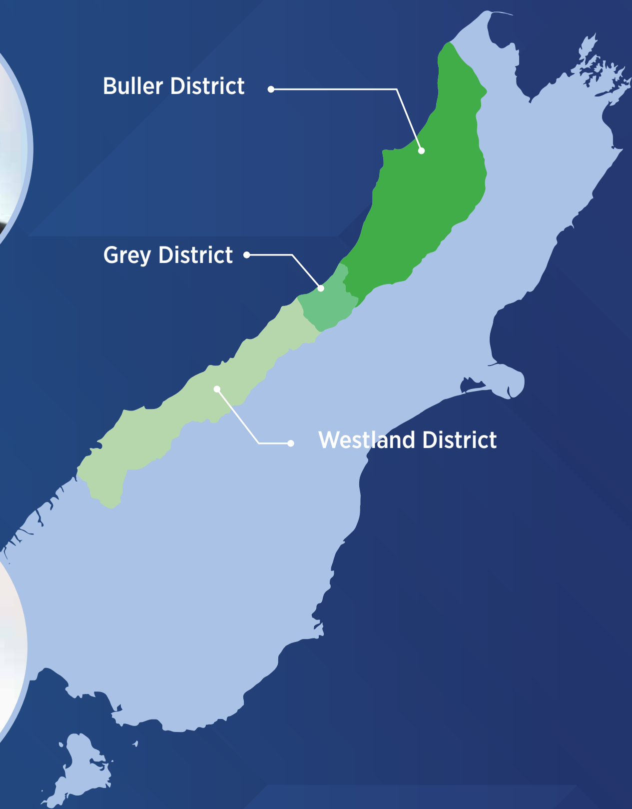
Peter Haddock
Chair
WESTLAND

Brett Cummings
Deputy Chair
GREY

Frank Dooley
Councillor
BULLER

Mark McIntyre
Councillor
BULLER

Allan Birchfield
Councillor
GREY



Peter Ewen
Councillor
GREY

Andy Campbell
Councillor
WESTLAND

Committee Structure

Council and committee meetings are open to the public, except where items of business exclude the public for specific reasons. Meeting dates and time are published in the local West Coast newspapers and on the Regional Council's website www.wcrc.govt.nz.

Committees

- Resource Management Committee
- Risk and Assurance Committee
- Te Tai o Poutini Plan Committee
- West Coast Civil Defence Emergency Management Joint Committee
- Regional Transport Committee
- Infrastructure Governance Committee
- Franz Josef Joint Committee
- Hokitika Joint Seawall Committee
- Greymouth Floodwall Joint Committee
- Westport Rating District Joint Committee

Our Vision, Mission and Values

Our Vision

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

Our Mission

Working with communities to live within our hazardscape while:

- Delivering on our statutory obligations
- Facilitating prudent financial management
- Leveraging funding by building partnerships to maximise sustainable value
- Valuing and developing our people
- Providing effective and efficient services

Our Values

At a governance level, Council has adopted the following values:

Community first

We make decisions, and measure outcomes, based on how well they serve our community

Acting with integrity

We do what's right, not what is easy, using good judgement, responsible actions and honest relationships

Valuing each other

Empowering/enabling/supporting each other to grow and succeed by valuing everyone and treating them with dignity and professionalism

Leading the way

Achieving positive change for our organisation, our communities and our region by being proactive and performing to the highest standards

Own it

We take responsibility for what we say and do; owning the things that go well, and those that don't by delivering on our promises and being accountable.

The West Coast

Fairly isolated from the rest of the country, the West Coast is also New Zealand's most sparsely populated region.

Stretching some 600km from Kahurangi Point in the north to Awarua Point in the south, wedged between the Tasman Sea and the Southern Alps, the natural environment and topography are key influencers of both the economy and the way in which Coaster's live in the region.

Tai Poutini West Coast is known for its rugged coastline, high mountains, forests, rivers, lagoons and karst systems. Many people choose to work, live and play in the region because of this 'untamed natural wilderness'. Approximately one quarter of all conservation lands in New Zealand can be found on the West Coast, and combined with that administered by Land Information New Zealand, comprises nearly 86% of the region.

Compared with other regions, the West Coast has abundant water. With yearly rainfall totals averaging between 1,775mm and 11,275mm, the West Coast is the wettest region in New Zealand which contributes to much of the scenery for which the region is renowned for. The region's water resources not only support a wide variety of ecosystems but also provide a range of benefits that support agriculture, industry, tourism and the health and wellbeing or people and communities. In general, water quality throughout the region is good with some small pockets impacted by industry.

In many places indigenous ecosystems and habitats extend unbroken from the mountains to the sea with a significant amount of intact natural diversity remaining compared to other regions. The West Coast has the greatest extent of freshwater wetlands remaining in New Zealand. These areas, along with a number of culturally and ecologically important estuaries and coastal lagoon areas, provide habitat for a diverse range of plants and animals.

Council manages flood defences and river and coastal erosion structures which provide protection for nearly 75% of ratepayers across the region. This is one of the highest ratepayer to protection ratios in New Zealand, indicative of the West Coast landscape of rivers and floodplains. There is no indication that the significant focus on the provision of these services on behalf of the region's rating districts will reduce over time, instead they are likely to increase as the ongoing effects of climate change and sea level rise are realised.

People

The West Coast is the country's fifth largest region by land area, but the smallest by population size. Outside of the main towns of Westport, Reefton, Greymouth and Hokitika, its resident population of 32,900 is spread across smaller settlements and rural communities.

Population figures for the region remain relatively static with no major population growth forecasted for the future. Although, with house prices increasing and a housing shortage being experienced throughout New Zealand, more people may consider purchasing in regions where prices are more affordable.

In 2023, 60.1% of the population was of working age (15-64), significantly lower than the national proportion of 64.9%. The region also has a slightly lower proportion of young people (0-14) and a significantly higher proportion of people 65 years and older.

Rateable Land

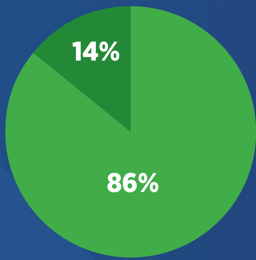
West Coast region area size

2.277MHa

Public conservation land

1.912MHa

Containing approximately **one quarter** of New Zealand's protected land



Administered by Department of Conservation and LINZ

Private (rateable) land

Ratepayers

Ratepayers who contribute to our work programmes

22,678

Ratepayers who receive **flood** and **erosion protection**

75%

A highly productive region

GDP contribution per job

$142,565

New Zealand **$132,815**

Key Economic Drivers (GDP contribution)

Agriculture, forestry and fishing

$319.6m

Minerals

$183.3m

Tourism

$136.1m

Employment

Average income

$90,150

Self-employed

18.6%

New Zealand **16.2%**

Unemployment

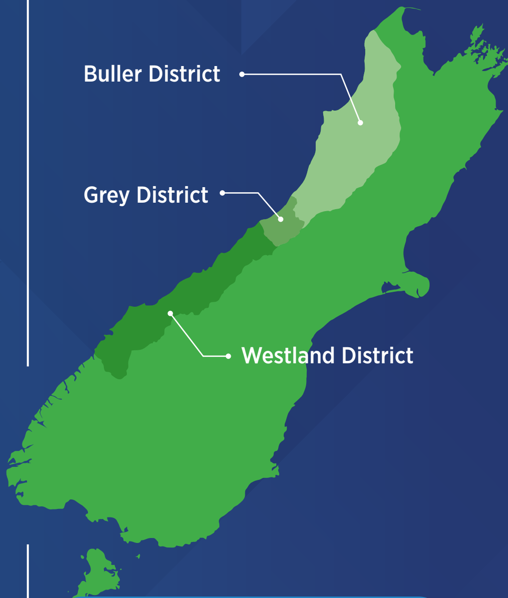
3.2%

Population

32,900

Compared to **31,500** in 2004

Districts



Coastline

The coastline extends approximately

600km

with jurisdiction extending **12 nautical miles** out to sea

Rūnanga

Te Rūnanga o Ngāti Waewae and Te Rūnanga o Makaawhio

are the kaitiaki (guardians) of the West Coast region

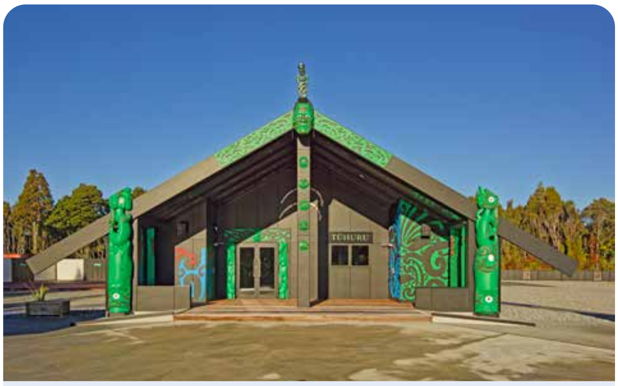
Rainfall

Mean average rainfall in the region ranges

1,775mm to 11,275mm

Mana whenua

There are two rūnanga who are the kaitiaki (guardians) of the West Coast region. These are:



Te Rūnanga o Ngāti Waewae is the mandated representative body of Ngāti Waewae, a hapū of Ngāi Tahu. Their takiwā is centred on Arahura and Hokitika and extends from the north bank of the Pouerua River to Kahurangi and inland to the main divide. Ngāti Waewae shares the area between Hokitika and Pouerua with Ngāti Māhaki. Te Rūnanga o Ngāti Waewae is based at Arahura Marae, where the whare tipuna (meeting house) is Tuhuru, named after a great fighting chief of Poutini Ngāi Tahu.

Te Rūnanga o Makaawhio is the mandated representative body of Ngāti Māhaki ki Makaawhio, a hapū of Ngāi Tahu. Their takiwā is centred at Makaawhio (Jacobs River) and Mahitahi (Bruce Bay) and extends from the south bank of the Hokitika River to Piopiotahi and inland to the main divide. Ngāti Māhaki share the area between Pouerua and Hokitika with Ngāti Waewae. Te Rūnanga o Makaawhio is based at Te Tauraka Waka a Māui Marae, where the whare tipuna is Kaipo, named after an ancestor of all Poutini Ngāi Tahu.

Economy

A notable feature of the West Coast economy is its reliance on the region's natural and physical resources for its social and economic wellbeing. Primary industries accounted for 21.2% share of total GDP for 2022 compared with 5.8% in the national economy. Goods-producing industries accounted for the largest proportion of GDP (27.7%) which produce manufactured and other processed goods (including dairy products, meat and meat products, fish processing).

GDP on the West Coast measured $2,373 million in the year to March 2022, up 6.% from a year earlier. In comparison, New Zealand's GDP increased by 5.3% over the same period. The West Coast accounted for 0.7% of national GDP in 2022.

Two industries on the West Coast have been identified as having a comparative advantage due to their natural endowments, location and skills of labour force etc. These are mining and dairy farming.

The region is seeing the return of international visitors, particularly to Westland, following the downturn from Covid. This visitation is driven by the West Coast's mountains, lakes, forests and coastal areas and the experience opportunities within these areas. The tourism industry contributed $136m towards GDP in 2022 contributing 5.7% of the region's economic output for 2022. Pre-covid this figure was $186m.

The average household income for the West Coast was $91,333 in 2023 which was lower than the national average of $125,177.

Strategic direction

Council's strategic direction is driven by the challenges ahead, and the priorities of the organisation.

The choices made in the past on where communities become established and do business have made them susceptible to the impacts of natural hazards.

There is a need to adapt, or defend as required, to build resilience and to protect the economic, social and cultural well-being of communities. Decisions must be affordable and take a long-term perspective with communities having a clear understanding of the risks they are living with. The greater awareness of natural hazards by communities is leading to higher expectations placed on local government for the provision of structural protection and better emergency response and recovery.

Roles and responsibilities for Council are primarily determined by central government policy and legislation.

Challenges

Increasing intensity, and impact of natural hazards, including climate change	**Continual Central Government legislative change**	**Resourcing (funding and staffing) the work ahead of us**

Our Priorities

Working with our communities to build resilience and adapt to living within our hazardscape.	Delivering on our statutory requirements and the levels of service expected by our community.	Building a solid foundation for Council in the delivery of its work programmes including capacity, capability and support services.

How we intend to deliver on these

- Capital works programme, Rating District investment and maintenance are undertaken in a way that is affordable with a long term perspective.
- Growing the capacity and capability within communities, Council and partner organisations to respond to and recover from emergencies.

- Working in partnership with Poutini Ngāi Tahu to deliver positive outcomes for the region.
- Reviewing legislative requirements and taking a practical approach in prioritising what we do.

- Leveraging co-investment opportunities to supplement ratepayer funding.
- Adopting a mixed approach to funding to spread the costs and reduce the impact on our ratepayers through targeted rates and 'user pays' fees ensuring those who receive benefits for an asset or service pay for that outcome.
- Directing our resources to the areas of greatest need and benefit.
- Leading West Coast local government to adopt a greater level of shared services.

The change in government will result in a change of focus for local government. However, it is likely that Councils will continue to face significant legislative challenges over time. The extent of change is not yet fully known, but it will shape the Council's work programmes in meeting the region's natural resource management responsibilities. The incorporation of these changes into our stewardship of the natural environment must be undertaken in a pragmatic manner so that economic development opportunities can still be realised. We are seeking the support of our iwi partners on this journey as there is great strength found in standing together, ensuring that our priorities for a positive and sustainable future are aligned.

Along with the rest of the country, Council is being called upon to do more, do it better and do it faster. Looking to the future, work programmes must be targeted, delivering on the ground results and achieving the best outcomes for regional ratepayers and West Coast communities. Council will need to build a solid foundation to deliver on the levels of service committed to.

There will be tough decisions to make as the quantum of work ahead of Council must be adequately resourced and funded. Some of this work will be driven through Central Government direction, potentially resulting in the loss of regional decision-making, while other activities will be at the request of our community. However, there are opportunities ahead of Council to capture efficiencies for local government across the region through adoption of a shared services model for various functions.

Highlights from the last Long-term Plan

2021 – 2022

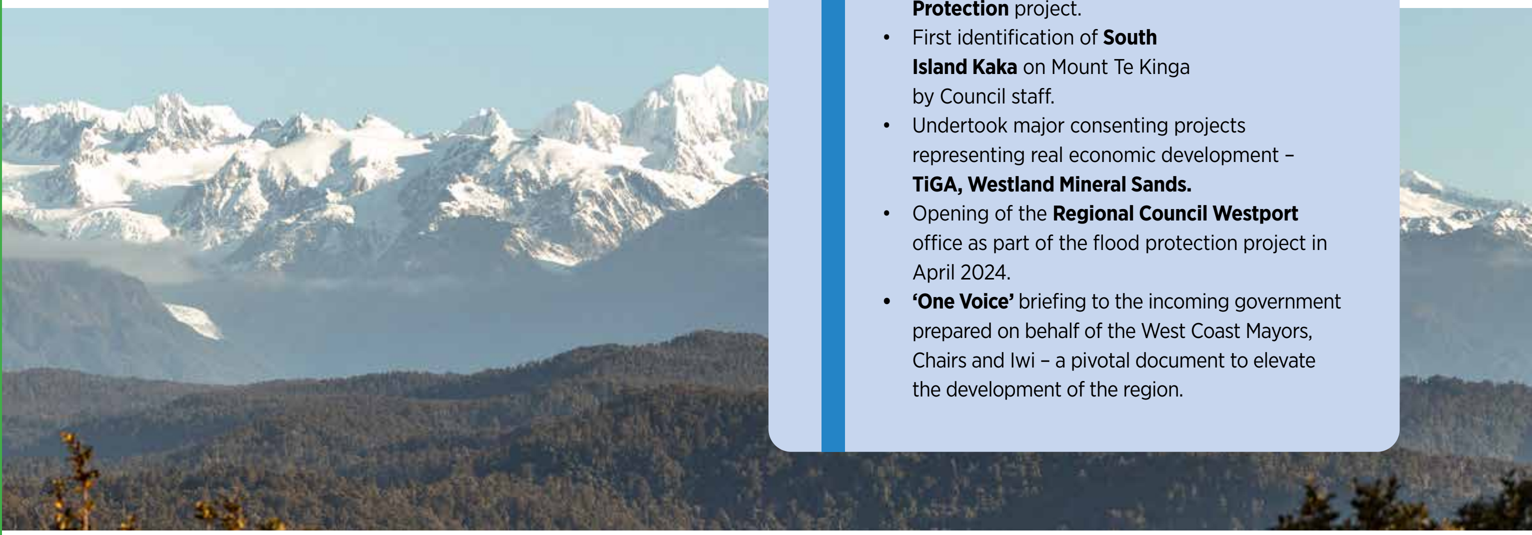
- **Kawatiri Business Case** submitted to Minister the Minister of Local Government seeking co-investment for Westport resilience projects.
- Notification of the Proposed **Te Tai o Poutini Plan** (combined district plan for the West Coast).
- Final piece of the Buller River flood monitoring system installed and commissioned.

2022 – 2023

- Operational **evacuation plan** completed for Westport.
- Completion of the **Kawatiri Scour** and **Organs Island** emergency protection works.
- Council's partnership with **Poutini Ngāi Tahu** formally recognised – awarded the Best Practice Award in Consultation and Participation Strategies by the NZ Planning Institute for the Mana Whakahono ā Rohe Arrangement.
- Confirmation of the presence of **Great Spotted Kiwi** on Mount Te Kinga.

2023 – 2024

- **Waiho River** Management Strategy.
- Increasing capability and capacity of **staff resources**.
- Commencement of the **Westport Flood Protection** project.
- First identification of **South Island Kaka** on Mount Te Kinga by Council staff.
- Undertook major consenting projects representing real economic development – **TiGA, Westland Mineral Sands.**
- Opening of the **Regional Council Westport** office as part of the flood protection project in April 2024.
- **'One Voice'** briefing to the incoming government prepared on behalf of the West Coast Mayors, Chairs and Iwi – a pivotal document to elevate the development of the region.



Opportunities and Challenges

General

Resourcing

The West Coast Regional Council is the smallest of the regional councils yet must deliver the same services and functions as the other regions of New Zealand. Resourcing is therefore one of our biggest challenges. We prioritise our resource management efforts in areas where the greatest resource pressures occur and in specific areas as directed by central government policy.

A region spanning 600km, equivalent to the distance between Auckland and Wellington, provides challenges in the way Council efficiently and effectively undertakes its roles and responsibilities, but also presents opportunities to adopt new technology and processes. Underinvestment in the past has meant that Council's systems and processes are under pressure to perform as required and are not delivering on customer expectations.

Recruitment of suitably qualified staff is an issue hampering organisations across the West Coast. This is compounded by a chronic housing shortage for when staff are recruited from outside of the region.

Potential future funding support

With a new Government in place, there may be opportunity to seek funding support for various Council initiatives. It is unclear as to the nature of these initiatives during the drafting of this Long-term Plan, therefore any co-funding support required from the community will need to be consulted on in due course, either as part of a special consultative procedure or future Annual Plan.

Climate change and natural hazards

The need to understand and address the increasing impact of climate change on communities is growing. While we can't predict earthquakes, scientific research indicates there is a 75% probability of an Alpine Fault earthquake occurring in the next 50 years, and there is a 4 out of 5 chance that it will be a magnitude 8+ event.

Planning for the impacts of a changing climate is an important consideration we apply across all of our work programmes. While some of this work has been undertaken over many years other projects have been included in this Long-term Plan for the next 1-3 years as we work with our communities to build resilience to the impacts of climate change.

Natural hazard investigations and the impacts of severe weather events and other hazards have led to new planning provisions being included in Te Tai o Poutini Plan (the combined district plan for the West Coast). A Plan Change to update the Regional Policy Statement natural hazard and flooding provisions is planned for year 1 of this Long-term Plan. These provisions provide the framework for how communities can grow and develop into the future.

Council's flood warning and telemetry information is some of the most accessed data on our website. Operating a comprehensive flood network of rainfall and river level recorders across the region supports flood warning and response activities. This information is also feeding into more sophisticated computer modelling to provide a predictive flood warning and forecasting system – this is increasingly important to prepare communities in advance of flood events and provide reliable data for flood mitigation infrastructure, planning and design. An upgrade to improve the reliability of the network has been planned for year 1.

On behalf of the community, we manage 23 rating districts throughout the region providing flood and erosion protection. Maintenance and renewals are undertaken on the direction of the respective rating community, and is dependent in many cases on affordability. A key component to managing these assets is improving the collection and recording of asset condition information. New asset management databases have been included in the technology upgrade planned for years 1 and 2.

When events do occur, we coordinate the emergency management response helping communities to respond to, and recover from, floods, earthquakes and other such disasters.

Work to improve our preparedness, and to mitigate and avoid the impacts of such issues is built into our work programmes across the *Infrastructure and Resilience, Natural Environment* and *Policy* and *Regulation* Activity Groups.

Rapid pace of technological change

A wide range of technology is used across the organisation – it is key to how Council works with various partners, communities, and stakeholders.

The rapid pace of technological change means that Council must be able to adapt quickly and invest to continue to improve, and in some places bring systems up to present day expectations, to continue improving service delivery and outcomes for the environment. In the past, information technology systems could be expected to provide services for 10 - 15 years, these days it is more likely to be 5 - 10 years which is placing pressure on both local government and the entire public service. New systems require investment in onboarding, implementation, and training. The standard of information being demanded by the Auditor General is also increasing. This is requiring investment in better systems and processes to meet these standards.

Over years 1-2 of the Long-term Plan, Council is intending to invest in new data and document management systems, core financial systems and reporting tools, a fit-for-purpose spatial platform for GIS and aerial imagery and asset management systems for the management of Rating District asset information.

Briefing to the Incoming Government – Elevating New Zealand through development of the West Coast

In December 2023, the West Coast Mayors, Chairs and Iwi submitted a briefing to the incoming government on the opportunities to work together to drive economic growth, enhance infrastructure and community resilience, and promote sustainable practices across key sectors within the region. The purpose – to create a strong investment climate, stimulate job creation and enhance the quality of life for our community, as well as to contribute to economic growth for New Zealand. There are significant opportunities available for the region provided that the right regulatory settings are put in place and critical infrastructure is invested in.

Specific

Westport

Westport was hit by severe flooding in July 2021 and February 2022. It is likely to face further flood events in the future.

The West Coast Regional Council, Buller District Council and Te Rūnanga o Ngāti Waewae, on request of the Minister for Local Government, submitted a proposal for co-investment to improve Westport's flood resilience. In Budget 2023, the Government set aside 22.9M for a number of flood resilience initiatives.

There is a significant programme of works ahead of both the Regional and District Council over the next two years. The Councils are committed to working together to present, where possible, joint community engagement processes in progressing these works. For the Regional Council, the funded packages of work include:

- $15.6M (plus up to $10.2M from the Regional Council) for floodwalls to reduce the risk of flooding.
- $1.5M for the reafforestation of the Organs Island area.
- $500,000 to improve local emergency management capability.
- $250,000 for a sea level monitor / tide gauge to improve early warning systems.

Waiho River Future Management Strategy

In August 2023, Council engaged independent experts in hydrology, engineering and river modelling to develop a ten-year Management Strategy (the Strategy) for the Waiho River. A community meeting was held in Franz Josef on 11 October for the Technical Advisory Group to present their findings and future considerations for managing the Waiho River and to seek feedback from local residents.

Continual aggradation due to a high sediment load and constrained river channel from flood protection works has resulted in ongoing issues. A recent avulsion into the Tatare Stream to the north has the potential to cause significant problems in the future, including threatening the the Westland District Council's wastewater oxidation ponds, the closed Franz Josef Landfill, Milton's stopbank, State Highway 6, the ecological value of Lake Pratt, for occupation of the Stony Creek, Tatare and Top 10 Holiday Park areas, and the surrounding farmland.

The management strategy to date has always been one of control through protection structures such as stopbanks, revetments and groynes. The risk can be partially reduced by releasing the river to the south to occupy more of its floodplain (currently private farmland). However, substantial risk reduction is only realised once all stopbanks on the south side of the river are removed, including the State Highway stopbanks from the Waiho River bridge to Canavan's Knob. If the river is not released to the south, the risk of a north stopbank failure impacting the town and State Highway will increase with time.

Community feedback indicated 70% support of the proposed River Management Strategy provided that there were appropriate arrangements made for the buyout of property.

Next steps:
West Coast Mayors, Chairs and Iwi are lobbying the new government, and writing to the Chief Executive of the Ministry of Business Innovation and Employment, to progress funding for the South Side of the River now a plan for the future has been developed.

This funding is for:
- Strengthening of the existing stopbanks on the south side to allow time for the Waiho River Future Management Strategy to be implemented.
- Strengthen the emergency management arrangements in conjunction with the local community.
- Progress the Waiho River Future Management Strategy for the southside.

Community Outcomes

Under the Local Government Act, our long-term plan must describe the community outcomes for the West Coast region and link our activities to these outcomes.

Community outcomes are the outcomes that a local authority aims to achieve in order to promote the social, economic, environmental and cultural well-being of its district or region in the present and for the future.

In 2019 Government reinstated the "four well-beings" – social, economic, environmental and cultural. We have set our well-beings on this framework with each of Council's Activities contributing to one or more of these.

Our community outcomes

What we want for our community

Economic

A thriving, resilient and innovative economy is supported, which creates opportunities for growth, wealth generation and employment.

Environmental

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

Social

A region that continues to be a safe place to live, with a strong community spirit and cohesion.

Cultural

Recognising and providing for the culture and traditions of Poutini Ngāi Tahu and their relationship with their ancestral lands, water, sites of wahi tapu and other taonga.

Future for Local Government Reform

On 23 April 2021 the Minister for Local Government announced a Ministerial Inquiry into the Future for Local Government had been established.

The overall purpose of the review was to "identify how our system of local democracy needs to evolve over the next 30 years, to improve the well-being of New Zealand communities and the environment, and actively embody the treaty partnership".

The review included, but was not limited to, the following:

- Roles, functions and partnerships
- Representation and governance
- Funding and financing.

Findings and recommendations

Over the course of its work, the Review reported to the Minister and published three reports.

- **30 September 2021:** The Interim Report, Ārewa ake te Kaupapa, was presented to the Minister to signal the probable direction of the Review and key next steps.
- **28 October 2022:** The draft report, He mata whāriki, he matawhānui, was published and public submissions were invited.
- **16 June 2023:** The Review presented its final report, He piki tūranga, he piki kōtuku, to the Minister and Local Government New Zealand.

The Government is not pre-committed to the implementation of the Review's findings. Substantial consideration of the Review's final report will be undertaken as part of the work of the next Administration.

The Regional Council considers it unlikely that any recommendations from the final report could take effect before 1 July 2024 – particularly for changes to roles or functions. Any changes that are made will be incorporated in the 2027-37 Long-term Plan. Council has prepared this Long-term Plan on the assumption its existing role and functions will continue for the life of the plan (2024 – 2034).

Aligned Services

The four Councils across the West Coast are committed to working together to improve customer experiences and cost efficiencies by implementing similar tools, approaches and shared frameworks for common services where appropriate. The Councils are already achieving collective success in the areas of roading, waste management and emergency management leading to greater cost efficiencies for ratepayers.

The alignment of services will be grounded through the development of a robust governance and policy framework to resolve any disparities between the way each Council delivers other services to the community.

Appropriate budgetary provisions will be made by each of the four West Coast Councils to progress the establishment of the framework, with year one focussed on looking forward, the aspirations of the four Councils to deliver aligned services including the delivery of the geospatial project, and how to effectively conclude Te Tai o Poutini Plan (the combined district plan for the West Coast) process.

Year 3, the Councils will commence the investigation for the sharing of services for all regulatory functions across the organisations. The challenge with new areas of configuration will be aligning existing internal systems and processes.

There is significant opportunity to learn from the events that impact communities throughout the region. This provides a collective resource of information and best practice approaches to deliver flood protection, community resilience, adaptation planning, and hazard management and general support to community wellbeing.

The Chief Executives of the Councils will provide the operational direction for continued aligned services on the guidance of the West Coast Mayors and Chairs.

Existing aligned services

Te Tai o Poutini Plan (combined district plan for the West Coast)

The Regional Council is now responsible for preparing, approving and reviewing the combined district plan for the West Coast. This process is guided by Te Tai o Poutini Plan Committee – a Joint Committee made up of representatives from the four Councils, Poutini Ngāi Tahu and an independent chair. The combined District Plan will provide for a consistent approach to planning matters across the region.

Regional Transport Planning

In partnership with the District Councils, Waka Kotahi NZ Transport Agency and Department of Conservation, the Regional Council leads the development of the Regional Land Transport Plan which applies a strategic lens to the region's current and future transport needs and provides for integrated decision making between various organisations needed to deliver effective transport networks.

The District Councils are now in their second cycle of Asset Management Planning for their roading services. Combined advocacy continues in regards to the future management of Special Purpose Roads in the Buller and Westland Districts.

Civil Defence Emergency Management

Civil Defence Emergency Management (CDEM) has been operating as a shared service since 2017 delivering emergency management outcomes for risk reduction, readiness, response and recovery. The Regional Council acts as the administering authority and rates for the delivery of this activity. Emergency Management Officers work within each of the District Councils to ensure strong connectivity between emergency management functions and district council business.

Future aligned services

Geospatial Information

The use of geospatial, or GIS, information is increasing across all sectors. Each of the Councils holds considerable GIS data which can be of use to the public. The Councils are committed to identifying how this information can be gathered and displayed on a common platform, providing a one-stop shop for GIS data.

Combined regulatory function

Resource consenting and compliance monitoring is undertaken by each of the four Councils. There are opportunities to review how these services are delivered across the region and how this can be undertaken more efficiently and effectively for ratepayers.

Partnering with Poutini Ngāi Tahu

The West Coast Regional Council values its relationship with Poutini Ngāi Tahu. We continue to work with our iwi partner, to give effect to the Treaty of Waitangi partnership, strengthen it and acknowledge the unique, enduring relationship iwi have with this land.

Mana whenua (Te Rūnanga o Ngāti Waewae and Te Rūnanga o Makaawhio – Poutini Ngāi Tahu) have a special relationship with the region's natural and physical resources. Inherent in this relationship is kaitiakitanga, which seeks to maintain the mauri of these resources, while allowing the ability to use and develop them for social, cultural and economic well-being. Iwi either individually, or as a collective, wish to maintain meaningful input to decision-making and to have effective and efficient structures and processes in place to enable that to occur.

Council recognises the importance of working together with Poutini Ngāi Tahu across the region. The Paetae Kotahitanga ki Te Tai Poutini (Partnership Protocol) and Mana Whakahono ā Rohe (Resource Management Act Iwi Participation Arrangement), signed in October 2020, captures the intent of Council and Poutini Ngāi Tahu to progress their relationship in accordance with the Treaty of Waitangi partnership between iwi and the Crown.

Furthermore, Schedule 10 of the Local Government Act 2002 requires Council to set out the steps it intends to take to foster development of Māori capacity to contribute to Council's decision-making processes.

Council intends to undertake the following:

Governance

- Facilitate the ongoing role for Poutini Ngāi Tahu in decision-making and resource management to relevant Council committees and forums such as the Resource Management Committee.
- Provide full and unrestricted access to Poutini Ngāi Tahu representatives to Council meetings, agendas and papers, including those to be considered "In Committee" or "Public Excluded".

Policy development

Provide opportunities to involve Poutini Ngāi Tahu in major policy decisions, but not limited to, policies, plans and strategies under the Local Government Act 2002, the Resource Management Act 1991, the Biosecurity Act 1993, the Civil Defence Emergency Management Act 2002 and the Land Transport Management Act 2003. Freshwater management is a core component of this work.

This includes, but is not limited to:

- Substantive input, including co-drafting, review and comment as part of the process of partnering to develop and refine policies, planning frameworks, instruments and documents.
- Evaluation of proposals will incorporate costs and benefits in relation to Poutini Ngāi Tahu economic, social, cultural well-being; their relationship to their culture and traditions with ancestral lands, water, wāhi tapu and associate taonga; the principles of Te Tiriti o Waitangi; and the kaitiakitanga responsibilities of mana whenua.

Resource consent processes

- Summaries of consent applications received by Council for activities within, adjacent to, or likely to be impacting directly on a Ngāi Tahu Tribal Settlement Instrument will be emailed to Poutini Ngāi Tahu
- Staff will have regard to the effects on Māori in assessing whether resource consent applications are to be notified or non-notified and require applicants to obtain written approval to non-notification where Māori are an affected party including with particular regard to Statutory Acknowledgments arising from Treaty of Waitangi settlements with iwi.
- Hearings on marae will be facilitated on request, upholding the kawa or protocols of that marae recognising tikanga Māori.
- Information regarding monitoring and non-compliance issues which are likely to result in adverse effects on Poutini Ngāi Tahu values will be provided.
- Opportunities for input into monitoring, compliance and enforcement matters will be provided
- Opportunities to determine appropriate remedial and enforcement action, depending on the nature of the impact and the extent of remedial action will be provided.

Training

- Support and help fund the training of approved Poutini Ngāi Tahu whanui to become certified resource management hearing commissioners.
- Support trained hearing commissioners onto decision-making roles through Council practices and processes.
- Induction material for Councillors and Council staff are co-developed with Poutini Ngāi Tahu.

Each triennium, the newly elected Council shall attend a cultural induction session at the Arahura Marae.

Resources

- Council and Poutini Ngāi Tahu will work together on the allocation of resources annually and on a multi-year timeframe to support the partnership protocol. This includes:
  - Contracting Poutini Ngāi Tahu for services for the delivery of specific advice, expertise, information or training services
  - The funding arrangement for Pokeka Ngāi Tahu Limited for Council related resource management mahi
  - Poutini Ngāi Tahu Relationship Manager.

Ongoing engagement

- Meet with Poutini Ngāi Tahu to discuss any matter of mutual interest or importance at times and venues to be agreed.
- Provide opportunities for Māori within the framework of standing orders, to appear before and address any meeting of a standing committee or meeting of the full Council.
- Review resourcing and funding arrangements annually.
- Undertake a three yearly review of the Mana Whakahono ā Rohe with opportunity to amend the Arrangement over the following year.

Part 2

Groups of Activities

How to read this section

Under the Local Government Act 2002 (LGA), the Council is required to aggregate and report its financial and performance information in groups of activities for ease of understanding. We have aggregated the range of activities we do into 5 groups of activities.

Our groups of activities are:

Regional Leadership

Infrastructure and Resilience

Natural Environment

Policy and Regulation

Commercial Activities

Summary of changes

The Groups of Activities have been redesigned to better reflect the work areas of Council. As part of this process, Council has reviewed the levels of services, performance measures and targets. These represent a more modern and contemporary set of measures for the Council in the current context and better assess our service to the community.

Each Group of Activities describes:

What we do and why

A summary of the activities that make up the group of activities and a description of the legislative, strategic and/or other rationale for the delivery of the group of activities. This section also includes the community outcomes to which the group of activities primarily contributes.

Changes to Levels of Service

A summary of the change in the level of service of the Group of Activities from the previous Long-term Plan

Key projects

The Council's key projects over the next three years of the plan.

Significant negative effects

Outlines any significant negative effects that any activity within the group of activities may have on the social, economic, environmental or cultural well-being of the local community.

Levels of service

Describes the intended levels of service for major aspects of the group of activities to which Council aims to deliver and how it measures progress towards targets.

Funding impact statement

Shows the estimated expenses for each activity and how it will be funded.

Note that funding sources and the reason it was selected, is covered in detail in the Revenue and Financing Policy.

Activity One
Regional Leadership

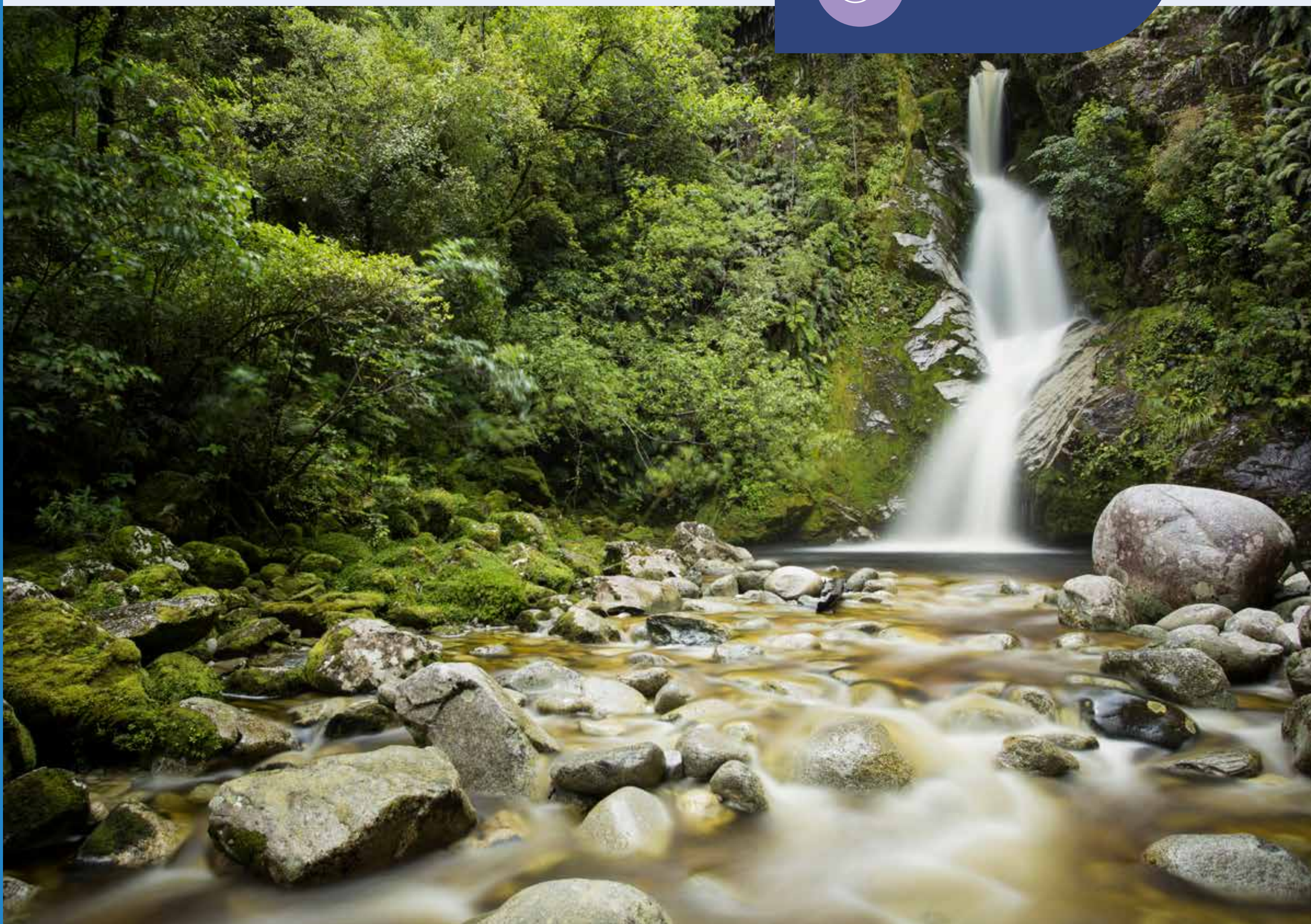
There are two primary activities within the Regional Leadership Group of Activities:

- **Governance**
- **Working with Poutini Ngāi Tahu**

This Group of activities contributes to all four community outcomes by maintaining effective and open community representation as an important part of the democratic process; enabling Poutini Ngāi Tahu to take a leadership role in the management of resources for the region; supporting opportunities for communities to be involved in planning for the future through Long-term Plan and Annual Plan processes; and providing information to enable business and communities to make their own decisions and take action.

Contribution to Community Outcomes

- Economic
- Environmental
- Social
- Cultural



Overall direction

The Regional Leadership Group of Activities provides effective, transparent governance on behalf of the community while ensuring that Council operates within statutory requirements. It combines a wide range of activities that allows the organisation to take a strategic outlook, coordinate actions with other partners in the region and continue to build a meaningful relationship with communities and Poutini Ngāi Tahu.

This Group of Activities also encompasses the essential corporate and support functions required to support staff in delivering on the levels of service committed to as well as ensuring Council is operating in an efficient, accountable and legislatively compliant manner. These systems need to be future-proofed to support the work carried out on behalf of the environment, economy and community.

Communication and engagement functions assist with connecting Council with the community. Connecting the community in a timely and accessible way to decision-making, and the work of Council is critical. This also includes ensuring Council has the various platforms available for the provision of public information such as aerial photography, property data and natural hazards.

Changes to levels of service

Levels of service remain mostly the same for the Regional Leadership Activity Group. The major changes are outlined below:

The rebuild of Council's corporate services and back-office functions is critically important for the organisation to deliver on its levels of service across all functions. This requires considerable investment in purchasing, onboarding and training for new financial modelling tools and financial systems. It also requires recruitment of suitably qualified staff.

The volume of policy change in the past several years has resulted in Council submitting on numerous documents. An increase in the regional sector voice has taken over much of this work, and a change in government will likely result in a reduction in this work. However, Council will ensure that where there is a differing opinion, or outcome sought, from that of the regional sector, feedback will still be provided to support the best interests of the West Coast community.

Each year Council's Annual Report is audited, as well as the Long-term Plan every three years, and Annual Plans where significant change has taken place. Advice has been received that the Auditor General will no longer be subsidizing these audits with costs anticipated to double. While the level of service is not changing, the cost to undertake the same amount of work will be increasing substantially.

Significant negative effects

There is likely to be tension between the ability for communities to pay and the levels of service they want to be delivered. Council will continue to balance these competing demands, seeking input from the community on service levels. No other significant negative effects have been identified as a result of undertaking these activities, however, not investing in the organisation to rebuild the corporate services and back-office functions will result in Council being unable to deliver on all levels of service.

Governance

What Council does and why

This activity aims to support elected members in their governance roles to make robust and transparent decisions. This includes ensuring that Council meetings are supported and provide opportunities to enable community participation. It also maintains the integrity of Council processes by providing timely and appropriate responses to official information requests and Ombudsman's office enquiries. In addition to setting and monitoring policy, the Council keeps abreast of relevant matters so that emerging issues for the region can be investigated and planned for.

To meet the current and future needs of regional communities, it is necessary to plan Council's activities with an eye to the future. Every three years Council will draft, consult on and complete a Long-term Plan (this document), looking ten years into the future. In the years between the Long-term Plan, Council will complete and consult, when required, on annual plans that make necessary adjustments to ensure delivery on levels of service, or emerging issues can be addressed. At the end of each year, Council will report back to the community on how it went against its plans. Ensuring value for money for the community relies on Council making sound financial decisions and the community having input into what activities should be undertaken and how they should be funded. This programme of work enables this to happen.

Council's governance functions also include the support services which underpin all activities. Without these functions Council is unable to deliver services to communities. The support services include:

- Finance
- Customer services
- Information technology
- Human resources
- Communications

Underinvestment in the past has meant that there is now a need to invest to bring back-office support services up to a level that they can provide the functions required by staff to meet community expectations. This will require significant investment over the course of this Long-term Plan.

Key projects for years 1 to 3

Council will deliver on the following key projects over years 1 – 3:

- Rebuild of corporate services and back-office functions including:
  - The purchasing, onboarding and training of new financial modelling tools and financial systems.
  - Recruitment of suitably qualified staff.

Level of service: Council maintains effective, open and transparent democratic processes.

Measure	Baseline	Targets 2024/25	2025/26	2026/27	2027-2034
Percentage of Council meetings elected members attend	New measure	At least 80%	At least 80%	At least 80%	At least 80%
Response to official information requests within statutory timeframes	New measure	100%	100%	100%	100%
Council's Long-term Plan (LTP), Annual Plan and Annual Reports meet audit requirements		Unqualified audit opinion achieved for LTP and Annual Report	Unqualified audit opinion achieved for Annual Report.	Unqualified audit opinion achieved for Annual Report.	Unqualified audit opinion achieved for LTP and Annual Report

Working with Poutini Ngāi Tahu

What we do and why

Central to the relationship between Council and Poutini Ngāi Tahu is the Paetae Kotahitanga ki Te Tai Poutini – Partnership Protocol and the Mana Whakahono ā Rohe – Iwi Participation Arrangement (collectively referred to as the Arrangement).

Iwi participation agreements/arrangements are tools under the Resource Management Act, designed to assist tangata whenua to discuss, agree and record how they will work together, including how tangata whenua will be involved in resource management decisions. Signed in 2020, a review of the Arrangement is now required to assess the working relationship between the parties and identify where further improvements can be made for the future.

Delivering on the principles of the Arrangement is an 'all of Council' responsibility. However, often the most effective space for Poutini Ngāi Tahu to be engaged is at the governance and strategy level, hence their positions on the Resource Management Committee. There is considerable value in having manawhenua at the Council table as equal partners. Other areas where Council has identified close working relationships are beneficial are included under the section "Partnering with Poutini Ngāi Tahu".

This Group of Activities provides for these opportunities.

Key projects for years 1 to 3

Council will deliver the following key projects:

- Undertake review of the Paetae Kotahitanga ki Te Tai Poutini – Partnership Protocol and the Mana Whakahono ā Rohe – Iwi Participation Arrangement in year 1.
- Implement the outcomes of the review from year 2.

Level of service: Work in partnership with Poutini Ngāi Tahu toward outcomes that are in the iwi, hapu and regional interest

Measure	Baseline	Targets 2024/25	2025/26	2026/27	2027-2034
Council and Poutini Ngāi Tahu work together to review and implement the Paetae Kotahitanga ki Te Tai Poutini (Partnership Protocol) and Mana Whakahono a Rohe (RMA Iwi Participation Arrangement))	**New measure** Review the Partnership Protocol and Participation Arrangement every three years	Review of Arrangement	Implementation of outcomes	Implementation of outcomes	Reviews to be undertaken in 2027, 2030 and 2033

Regional Leadership

Financial Impact Statement

AP 2023/24		LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
	Sources of Funding										
	General Rates	610,446	704,492	734,090	744,888	847,144	873,442	865,269	942,594	965,922	956,136
	Targeted Rates	-	-	-	-	-	-	-	-	-	-
	Subsidies & Grants	768,263	160,000	-	-	-	-	-	-	-	-
	Fees & Charges	24,462	24,932	25,411	25,900	26,398	26,906	27,423	27,951	28,488	29,036
	Income from Investments	-	-	-	-	-	-	-	-	-	-
	Total Operating Funding (A)	1,403,171	889,424	759,502	770,789	873,542	900,348	892,692	970,545	994,410	985,172
	Applications of Operating Funding										
	Payments to staff and suppliers	1,090,604	449,038	239,995	177,082	321,033	362,321	316,001	442,435	532,062	510,646
	Finance costs	395,483	503,456	577,512	610,537	540,887	534,820	548,997	503,091	442,652	431,484
	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
	Total Applications of operating funding (B)	1,486,087	952,494	817,507	787,618	861,921	897,140	864,998	945,526	974,714	942,130
	Surplus (deficit) of Operating Funding (A) – (B)	(82,915)	(63,070)	(58,006)	(16,830)	11,621	3,207	27,694	25,019	19,696	43,042
	Sources of Capital Funding										
	Subsidies and Grants	-	-	-	-	-	-	-	-	-	-
	Development and Financial Contributions	-	-	-	-	-	-	-	-	-	-
	Other dedicated capital funding	82,915	63,070	58,006	785,951	533,584	(3,207)	775,041	778,109	517,069	981,014
	Increase (decrease) in debt	662,271	861,000	228,922	(349,366)	(479,642)	67,531	(450,621)	(731,485)	(462,973)	(650,835)
	Gross Proceeds Sale assets	-	-	-	-	-	-	-	-	-	-
	Total Sources of capital funding (C)	745,186	924,070	286,928	436,585	53,942	64,323	324,420	46,624	54,096	330,179
	Applications of capital funding										
	Capital expenditure-additional demand	-	500,000	-	-	-	-	-	-	-	-
	Capital expenditure-improved levels of service	355,000	286,000	112,122	73,269	-	-	-	-	-	-
	Capital expenditure-replace existing assets	307,271	75,000	116,800	346,487	65,564	67,531	352,114	71,643	73,792	373,221
	Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-
	Increase (decrease) in reserves	-	-	-	-	0	-	-	-	(0)	-
	Total applications of capital funding) (D)	662,271	861,000	228,922	419,755	65,564	67,531	352,114	71,643	73,792	373,221
	Surplus (Deficit) of Capital Funding (C) - (D)	**82,915**	**63,070**	**58,006**	**16,830**	**(11,621)**	**(3,207)**	**(27,694)**	**(25,019)**	**(19,696)**	**(43,042)**

Activity Two
Infrastructure & Resilience

This Group includes the following Council activities:

- **Infrastructure – flood and erosion protection**
- **Emergency Management**
- **Flood Warning**

The Infrastructure and Resilience Group of Activities contributes primarily to the achievement of the economic and social outcomes, contributing to a thriving and resilient community, and a region that continues to be a safe place to live by providing communities protection from flooding and erosion hazards; working with communities to become resilient in the face of natural hazards and climate change; providing up to date flood warning information.

Contribution to Community Outcomes

- Economic
- Environmental
- Social
- Cultural

Overall direction

The choices made in the past on where communities become established and do business have made them susceptible to the impacts of natural hazards. The short and long-term impacts from natural hazards and climate change have on people's homes, businesses and well-being can be devastating. There is a need to adapt, or defend as required, to build resilience and work together with communities to be better understand and be prepared (and recover faster from) future events and emergencies. This remains a key focus of this Long-term Plan.

Council's priority for the next ten years is in supporting communities with the management and administration of their rating districts, building the resilience of the region through emergency management functions, lifting the robustness of the hydrology network to provide greater flood warning information and building awareness of the natural hazards communities live within.

This Long-term Plan contains an Infrastructure Strategy which identifies the four most significant issues for the flood and erosion protection schemes on the West Coast and how Council intends to manage these.

The West Coast is exposed to a wide variety of natural hazards that impact on people, property, infrastructure and the environment. The Resource Management Act requires that natural hazard risk and climate change are addressed as part of the planning across the region. While this work is funded under this Group of Activities, the outcomes contribute to work programmes across Council.

Natural hazard information is available on Council's website.

Changes to levels of service

Council will be undertaking the collection of data from regular river surveys, condition assessments and structural inspections. This data, and how it is managed and analysed, is critical to inform work programmes and associated activities. This also enables Council to identify and ensure appropriate management of the region's most critical assets. The systems and processes required to manage such information require significant investment.

Investment to enhance the hydrology / flood network system will be undertaken for modelling, expanding the network and improving its reliability. This includes the installation of new sites.

Significant negative effects

Flood and erosion protection works play a vital role in protecting communities, property and infrastructure from flood and erosion hazards but have the potential to impact natural ecosystems and natural character as well as people's enjoyment of these areas. This is also a concern for Poutini Ngāi Tahu who have strong ties with their ancestral rivers. Any negative effects are carefully managed both within the Resource Management Act framework and by maintaining engagement with Poutini Ngāi Tahu, as well as other stakeholders and communities across the region, throughout the design and construction stages of protection projects.

There are no other significant negative effects identified for this Group of Activities.

Infrastructure

What Council does and why

Council designs, builds, manages and maintains river management and coastal erosion protection schemes on behalf of 23 rating districts across the region to ensure they work as expected during severe weather events. These schemes allow the productive potential of a significant part of the region to be fully realised, protecting people and infrastructure from flooding.

Council also undertakes the development of asset management plans. These are required to be prepared at three-yearly intervals, and our infrastructural assets (which currently have a depreciated asset replacement value of $181.842 million) must undergo regular revaluations to ensure these values are accurate. As part of the Long-term Plan development, the Asset Management Plans for the 23 schemes that have assets which are required to be inspected and maintained have been reviewed and updated. Council intends for these updated plans to be effective from 1 July 2024.

The schemes, associated infrastructure assets and more specific detail such as the issues and management approach are provided in the respective rating district asset management plans (available at www.wcrc.govt.nz) and the Infrastructure Strategy.

Construction of the Westport Flood Protection project, as well as further work on the outcomes of the River Management Strategy for the Waiho River, will be completed during this Long-term Plan.

Council responds to many enquiries about flood risk, drainage related issues and coastal erosion. Depending on the issue, staff are able to assist with the provision of advice. River cross-section investigations and LiDAR of riverbeds and coastal areas provide valuable information on changing patterns in river and coastal systems and is critical in the delivery of asset management.

With changes to weather patterns and ongoing coastal erosion issues, it is likely that further requests for

protection infrastructure, or upgrades to existing assets, will be made. Council will continue to advocate for central government support for the building of new capital projects, upgrades to existing projects and ongoing maintenance costs on behalf of the region's rating districts.

Significant assets

Council manages assets across 23 rating districts. Information on these assets is available in the respective asset management plans available at www.wcrc.govt.nz.

Key work for years 1 to 3

Council will deliver the following key projects:

- Implementation of the Asset Management System to enhance the collection and storage of inspection data for each rating district in year 1.
- Construction of the Westport Flood Protection project in years 1 to 3.
- Our current funding mechanisms are overly complex and cumbersome to administer. A review of the quantum of rating districts, including the rating model, for each scheme will be undertaken to inform the development of the 2027-2037 Long-term Plan. This review will be undertaken in year 2.

Level of service: Life and property are protected by the building, monitoring and maintenance of flood, drainage and erosion infrastructure

Measure	Baseline	Targets 2024/25	2025/26	2026/27	2027-2034
Rating District assets are maintained, repaired and renewed to the levels of service defined in the respective Asset Management Plans	Complete and record all inspections of rating district assets	100%	100%	100%	100%
	Hold meetings with all rating districts annually, or as agreed with the spokesperson of the Rating District committee	100%	100%	100%	100%
	Perform all capital and maintenance works as agreed in the annual work programme	100%	100%	100%	100%
Rating District Asset Management Plan review timeframes are met	Review Rating District Asset Management Plans every third year, or earlier where information indicates a significant change from what is stated in the Asset Management Plan	NA	NA	100%	Every third year with future reviews to be undertaken in 2029/30

Emergency management

What Council does and why

This activity is responsible for the coordination of hazard reduction, readiness, response and recovery for emergency events. Emergency management, is provided in partnership with the district councils, emergency response organisations and other stakeholders of the West Coast region. There are two key work areas under Community Resilience:

- West Coast Civil Defence Emergency Management (CDEM) Group
- West Coast Regional Council Emergency Management

West Coast CDEM Group

Under the CDEM Act 2002 (the Act), the region's local authorities must form a CDEM Group which is governed by a combined Joint Committee (the region's Mayors and Chairs, and for the West Coast Poutini Ngāi Tahu) and a Coordinating Executive Group (Council/District Health Board Chief Executive Officers, Police District Commander and Fire Area Manager). Under the Act, the West Coast CDEM Group is required to maintain an operative CDEM Group Plan that outlines a strategy to coordinate CDEM activities across the region.

The Group operates as a shared service across the region's councils delivering emergency management outcomes for risk reduction, readiness, response and recovery with the Regional Council acting as the Administering Authority for the Group. This improves the capability for the region to respond to and recover from disaster.

West Coast Regional Council Emergency Management

Council maintains an emergency response capability to support the West Coast's CDEM Group, and to staff the Emergency Coordination Centre during an event. It does this by ensuring that staff are trained to help coordinate a response, including management of the Council's assets and ensuring essential business continues despite any disaster. Council also operates a 24-hour CDEM duty management service to respond to alerts issued and emergencies as they arise.

Key projects for years 1 to 3

Council will deliver the following key projects:

- Extension to the emergency services resource register to include community and business assets in year 1; and exercised to ascertain access and utility of register in year 2.
- Regional fuel storage capacity review to be undertaken in year 2.
- All Community Groups have developed or are developing Community Response Planning Arrangements in year 2.

Level of service: Life and property are protected by the building, monitoring and maintenance of flood, drainage and erosion infrastructure

Measure	Baseline	Targets 2024/25	2025/26	2026/27	2027-2034
An operative Group Plan under the CDEM Act is in place at all times and reviewed within statutory timeframes by the Joint Committee	The Group Plan is operative. Rolling reviews have commenced.	Operative Group Plan	Operative Group Plan	Operative Group Plan	Operative Group Plan
A Group Work Programme implementing the Group Plan objectives is approved and reviewed 6-monthly by the Coordinating Executive Group	**New measure**	Group work programme reviewed 6-monthly	Group work programme reviewed 6-monthly	Group work programme reviewed 6-monthly	Group work programme reviewed 6-monthly
Comply with the West Coast Civil Defence Emergency Management Partnership Agreement	**New measure** Ensure full compliance with the Partnership Agreement	100%	100%	100%	100%
Maintain a suitably trained team to staff the Emergency Coordination Centre	Maintain at least 30 trained staff. 33 as at 30 June 2023	> 30 trained staff	> 30 trained staff	> 30 trained staff	> 30 trained staff

Flood warning

What Council does and why

Flooding is a significant hazard for West Coast communities, with extreme weather events predicted to occur with greater severity, more frequently.

Operating a comprehensive network of rainfall and river level recorders across the region supports community led flood warning and response, and feeds into sophisticated computer modelling to provide a predictive flood warning and forecasting system. Modelling rainfall runoff relationships is becoming increasingly important to prepare communities in advance of flood events, and provide reliable data for flood mitigation infrastructure, planning and design.

Hydrometric data collected is also used for State of Environment reporting to inform policy on water allocation limits and environmental base flows. The capability to analyse this information, as well as to undertake flood modelling and forecasting, in-house, is a priority.

All river and rainfall (hydrometric) data collected is publicly available via our website which presents live feeds of rainfall and river level/flow information.

A network expansion and upgrade programme has been developed which will see the:

- Installation of additional flow and rainfall sites to improve the spatial distribution of sites, and increase the resolution of the network;
- Improvement in the redundancy of data collection and telemetry at key flood warning sites;
- Improvement in the resilience of sites to ensure data is collected at peak flow events; and
- Resolution of responsiveness and access issues associated with gauging flood events via the development of remote monitoring of rivers (cameras).

The upgrade programme also requires new rivers to be added to the regional flood warning network, and Council's ability to meet such demand depends on the resources available balanced against the river's proximity to a major population centre and the risk profile. In some cases, historic flow monitoring sites, decommissioned by NIWA, can be re-instated at a fraction of the cost of new sites. Any decision to invest in new assets will take into account factors such as need (risk), cost, accessibility, and the reliability of communication pathways (i.e. radio, cell or satellite).

In addition to strengthening our hydrometric network, Council is partnering with schools located in parts of the network where rainfall data is currently unavailable and installing new sites whereby the data collected is also used for educational purposes. This feeds into wider educational STEM programs and community engagement events to help promote the value of the work undertaken.

Key projects for years 1 to 3

Council will deliver the following key projects:

- Commence and complete the replacement of all data loggers for 4G compatibility in year 1.
- Complete safety improvements to river gauging access points in years 1 and 2.
- Expand Council's rainfall network to Kumara and Moana Schools along with data sharing agreements and an annual STEM outreach programme for hydrology and water science in year 1.
- Develop and install a network of continuous groundwater level monitoring in the Grey, Westport and Hokitika catchments from year 1 (a ten-year programme).
- Develop and install a network of remote cameras with active feeds for community use, flood gauging, and Emergency Management use.

Level of service: Provide timely and high-quality information for the region's telemetered rivers*

Measure	Baseline	Targets 2024/25	2025/26	2026/27	2027-2034
Real-time river level and rainfall information is made available to the community	New measure	Flood warning network operational 100% of the time during flood events**	Flood warning network operational 100% of the time during flood events**	Flood warning network operational 100% of the time during flood events**	Flood warning network operational 100% of the time during flood events**

*Karamea River, Mokihinui River, Buller River, Grey River, Hokitika River, Waiho River

**Excluding scheduled maintenance, external system outages and as a result of damage caused by flooding or earthquake

Infrastructure and Resilience

Financial Impact Statement

AP 2023/24		LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
	Sources of Funding										
	General Rates	1,038,581	1,170,182	1,322,879	1,432,603	1,524,194	1,561,628	1,648,018	1,685,579	1,721,484	1,814,489
	Targeted Rates	3,977,618	4,663,143	5,525,184	5,878,828	6,373,947	6,677,301	6,854,970	7,043,318	7,239,373	7,441,346
	Subsidies & Grants	893,038	620,000	-	-	-	-	-	-	-	-
	Fees & Charges	284,109	288,326	302,743	317,890	333,785	350,474	367,998	386,398	405,718	426,003
	Income from Investments	-	-	-	-	-	-	-	-	-	-
	Total Operating Funding (A)	6,193,346	6,741,652	7,150,806	7,629,321	8,231,926	8,589,403	8,870,986	9,115,294	9,366,575	9,681,838
	Applications of Operating Funding										
	Payments to staff and suppliers	5,752,773	6,250,168	6,248,868	6,395,163	7,160,822	7,410,383	7,578,718	7,778,874	7,985,797	8,186,872
	Finance costs	422,846	657,311	796,949	791,916	761,802	773,734	779,288	776,398	777,222	785,658
	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
	Total Applications of operating funding (B)	6,175,620	6,907,479	7,045,817	7,187,079	7,922,625	8,184,118	8,358,006	8,555,272	8,763,019	8,972,530
	Surplus (deficit) of Operating Funding (A) – (B)	**17,726**	**(165,827)**	**104,989**	**442,241**	**309,301**	**405,285**	**512,980**	**560,022**	**603,556**	**709,308**
	Sources of Capital Funding										
	Subsidies and Grants	7,890,000	6,683,000	-	-	-	-	-	-	-	-
	Development and Financial Contributions	-	-	-	-	-	-	-	-	-	-
	Other dedicated capital funding	286,865	478,867	213,573	146,362	244,129	(74,615)	153,752	138,072	21,120	90,449
	Increase (decrease) in debt	1,307,864	5,121,748	2,691,438	(95,403)	31,097	497,793	(216,732)	(184,940)	(176,676)	(307,757)
	Gross Proceeds Sale assets	-	-	-	-	-	-	-	-	-	-
	Total Sources of capital funding (C)	9,484,730	12,283,615	2,905,011	50,959	275,226	423,177	(62,980)	(46,868)	(155,556)	(217,308)
	Applications of capital funding										
	Capital expenditure-additional demand	133,949	14,000	-	22,000	44,000	134,699	-	-	-	-
	Capital expenditure-improved levels of service	9,084,400	11,994,000	2,965,000	421,200	360,000	422,000	450,000	410,000	360,000	447,000
	Capital expenditure-replace existing assets	284,107	109,788	45,000	50,000	180,527	271,764	-	103,154	88,000	45,000
	Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-
	Increase (decrease) in reserves	-	-	-	(0)	-	-	0	0	(0)	(0)
	Total applications of capital funding) (D)	9,502,456	12,117,788	3,010,000	493,200	584,527	828,462	450,000	513,154	448,000	492,000
	Surplus (Deficit) of Capital Funding (C) - (D)	**(17,726)**	**165,827**	**(104,989)**	**(442,241)**	**(309,301)**	**(405,285)**	**(512,980)**	**(560,022)**	**(603,556)**	**(709,308)**

Activity Three
Natural Environment

This Group of Activities includes the following Council Activities:

- **Monitoring**
  - **Water**
  - **Air**
- **Biodiversity and Biosecurity**

The Natural Environment Group of Activities contributes to all four community outcomes. Monitoring our environment informs where policy is required to protect the environment, to provide for social and cultural expectations as well as identifying health issues for our communities for drinking water, swimming or air quality; economic outcomes are supported through our biosecurity activity with the control of pests that may have an adverse effect on agriculture and other primary industries, and impact the regional economy as a whole; our targeted biodiversity work at Te Kinga also contributes to each of the four well-beings .

Contribution to Community Outcomes

- Economic
- Environmental
- Social
- Cultural

Overall direction

The West Coast natural environment is generally in good shape, particularly when compared to other parts of New Zealand. However, some of our land, water, air and ecosystem resources are under pressure. Council is constantly collecting information on the quality of natural resources across the region to gain a better understanding of issues and emerging trends.

Council's environmental science monitoring programme involves the interpretation of data and reporting on the state, conditions and use of land, air, water, coast and marine resources within the region and reporting against relevant standards and guidelines. Science investigations into causes and effects are undertaken as well as new and existing initiatives to improve environmental outcomes. Regional resource management plan changes are supported with science, so that plan changes are informed with rigorous evidence.

Council has a statutory responsibility for monitoring the State of Environment regionally. This is reported on formally every three years. Along with more frequent updates, this provides information on any risks of resource use as well as informing policy review and development. It also enables Council to respond in a timely manner to any adverse effects from resource use from an operational perspective. Water quantity information is gathered through the hydrology work undertaken by Council under Flood Warning and the *Infrastructure and Resilience* Group of Activities.

Part of protecting and enhancing the biodiversity and natural environment of the West Coast is through the work undertaken in biosecurity. Pest management is a core function of Council and is implemented through the Regional Pest Management Plan as well as monitoring, and if required, enforcing. Council's role in biodiversity is limited, with work focused on the Predator Free Te Kinga project, recognising the significant amount of land administered by the Department of Conservation across the region.

Changes to levels of service

The level of service for monitoring the natural environment will increase in line with the need to support council activities and respond to legislative requirements. This includes expanding monitoring programmes and creating systems to manage the increasing amount of data processed and produced.

There is an increase in the level of service for biodiversity and biosecurity activities.

Significant negative effects

No significant negative effects on the economic, environmental, social or cultural wellbeing of the community have been identified as a result of undertaking these activities.

Monitoring - Water

What Council does and why

The National Policy Statement for Freshwater Management 2020 (NPSFM) requires Councils to work with communities to understand how they value waterways, and to set goals based on economic, social, cultural and environmental factors. The NPSFM recognises Te Mana o te Wai and sets out objectives and policies that direct local government to manage water in an integrated and sustainable way. A key requirement of the NPSFM is that the quality of the region's rivers, lakes and groundwater must be maintained or improved. Understanding the current, and ongoing, state of the resource is required to achieve this.

West Coast water bodies, and its coast are highly valued by the community, with water playing a significant role in Poutini Ngāi Tahu's spiritual beliefs and cultural traditions. Water is a key resource for domestic use, agriculture and other productive purposes, and supports a wide range of recreational activities.

Monitoring of rainfall, river flows and levels is captured as part of Flood Warning in the *Infrastructure and Resilience* Group of Activities. It provides additional context to the overall monitoring programme and is particularly important in assessing any pressures on water quantity and allocation.

Data gathered through Council's monitoring programme is used to inform plan policies and engagement with the community. Better data enables Council to make more informed decisions when setting policy for resource use. Where issues are identified, management programmes will be developed and implemented. Data collected is made available through Council's website and LAWA platform and is published in a three-yearly State of Environment Report.

Key projects for years 1 to 3

Council will deliver the following key projects:

- Develop and implement a long-term surface water monitoring programme for South Westland in year 1.
- Grow knowledge of freshwater fish species distributions using electric fishing and eDNA monitoring in years 1 and 2.
- Build the West Coast lake health database using traditional physiochemical methods and plant surveys in years 1 – 3.
- Complete Council's State of Environment Report in year 2.

Level of service: Water science, including quantity and quality, underpins Council policy and is freely available

Measure	Baseline	Targets 2024/25	2025/26	2026/27	2027-2034
The results from the West Coast environmental networks monitored for water quality, quantity and ecological values for legislative purposes are made available to the community via Council's website, and Land Air Water Aotearoa	**New measure**	100%	100%	100%	100%
Work programmes are established for areas found to breach legislative or regional planning requirements	**New measure**	100%	100%	100%	100%

Monitoring – Air

What Council does and why

Air pollution on the West Coast is primarily driven by emissions from home heating, and thus is seasonal and mostly observed in winter. The link between air quality and human health has been well established. The pollutant of most concern on the West Coast is particulate matter (PM). Particulate matter can result in a range of health effects. The most vulnerable are the very young, the elderly and people with pre-existing respiratory or cardiovascular disease.

Council has a role to protect communities from the risks of air pollution. Only Council has the power to control discharges of pollutants to air under the Resource Management Act and must implement the National Environmental Standards for Air Quality 2004 (NESAQ).

Reefton was classified as an Airshed (air quality management area) in 2005. Council has been gradually increasing its air quality monitoring programme with investigations undertaken in Westport during 2022 and 2023. Monitoring of the West Coast's two other main towns, Greymouth and Hokitika, is planned for this Long-term Plan.

Where results are shown to breach the requirements of the NESAQ, Council is required to implement policy provisions through the Regional Air Plan to manage these.

Key projects for years 1 to 3

Council will deliver the following key projects:

- Increase the monitoring programme (Reefton, Westport, Greymouth and Hokitika) to collect additional data for analysis from year 1. This includes shifting one of two continuous air quality monitoring devices in Reefton to the original monitoring site to allow for historic comparisons.
- Undertake policy changes and develop work programmes if required.

Level of service: Our air quality work programme is based on data and research

Measure	Baseline	Targets 2024/25	2025/26	2026/27	2027-2034
Compliance with NESAQ requirements for airshed monitoring and reporting	New measure	Airshed monitoring and reporting is completed to the NESAQ requirements	Airshed monitoring and reporting is completed to the NESAQ requirements	Airshed monitoring and reporting is completed to the NESAQ requirements	Airshed monitoring and reporting is completed to the NESAQ requirements

Biodiversity and Biosecurity

What Council does and why

Biodiversity involves working collaboratively with organisations and landowners within catchments to actively manage high priority biodiversity sites to protect and restore native species and ecosystems. Council's work in this area is minimal given the predominance of land administered by the Department of Conservation throughout the region, however, there is a commitment to progress the Predator Free Te Kinga project and the eradication of possums from the mountain as part of a coordinated predator control program across the wider Lake Brunner basin while external funding remains available. External funding to deliver this project has been secured for years 1 and 2 of this Long-term Plan.

Furthermore, biodiversity work forecast over the next 10 years will include an increased investment to ensure Council fulfills its obligations to the National Policy Statement for Indigenous Biodiversity which includes the development and implementation of a Regional Biodiversity Strategy by 2026.

Council's biosecurity activity delivers pest plant management through the dissemination of information and advice, research, surveillance, monitoring and inspections, direct control and pathway management. Objectives, methods and rules are established through the Regional Pest Management Plan which is then implemented through the Annual Operating Plan. A review of the Regional Pest Management Plan will seek feedback from the community on the inclusion of pest animals in addition to pest plants.

Council also delivers a lake surveillance programme across the region annually. Higher risk lakes are inspected every year with a selection of other lakes included in the programme.

This work is co-funded by the Department of Conservation and Manawa Energy and informs the LakeSPI project.

While delivery of this function sits under the Natural Environment Group of Activities, funding of the Regional Pest Management Plan and Biodiversity Strategy component comes from the Policy and Regulation Group of Activities.

Key projects for years 1 to 3

Council will deliver the following key projects:

Regional Pest Management Plan

- Review of the plan to be undertaken in year 2 to update existing provisions based on the latest information and legislation, as well as consideration of the inclusion of pest animals.
- Proposed Plan to be notified in year 3.

Predator Free Te Kinga

- Complete the deployment of monitoring and trapping devices across the project area; undertake an aerial predator control operation on Mt Te Kinga to eliminate possums and suppress rats and mustelids; use remote sensing on trapping devices and undertake isolated predator control to mop up residual possum populations in the elimination area in year 1.
- Maintenance of zero possums via Detect and Respond operations; community education, support and involvement; ongoing biodiversity monitoring to assess the ecological impacts of predator removal to be undertaken in year 2.

Level of service: Appropriate regulatory tools are in place for species type and there is a consistent policy framework for managing identified species

Measure	Baseline	Targets 2024/25	2025/26	2026/27	2027-2034
Maintain and implement a Regional Pest Management Plan (RPMP); and prepare an Operating Plan and Annual Report in accordance with the Biosecurity Act	New measure	N/A Operating plan prepared Annual Report completed	Review RPMP Operating plan prepared Annual Report completed	Undertake public consultation on RPMP Operating plan prepared Annual Report completed	Operating plan prepared Annual Report completed

Natural Environment

Financial Impact Statement

AP 2023/24		LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
	Sources of Funding										
	General Rates	5,021,978	5,507,069	5,937,496	6,440,586	6,782,114	7,072,288	7,340,271	7,464,729	7,693,010	7,974,126
	Targeted Rates	-	-	-	-	-	-	-	-	-	-
	Subsidies & Grants	1,766,711	597,916	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000
	Fees & Charges	-	-	-	-	-	-	-	-	-	-
	Income from Investments	-	-	-	-	-	-	-	-	-	-
	Total Operating Funding (A)	6,788,689	6,104,985	5,988,496	6,491,586	6,833,114	7,123,288	7,391,271	7,515,729	7,744,010	8,025,126
	Applications of Operating Funding										
	Payments to staff and suppliers	7,470,810	6,598,005	6,457,661	6,637,101	6,740,077	7,097,317	7,156,335	7,317,596	7,587,141	7,666,159
	Finance costs	-	-	-	-	-	-	-	-	-	-
	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
	Total Applications of operating funding (B)	7,470,810	6,598,005	6,457,661	6,637,101	6,740,077	7,097,317	7,156,335	7,317,596	7,587,141	7,666,159
	Surplus (deficit) of Operating Funding (A) – (B)	**(682,121)**	**(493,020)**	**(469,165)**	**(145,515)**	**93,037**	**25,971**	**234,936**	**198,133**	**156,870**	**358,967**
	Sources of Capital Funding										
	Subsidies and Grants	-	-	-	-	-	-	-	-	-	-
	Development and Financial Contributions	-	-	-	-	-	-	-	-	-	-
	Other dedicated capital funding	682,121	493,020	469,165	328,523	49,360	(25,971)	(50,398)	(3,210)	(9,329)	(109,407)
	Increase (decrease) in debt	382,007	92,949	101,471	(115,808)	(37,479)	193,097	(28,240)	(128,923)	(97,540)	(199,561)
	Gross Proceeds Sale assets	-	-	-	-	-	-	-	-	-	-
	Total Sources of capital funding (C)	1,064,128	585,969	570,636	212,715	11,882	167,125	(78,638)	(132,133)	(106,870)	(308,967)
	Applications of capital funding										
	Capital expenditure-additional demand	42,949	-	-	-	-	47,699	-	-	-	-
	Capital expenditure-improved levels of service	28,400	-	-	17,200	-	-	-	16,000	-	-
	Capital expenditure-replace existing assets	310,658	92,949	101,471	50,000	104,919	145,398	156,298	50,000	50,000	50,000
	Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-
	Increase (decrease) in reserves	0	0	0	0	-	-	-	(0)	0	(0)
	Total applications of capital funding) (D)	382,007	92,949	101,471	67,200	104,919	193,097	156,298	66,000	50,000	50,000
	Surplus (Deficit) of Capital Funding (C) - (D)	**682,121**	**493,020**	**469,165**	**145,515**	**(93,037)**	**(25,971)**	**(234,936)**	**(198,133)**	**(156,870)**	**(358,967)**

Activity Four
Policy and Regulation

This Group of Activities includes the following Council Activities:

- **RMA Policy and Planning**
- **Consent activities**
- **Compliance Activities**
- **Transport Activities**
- **Navigation and Harbour Safety**

This Group of Activities contributes to the Community Outcomes and well-beings by promoting the sustainable use, development and protection of the West Coast's natural and physical resources of land, water, air, coast and biodiversity in accordance with statutory duties, regional planning objectives and national policy and other standards in an enabling manner; processing consents within statutory timeframes making use of non-notified and limited notified processes to minimise delays; setting appropriate conditions on specific resource uses in accordance with the policies set by Council plans; compliance monitoring to ensure consent conditions are adhered to; pollution and incident response; facilitating growth, economic development and social connections through land transport planning and funding; and safety across our navigable waterways.

Contribution to Community Outcomes

- Economic
- Environmental
- Social
- Cultural

Overall direction

The natural resources of the West Coast are critical to the wellbeing of the region and its community. Council has a range of activities to manage our natural resources, which if done well, can benefit both the environment through the protection accorded, and regional communities by having pragmatic planning documents and effective consenting processes enabling ease of business and development.

Considerable work is required to ensure Council's regional planning documents are up to date. Reviews undertaken will be based on robust evidence gathered through the various monitoring programmes. Government reform will likely continue to influence much of Councils work over this Long-term Plan in the review of planning frameworks.

Regional plans are implemented through administering consents and undertaking compliance monitoring and enforcement. Council's work over many years is now paying dividends within the dairy sector which is enabling a shift in focus to the monitoring of other areas activities where compliance can be further enhanced. Given the extent of the region there is a reliance on the public alerting Council as to potential potential issues. Investigating environmental complaints is an important part of the work Council does to safeguard the environment.

This Group of Activities also includes Council's delegated authority to provide for marine oil spill planning and response.

Changes to levels of service

There will be a change in focus for the Policy and Planning area with the Regional Policy Statement and other Regional Plans given priority to undertake the various plan reviews required.

A new workstream has been included in this Group of Activities to review Council's Navigation and Harbour Safety responsibilities.

Significant negative effects on community wellbeing

Environmental wellbeing is the foundation of our economic, social and cultural wellbeing. There will always be some level of tension between environmental and economic wellbeing, particularly in Council's regulatory work. Council will continue to carefully balance this tension to enable economic activity, where appropriate, while ensuring that the region's environment remains healthy for future generations.

There are significant costs associated with developing, implementing and reviewing plans, National Environmental Standards and other regulations.

There is a risk with reform of the Resource Management Act and other legislation affecting current resource consents and resource management arrangements/strategies.

Policy and Planning

What Council does and why

This activity includes work that provides overarching strategic direction for resource management and advocacy. It provides Council with an important lever to effect change where needed. Much of the work under this activity is required by national legislation, and an Order in Council for Te Tai o Poutini Plan (the combined district plan for the West Coast).

The Regional Policy Statement (RPS) is a critical component of this activity that provides overarching direction for the various plans required under the Resource Management Act. These plans encompass land, water, coastal and air resources.

The West Coast Regional Council is now responsible for preparing, approving and reviewing a combined District Plan for the West Coast under the guidance of Te Tai o Poutini Plan Committee – a Joint Committee made up of representatives from the four Councils, Poutini Ngāi Tahu and an independent chair. Development of the Plan was fast-tracked during the previous Long-term Plan to avoid being caught up in the reform of the Resource Management Act.

Over the next 10 years, Council will work with Poutini Ngāi Tahu, communities, other councils and organisations to ensure regional plans, are up to date and give effect to national direction. This includes work on natural hazards, and Coastal and Air Quality Plan reviews. There is a significant amount of work ahead during this Long-term Plan across all of our regional planning documents. Changes to legislation by central government may result in further revision.

The focus during this Long-term Plan is on ensuring the current resource management plans are current and up to date.

Key projects for years 1 to 3

Council will deliver the following key projects:

- **Review of the Regional Policy Statement**
  - Plan change to update existing provisions based on the latest information and changes to legislation in regards to natural hazards, flooding provisions and any other matters. To be notified in year 1.
  - Plan change hearings undertaken in year 2.
  - Mediation on the Plan change to be undertaken in year 3.
- **Regional Land and Water Plan**
  - Plan change to be progressed in year 1 to review the non-freshwater provisions.
  - Plan change hearings undertaken in year 3.
  - Mediation on the Plan change to be undertaken in year 4.
- **Regional Coastal Plan**
  - Proposed Plan to be notified in year 2.
  - Hearings to be undertaken in year 3.
- **Review of the Regional Air Plan**
  - Undertake a full Plan review in year 1.
  - Notification of Proposed Air Plan in year 2.
  - Hearings to be undertaken in year 3.
- **Completion of Te Tai o Poutini Plan**
  - Plan hearings to be completed in year 1.
  - Mediation to be undertaken in year 2.
  - Te Tai o Poutini Plan to become operative in year 3.

Level of service: Good management of the West Coast's environment is supported by up-to-date legislative planning documents based on sound evidence and processes.

Measure	Baseline		Targets 2024/25	2025/26	2026/27	2027-2034
Ensure the Regional Policy Statement, Regional Plans and Strategies meet legislative requirements	**New measure** - Compliance with statutory requirements and internal timetables for the preparation review and implementation of policies, plans and strategies	Regional Policy Statement	Notify plan change	Hearings	Mediation	Continue planning review work as required
		Land & Water Plan	Review	Notify Plan change	Hearings	
		Coastal Plan	Review Plan	Notify Plan change	Hearings	
		Air Plan	Review Plan	Notify Proposed Plan	Hearings	
Achieve and maintain an operative Te Tai o Poutini Plan	**New measure**		Hearings completed	Mediation	Operative	Rolling reviews

Consent Activities

What Council does and why

This activity implements the Council's Regional Resource Management Plans, National Environmental Standards and Resource Management Act Section 360 Regulations through the processing and issuing of resource consents.

Resource consents may be issued by the Council for taking, use, damming, diverting water, for discharges to land, water or air, for activities in the coastal environment and for a variety of land activities (including river and lakebeds) that are covered by rules in the plans, standards and regulations. Resource consents, when issued, give the holder significant rights to use a resource or have a defined and controlled impact on the environment.

Central government regulatory reform will likely influence future demand for consents. Changes to legislation and guiding documents have resulted in increased complexity for consent processing.

Managing consent and compliance information is a fundamental role of Council. The IRIS project will see a significant upgrade in the existing IRIS system that records information and timeframes associated with Council's consent and compliance activities. This is likely to be implemented in year 3 of this Long-term Plan and will require considerable resourcing for the project in commissioning and training.

In addition to processing consents, a part of this activity is to give advice on resource management matters.

Regional Councils have responsibility for the processing of building permits for dams. Council has transferred this function to Environment Canterbury to process dam applications under the Building Act. Council, however, retains the authority to process resource consents for damming water and waterways under the Resource Management Act.

Key projects for years 1 to 3

Council will deliver the following key projects:

- IRIS new generation system upgrade likely to be undertaken in year 3.

Level of service: Processing and administration of resource consents is efficient and effective

Measure	Baseline	Targets 2024/25	2025/26	2026/27	2027-2034
Process all resource consent applications within statutory timeframes	100%	100%	100%	100%	100%

Compliance Activities

What Council does and why

This activity involves the monitoring of resource consents, investigating issues raised by the general public and checking activities comply with regional plan rules and national regulations and standards. Where there is non-compliance with a rule in a plan, resource consent or national regulation, Council will investigate and take appropriate action in accordance with enforcement procedures.

With a compliant consent record held by the majority of dairy farms there is no longer a requirement to continue with the current annual monitoring regime. A reduction in monitoring frequency will commence from 2024 for compliant dairy farms with this time being utilised for other monitoring activities. Council's new approach will retain sufficient monitoring of these farms to ensure the good compliance standards do not slip unduly over time.

The reduction in dairy monitoring frequency will provide an opportunity to focus on other significant consented discharges such as those associated with district council infrastructure and river and coastal protection structures. Council will also continue with the mining inspection programme, particularly as it appears that this sector is growing across the region.

Council also provides a pollution response service, investigating environmental pollution incidents and breaches notified by the public.

Key projects for years 1 to 3

Council will deliver the following key projects:

- Undertake a shift in compliance monitoring with the phasing out of annual dairy inspections and increasing inspections of other significant activities and discharges from year 2.

Level of service: Maintain the compliance functions of Council in a manner that promotes transparency and accountability to the West Coast community

Measure	Baseline	Targets 2024/25	2025/26	2026/27	2027-2034
The number of compliant or non-compliant point source discharges to water or discharges likely to enter water	All significant* consented discharges are monitored at least annually	90%	100%	100%	100%
Operate a 7.00am – 9.00pm pollution incident service	Respond to all urgent / high risk reported incidents within 24 hours	100%	100%	100%	100%
	Respond to non-urgent medium / high risk reported incidents within 10 working days, and non-urgent / low risk reported incidents desktop response only	100%	100%	100%	100%

*Significant Consented Discharge includes: any consented discharge from a municipal sewage scheme or landfill, any consented discharge from a working mine site and any large-scale industrial discharge.

Regional Transport

What Council does and why

The region's transport system is an enabler of economic growth and social cohesion, connecting businesses, providing access to and between communities, and ensuring the West Coast can import and export goods.

Regional transport management is a responsibility of Council set by legislation. Council acts as the secretariat for the Regional Transport Committee which is responsible for the preparation, review and implementation of the Regional Land Transport Plan. The Plan shapes decisions and actions about the West Coast's land transport system and reflects central government's strategic direction.

A new Regional Land Transport Plan must be developed every 6 years and reviewed after 3 years of operation. A new plan must be prepared by 30 June 2027 for the period 2027 – 2033.

Council has historically had a limited role in the delivery of public transport services. This Long-term Plan has been prepared on the assumption that Council will continue to maintain responsibility for the administration of the 'Total Mobility' scheme over the next 10 years. Funded in partnership by local and central government, the Total Mobility scheme assists eligible people, with long term impairments to access appropriate transport to meet their daily needs and enhance their community participation. With an aging population, the ongoing provision of this service is integral to the wellbeing of many throughout the region's communities.

Technology is improving and becoming more accessible, Council has national goals to lower carbon emissions, and the cost of fuel increases. Options for different forms of public transport will need to be considered to support communities with potential alternative transport options throughout the region into the future.

Key projects for years 1 to 3

Council will deliver the following key projects:

- **Regional Land Transport Plan**
  - Undertake an interim review of the Regional Land Transport Plan in year 3.
- **Total Mobility**
  - Replace the current paper voucher system with permanent Total Mobility Scheme user ID cards in year 1.
- **Regional Public Transport Plan**
  - Undertaken investigation as to the demand for public transport services, and form that these may take, in year 3.

Level of service: Land transport policies that deliver efficient and effective transport solutions, land transport infrastructure and services for the West Coast

Measure	Baseline	Targets 2024/25	2025/26	2026/27	2027-2034
All Regional Transport Plans for the West Coast are kept current in accordance with statutory requirements	An operative Regional Land Transport Plan and Regional Public Transport Plan	100%	100%	100%	100%

Harbour Navigation and Safety

What Council does and why

The New Zealand Port and Harbour Marine Safety Code, produced by Maritime New Zealand, provides measures for the safe management of ships in ports and harbours. It also includes measures to prevent serious harm to people and protect the marine environment. The Council has delegated responsibility from Maritime New Zealand for navigation safety and harbour management responsibilities for the region.

To date, Council has not undertaken activity in this area as this has been overseen by the District Councils of the region for their respective river ports and Jacksons Bay.

Key projects for years 1 to 3

Council will deliver the following key projects:

- Review the navigation and harbour management responsibilities for the region in year 1.
- Implement outcomes of the navigation and harbour responsibilities review in year 2.

Level of service: Assist with maintaining safe and navigable waterways in the region

Measure	Baseline	Targets 2024/25	2025/26	2026/27	2027-2034
Review the navigation safety and harbour management responsibilities of the region and implement the outcomes of the review.	New measure	n/a	100%	100%	100%

Policy and Regulation

Financial Impact Statement

AP 2023/24		LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
	Sources of Funding										
	General Rates	2,002,735	2,332,846	2,447,747	2,346,245	2,359,088	2,350,558	2,360,095	2,487,161	2,577,048	2,601,437
	Targeted Rates	326,652	501,981	672,965	783,563	787,456	842,173	890,088	934,092	977,359	1,021,888
	Subsidies & Grants	390,597	360,235	369,869	342,255	347,429	424,541	388,533	423,233	491,028	459,145
	Fees & Charges	832,752	925,719	969,856	1,743,485	1,065,112	1,114,950	1,232,095	1,224,685	1,282,239	1,410,866
	Income from Investments	-	-	-	-	-	-	-	-	-	-
	Total Operating Funding (A)	3,552,737	4,120,780	4,460,436	5,215,548	4,559,085	4,732,221	4,870,810	5,069,171	5,327,673	5,493,336
	Applications of Operating Funding										
	Payments to staff and suppliers	5,103,169	5,316,873	5,056,978	4,507,290	4,161,777	4,279,626	4,299,729	4,451,339	4,677,889	4,730,522
	Finance costs	139,165	198,274	236,074	247,027	238,686	240,027	240,262	220,091	213,344	203,803
	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
	Total Applications of operating funding (B)	5,242,334	5,515,147	5,293,053	4,754,317	4,400,463	4,519,653	4,539,991	4,671,429	4,891,233	4,934,324
	Surplus (deficit) of Operating Funding (A) – (B)	(1,689,597)	(1,394,366)	(832,617)	461,231	158,622	212,568	330,819	397,741	436,440	559,011
	Sources of Capital Funding										
	Subsidies and Grants	-	-	-	-	-	-	-	-	-	-
	Development and Financial Contributions	-	-	-	-	-	-	-	-	-	-
	Other dedicated capital funding	283,999	221,121	159,912	(476,942)	29,793	(109,225)	36,822	29,483	(39,843)	5,935
	Increase (decrease) in debt	1,720,547	1,259,144	672,705	15,711	(188,415)	(56,580)	(272,244)	(427,224)	(396,597)	(564,947)
	Gross Proceeds Sale assets	-	-	-	-	-	-	-	-	-	-
	Total Sources of capital funding (C)	2,004,546	1,480,265	832,617	(461,231)	(158,622)	(165,805)	(235,421)	(397,741)	(436,440)	(559,011)
	Applications of capital funding										
	Applications of capital funding										
	Capital expenditure-additional demand	-	-	-	-	-	-	-	-	-	-
	Capital expenditure-improved levels of service	272,000	-	-	-	-	-	-	-	-	-
	Capital expenditure-replace existing assets	42,949	85,898	-	-	-	46,764	95,398	-	-	-
	Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-
	Increase (decrease) in reserves	-	(0)	-	0	0	0	(0)	0	(0)	(0)
	Surplus (Deficit) of Capital Funding (C) - (D)	1,689,597	1,394,366	832,617	(461,231)	(158,622)	(212,568)	(330,819)	(397,741)	(436,440)	(559,011)

Activity Five
Commercial Activities

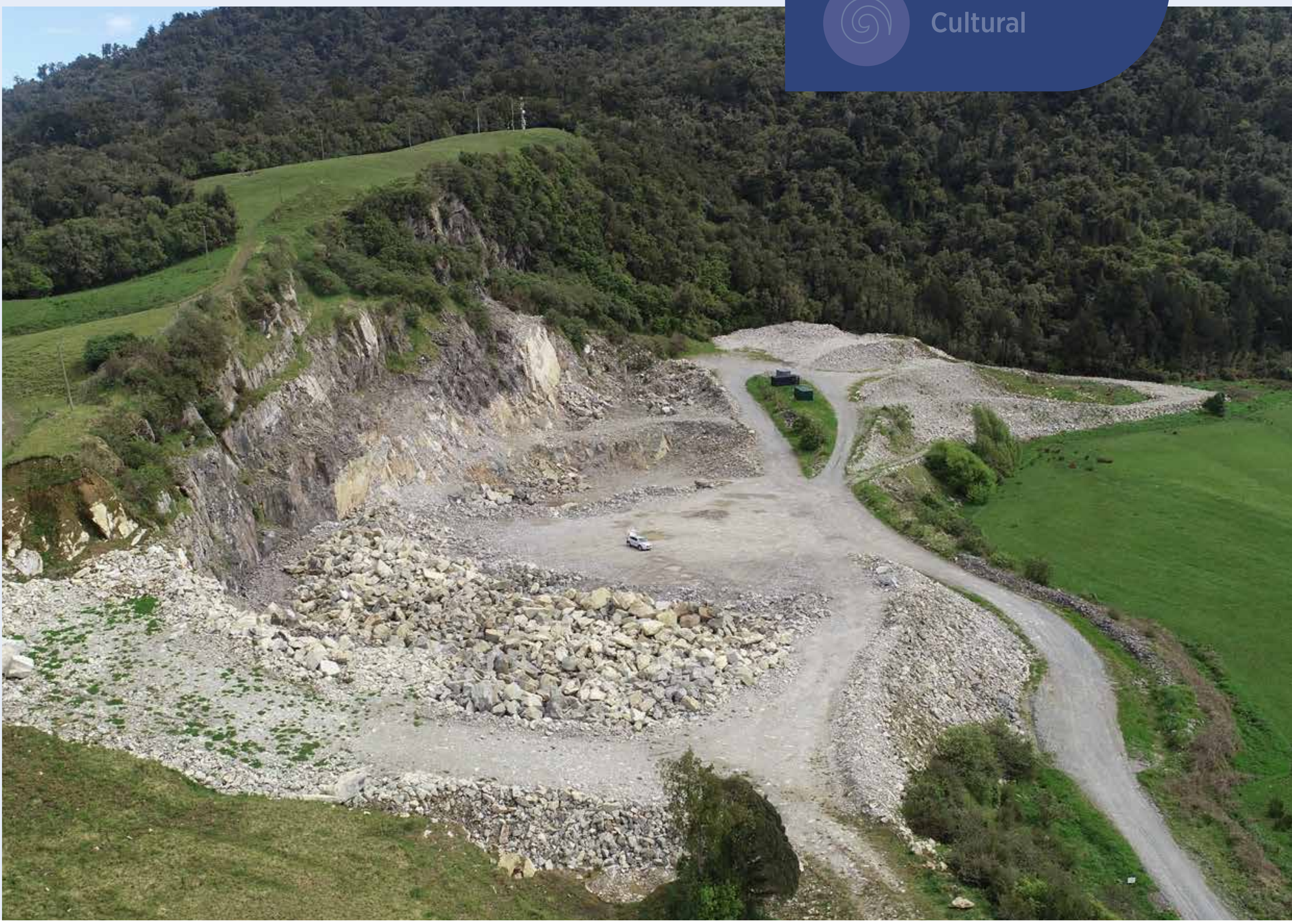
This Group of Activities includes the following Council activities:

- **Investment portfolio**
- **Commercial operations**

Providing economic and social outcomes by offsetting rates; maintaining access to funds in the event of an emergency; creating employment opportunities through Council's business unit with pest control programmes protecting the environment; enhancing the safety and well-being of communities through the provision of quality rock at a fair market rate.

Contribution to Community Outcomes

- Economic
- Environmental
- Social
- Cultural



Overall direction

Council has several investments and commercial operations. Surplus revenue generated by this Activity Group will be used to supplement the General Rate reducing the rating burden on ratepayers where possible.

Commercial activities include Council's quarries and Vector Control Services (VCS) business unit.

Growing these commercial activities to reduce the reliance on rate funding is central to the management of this Group of Activities.

Change in level of service

There is no change in the level of service anticipated.

Significant negative effects

Quarrying activities can result in adverse environmental effects. However, these are managed through the Resource Management Act consents process.

VCS uses 1080 poison in its delivery of pest management programmes. Some people prefer other methods of possum control, however the use of pesticides is currently the most effective tool for controlling the spread and proliferation of bovine TB amongst farmed cattle and deer herds and the benefits of the use of pesticides far outweigh any perceived adverse effects. Council acknowledges the level of community concern about aerial 1080 operations, however decisions need to be based on the benefits to the region as a whole.

Investment Portfolio

What Council does and why

In 2000, each of the four West Coast Councils received $7m from the Government's $120m compensation package following the end of indigenous timber logging in the region The other $92m went to Development West Coast.

Council invested the funds into an investment portfolio managed by JBWere, earning income which has been used to contribute to a number of Council projects including the acquisition and building project for the Paroa Office in 2002, seeding of the Catastrophe Fund in 2011 and purchase of a commercial property in Rolleston in 2013. Since 2004, interest earned from the Investment Portfolio has also been used to fund Council activities such as democracy, resource management, transport, hydrology, flood warning and emergency management. This assisted with reducing rate increases over a number of years.

At 30 June 2023, the JBWere Investment Fund Portfolio was worth $12.8 million.

These investment activities require a degree of risk management. The approach is to manage the investments to optimise returns in the long term while balancing risk and return considerations. As a responsible public authority, any investments should be managed prudently. It also recognises that lower risk generally means lower returns. Investments are utilised to produce a revenue stream to reduce the reliance on general rate revenue.

Level of service: Effective management of Council investments

Measure	Baseline	Targets 2024/25	2025/26	2026/27	2027-2034
Endeavour to achieve the JBWere projected dividend forecast	New measure	Achieve projected dividend	Achieve projected dividend	Achieve projected dividend	Achieve projected dividend

Commercial activities

What Council does and why

Council manages several quarries throughout the region providing an economical rock source for flood and erosion protection schemes. A review of the quarries has been undertaken to identify future potential revenue generation opportunities as well as liabilities in their management.

Vector Control Services (VCS) currently competes on the open market to deliver ground-based and aerial predator control work in the delivery of TB management and biodiversity protection. Long-term it is expected that TB management will decline over the next 10 years. Council is therefore committed to investing in VCS to build capability across new work streams to ensure its ongoing viability.

Robust business plans and governance processes will be developed for both the quarries and VCS to lift their financial performance.

Key projects for years 1 to 3

Council will deliver the following key projects:

- Business plans developed in year 1.
- Staff resourcing increases in year 1 to enable investment in Wild Animal Control which is forecast to increase across the West Coast over the next five years.

Level of service: Effective management of Council's commercial activities

Measure	Baseline	Targets 2024/25	2025/26	2026/27	2027-2034
Operate VCS and Quarry activities in line with their respective business plans.	New measure	N/A	100%	100%	100%

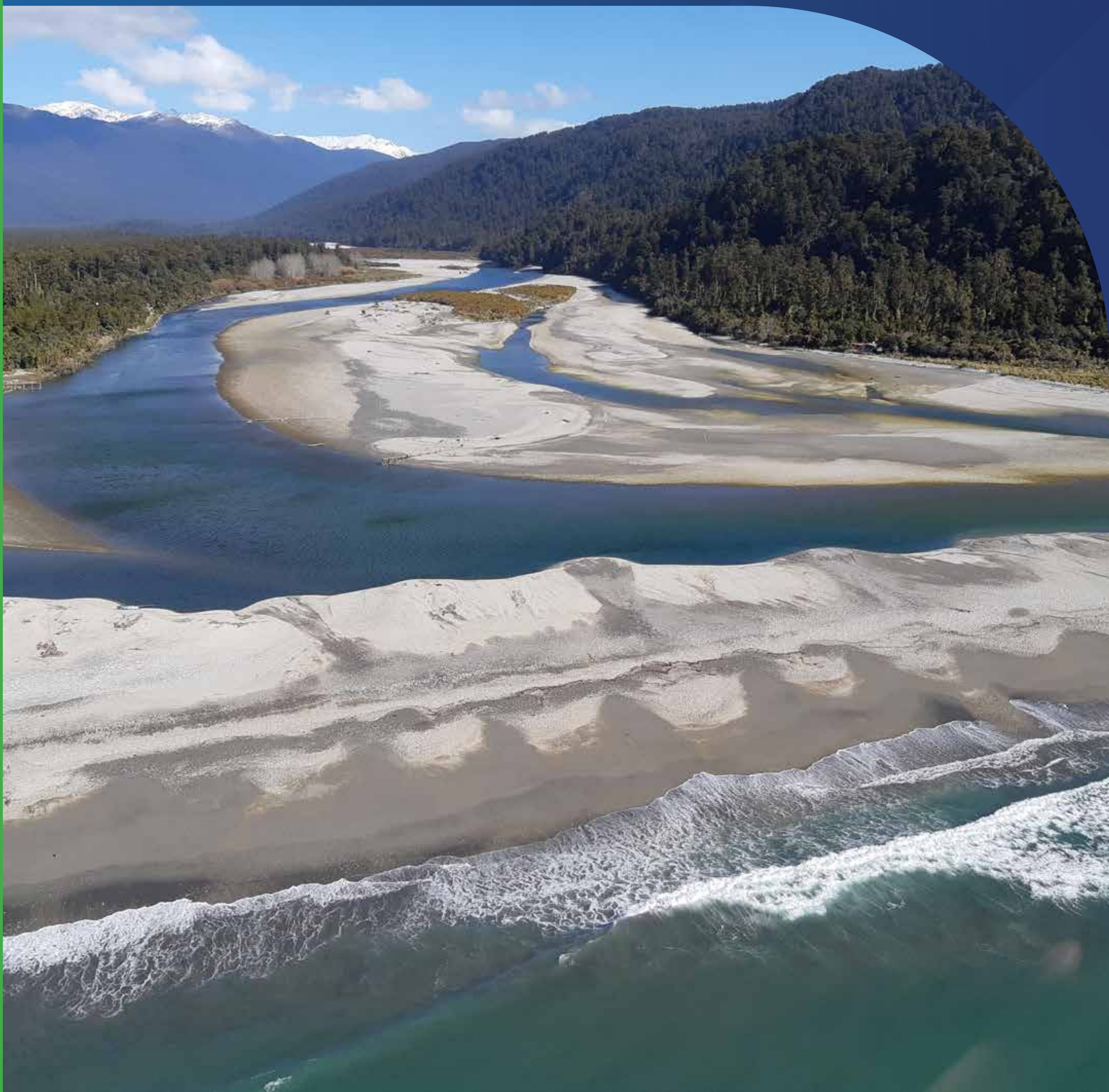
Commercial Activities

Financial Impact Statement

AP 2023/24		LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
	Sources of Funding										
	General Rates	-	-	-	-	-	-	-	-	-	-
	Targeted Rates	-	-	-	-	-	-	-	-	-	-
	Subsidies & Grants	-	-	-	-	-	-	-	-	-	-
	Fees & Charges	323,908	322,762	322,767	372,412	372,418	372,424	434,480	434,487	434,494	434,501
	Income from Investments	4,633,471	3,686,459	3,656,370	3,859,619	3,971,947	4,088,776	4,210,297	4,336,712	4,468,230	4,605,070
	Total Operating Funding (A)	4,957,379	4,009,221	3,979,137	4,232,032	4,344,365	4,461,200	4,644,777	4,771,199	4,902,723	5,039,571
	Applications of Operating Funding										
	Payments to staff and suppliers	4,087,348	3,059,041	3,565,039	3,265,894	3,344,254	3,900,982	3,532,915	3,628,631	4,249,654	3,824,342
	Finance costs	44,615	44,525	45,368	43,725	39,066	38,123	37,198	35,817	34,796	34,716
	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
	Total Applications of operating funding (B)	4,131,963	3,103,566	3,610,407	3,309,619	3,383,320	3,939,105	3,570,113	3,664,448	4,284,451	3,859,058
	Surplus (deficit) of Operating Funding (A) – (B)	825,415	905,655	368,730	922,413	961,045	522,095	1,074,664	1,106,751	618,273	1,180,512
	Sources of Capital Funding										
	Subsidies and Grants	-	-	-	-	-	-	-	-	-	-
	Development and Financial Contributions	-	-	-	-	-	-	-	-	-	-
	Other dedicated capital funding	(1,335,901)	(1,256,078)	(900,655)	(783,895)	(856,867)	213,019	(915,217)	(942,454)	(489,017)	(967,991)
	Increase (decrease) in debt	618,092	423,372	663,607	(138,519)	(58,377)	(688,350)	(111,748)	11,662	(129,255)	(162,002)
	Gross Proceeds Sale assets	-	-	-	-	-	-	-	-	-	-
	Total Sources of capital funding (C)	(717,808)	(832,706)	(237,048)	(922,413)	(915,243)	(475,332)	(1,026,965)	(930,792)	(618,273)	(1,129,993)
	Applications of capital funding										
	Capital expenditure-additional demand	-	-	-	-	-	-	-	-	-	-
	Capital expenditure-improved levels of service	65,500	30,000	-	-	-	-	-	30,000	-	-
	Capital expenditure-replace existing assets	42,107	42,949	131,682	-	45,802	46,764	47,699	145,958	-	50,519
	Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-
	Increase (decrease) in reserves	(0)	(0)	0	0	(0)	(0)	0	(0)	0	(0)
	Total applications of capital funding) (D)	107,607	72,949	131,682	0	45,802	46,764	47,699	175,958	0	50,519
	Surplus (Deficit) of Capital Funding (C) - (D)	**(825,415)**	**(905,655)**	**(368,730)**	**(922,413)**	**(961,045)**	**(522,095)**	**(1,074,664)**	**(1,106,751)**	**(618,273)**	**(1,180,512)**

Part 3

Strategies



Financial Strategy

Overview

This financial strategy sets out the overall financial goals of the Council for the 2024–34 Long-term Plan. The Strategy builds on the current financial position by setting out where Council wants to be positioned during, and at the end of, the Long-term plan period. The Financial Strategy also provides guidance on how Council considers and approaches funding of expenditure proposals in the current Long-term Plan and informs the subsequent decisions for the duration of the 2024–34 Long-term Plan.

Strategic context

According to the Local Government Act 2002, the purpose of the Financial Strategy is to:

a. Facilitate prudent financial management by the local authority by providing a guide for the local authority to consider proposals for funding and expenditure; and
b. Provide a context for consultation on the local authority's proposals for funding and expenditure by making transparent the overall effects of those proposals on the local authority's services, rates, debt, and investments.

In presenting this Financial Strategy, Council has incorporated the financial assumptions as set out in the Long-term Plan and draws attention to the following assumptions:

1. There will be no significant growth in the population of the region over the Long-term Plan period;
2. Economic growth of the region will fluctuate, reflecting the volatility of the tourism sector, the current economic uncertainty, and the nature of the extractive industries (e.g. mining and forestry) that the West Coast region relies on; and
3. Growth in the rating base is not likely in the short term with the Department of Conservation, and other central government organisations, administering approximately 86% of the land in the region.

Financial principles

The key management principles that underpin the financial strategy of the West Coast Regional Council are summarised below:

Overarching principle

The West Coast Regional Council aims for prudent and sustainable financing of its operations and activities and to maintain a strong and resilient balance sheet.

Council should aim for an operating surplus in most years

Operating surpluses arise from operating revenue exceeding operating expenses. Operating surpluses mean the Council is not borrowing to fund current expenditure. Council will require operating surpluses to service both existing and the planned rapid draw down of debt in support of forecast capital work particularly in the initial 1-3 years. It is expected that Council will generate this surplus from year 4 of the Plan.

The cost of significant capital expenditure should be spread over time so that the beneficiaries of the asset contribute towards the cost

It is important to acknowledge that current ratepayers should not bear the full burden of capital expenditure by having to pay for these assets in full now as future generations will enjoy the benefits of those assets.

Any new assets will have debt repayments aligned to the life of the asset that may be out 80+ years. This means that the impact on rates will be minimised in the first instance, with the trade-off being that Council will be carrying a growing debt position with little effective payback for many years.

Council should take only moderate risk with its investment assets and consider its risk exposure in the context of the balance sheet as a whole

Given the statutory obligations on the Council to act prudently, the Council should hold an investment portfolio of relatively low risk and seek to optimise the risk/return trade off over the long term.

Council promotes effective and efficient use of resources to achieve value for money

Ratepayers expect the Council to use its resources efficiently and effectively and in ways that provide the most value. Plans for the efficient and effective delivery of the core functions of the Council should be in place to meet the demands of the region's ratepayers. Effectiveness will require some scaling of the capability of Council in the short term to support delivery of the capital work and planning requirements ahead.

Council should seek to maximise the recovery of costs for services provided to specific individuals or businesses

Cost recovery ensures that users value the services they receive from the Council and that Council has sufficient funding to continue providing the services critical to the operation and viability of the Council. Council's approach to cost recovery should be fair and reasonable, uniformly applied, easy to understand, transparent and predictable.

Rates should be affordable, fair and equitable

Rates on property are the primary source of income for Council. Rates should provide an adequate, fair and affordable source of funding for the Council to undertake the services and activities required of it. Where choices are made to fund services from a general rates pool rather than user charges, that should be transparent to ratepayers. Targeted rates are key to ensuring those who enjoy specific benefits for an asset or service provided by Council pay for that outcome. Where an activity contributes both a public and private good, an appropriate rating mix of General and Targeted is decided by Council.

Council should seek external funding, where available

The West Coast region is large, relative to the number of ratepayers. As such, Council should seek to lessen the burden on the ratepayers and activity seek opportunities to have work funded or co-funded from external sources. The trade-off from this approach is that while Council will save debt on the initial asset delivery, there will be a step change in levels of service for renewals and ongoing maintenance costs that directly impacts rate requirement over and above inflation and other factors, with little the Council can do to mitigate that change.

Financial strategy
Sustainable change

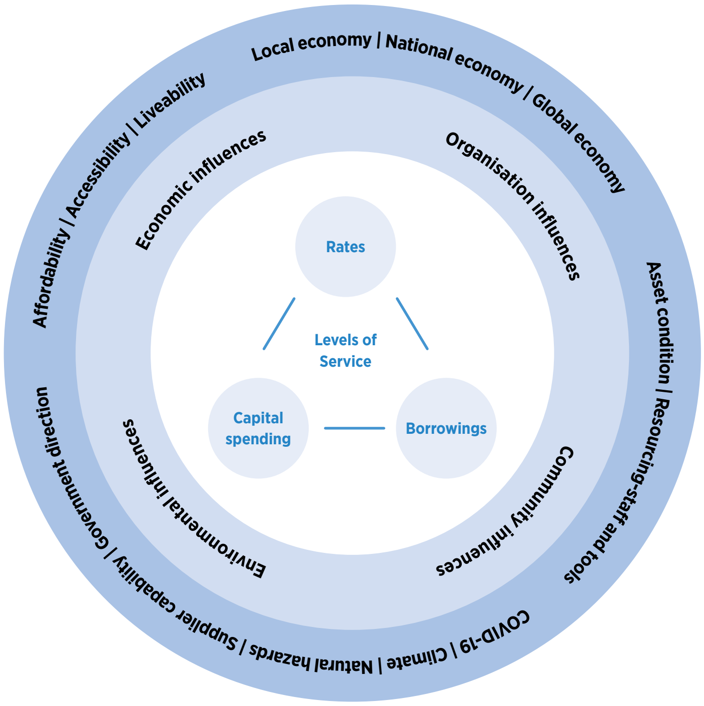
Introduction

This Financial Strategy sets out the overall financial goals of the Council for the 2024–34 Long-term Plan. The Strategy builds on the current financial position by setting out where Council wants to be positioned during, and at the end of, the Long-term Plan period.

Strategic context

The schematic reflects the range of internal and external factors in the Council's operating environment that impact its financial decision-making. These factors are pushing and pulling Council in differing directions, and the challenge is finding a balanced response.

Council's Financial Strategy triangle is affected by the three levers: rates, capex and debt. The size of the triangle represents the level of service provided by the Council. A bigger triangle means an increased level of service (or new services). Changing only one lever can be achieved without affecting service levels by allowing the other components to adjust. Changing more than one component means the third lever also must change, and thus service levels will change too.



Our financial context – where Council is now

Against a backdrop of, and with increasing economic challenges world-wide including high inflation and increasing interest rates, Council is investing in several large capital works over the short term, including significant flood protection in the Westport, Greymouth, Hokitika and Franz Josef areas. Council fully funds depreciation for assets deemed to have a finite life (such as flap valves and concrete structure e.g. culverts and weirs)) but does not rate for depreciation of the earthworks and static flood protection assets, choosing instead to rely on a robust maintenance program to sustain the lives of these assets and service levels in the community. Deterioration of assets over time could occur if renewal or maintenance were deferred long-term. This is why Council deems it vital to rate and ensure funding requirements are met to avoid this outcome.

Cost pressures

Council is exposed to a range of unavoidable cost pressures in its operations, the vast majority of which must be funded by rates. Shifting of costs and responsibilities from central government to local government, including proposed changes through Resource Management Act reform, climate change adaptation, carbon neutral requirements for Council, Biodiversity National Policy Statement etc., creates additional pressures for all councils. In addition, there are specific requirements under the Government's 2020 National Policy Statement on urban development that Council will be implementing and responding to through changes in the regional plans and processes to ensure sufficient development capacity for housing and business needs over the short, medium and long term. While housing is not a direct function of this Council, changing land uses and increased consideration for those District Councils that are building and developing has a flow on effect to Council resourcing and planning requirements. Council will need to increase capability and capacity to meet any new requirements and the change they bring. The change of Government in October 2023 is likely to lead to some respite in the legislative direction being pushed down. While this Long-term Plan has been developed in the current environment, Council will be watching closely to see what changes are made so that work programmes and budgets can be adapted as appropriate.

In December 2020 the New Zealand Government, alongside its climate emergency declaration, launched

The Carbon Neutral Government Programme, a major new initiative that requires the public sector to achieve carbon neutrality by 2025. This, as well as the Climate Change Commission's final report on decarbonising the economy, will require Council to not only map out its own carbon footprint, but to take into consideration an all of supply chain position as it invests in systems, skills, and changes in asset mix and delivery methods to meet this requirement. While Council intends to take a pragmatic approach to this journey there will be investment needed in people, skills, and systems to support this new business approach to Council's service delivery.

Another key area of added cost is the requirement for Council to produce Te Tai o Poutini Plan (TTPP), the combined district plan for the West Coast. There is considerable cost expected to take Council through the hearings and Environment Court processes, with ongoing resourcing for the next round of plan changes and rolling reviews also needing consideration. This is all on top of business-as-usual Council regulatory and planning work. This Long-term Plan proposes a mix of both rating and debt funding spread out across a number of years to support this work and create intergenerational equity over the region.

To mitigate against inflation cost pressures, Council uses a combination of industry-specific cost indices, and a composite index called the Local Government Cost Index (LGCI), which is published by BERL in September each year. If Council does not adjust budgets for this index, it erodes the amount that can be done for the same amount of dollars.

This means that Council is likely to have a limited scope soon to do new things and will need to consider carefully saying 'no' and focussing hard on the basics. Effort will need to be put into 'polishing the apple' even harder and doing more with less for Council's business as usual operations.

Council is committed to future proofing the organisation due to the many changes and challenges that are ahead. This will require investment in people, processes, skills, and systems to give the organisation the capability and capacity to do the job required and maintain levels of services for the community.

How should we respond?

The 2024-34 Financial Strategy will draw upon many of the elements of the 2021-31 Strategy, largely because many of the key challenges such as the prioritised and timely delivery of capital works programmes, climate change and flood resilience, remain. However, whereas in the past Council has been reflecting the current environment, there is now a need to anticipate the future environment.

Council will do this by preparing the organisation for the change known to be coming. Advocacy for increased Central Government funding to help deliver against their expectations and support for these work programmes will be needed. The key mechanisms Council will use to respond to the change coming is by:

1. Improving capital work and service delivery capabilities;
2. Providing a suitable future proof planning and regulatory framework that adapts to the changes afoot; and
3. Providing the necessary infrastructure to improve our flood protection and community resilience to climate changes that will accommodate change for Council, regional partners and other stakeholders.

Council should also continue to meet its fiscal prudence, and environmental sustainability obligations, and to understand both the short- and long-term trade-offs or benefits across all the well-being domains (social, environmental, economic and cultural) when making key decisions for the community. With the anticipated spike in capital expenditure and debt drawdown, it is paramount that Council carefully considers these trade-offs – not just in the short term but across the intergenerational spectrum. There is also an expected spike in cost as Council increases staffing levels to deliver this large wave of projects.

Finally, a focus to make the most of the enhanced opportunities from Government funding subsidies and other incentives to advance community outcomes, and to right size Council staffing in preparing for and supporting change, and operational expenditure is required.

The birds-eye view for the next 10 years

Council sees the next 10 years of this Long-term Plan in two distinct phases.

The first 5 years

The first 5 years are expected to be heavily focused on preparing for and delivery of the considerable capital works program that is dominated by Central Government grant funding. The funding comes with terms and conditions including timeframes for delivery, and Council intends to make the most of this opportunity to improve the region's flood protection assets.

There is also a very clear requirement for Council to adapt and deliver the changes that will come through with legislation and regulatory overhaul (such as the Resource Management Act reform) and those downstream effects to consenting and regulatory functions. Council is also aware that this, along with a number of other unfunded mandates from Central Government, introduces costs to ratepayers that are not only unavoidable but will continually pressure Council's decision making and subsequent setting of rating levels to pay for this change. In both cases, Council will need to increase capacity and capability of staff and systems to ensure it is ready for the future, and to avoid becoming non-compliant under new legislation.

Financially, this will lead to high levels of debt drawdown as projects progress that will take Council close to its self-imposed prudence limits. It is also likely that with all this extra focus and activity - on top of usual Council business - in what is a high inflation environment and with interest rates being elevated from recent historic lows that rating increases can be expected to be higher than in recent times.

The second 5 years

The second 5 years, from year 5 onwards, Council will be taking a much tighter line on new infrastructure investment as there will be limited debt capacity to do the work, and unless there is clear Government support, will only be prioritising needed renewal and maintenance that will maintain the new level of service generated in the first 5 years investment. In short, capital works are forecast to decrease.

It is also expected that many of the changes in legislation and the regulatory environment will be better understood, and that Council will have been on a successful journey of capacity building to support the change and switching to a bedding in of what is to be the new normal for Council operations and services. The cost impact of these changes will be known, and the focus will switch to ensuring efficient and effective delivery within the new framework, and a proactive cost recovery strategy will always be in play.

In summary, where the first 5 years is about rapid investment and upscaling in capability and costs to take advantage of grant funding and preparing for change, the second half of the plan calls for prudent management of the new levels of service and operational delivery and budgets of Council.

Financial Strategy and Infrastructure strategy

The Financial Strategy is the enabler for the Infrastructure Strategy which identifies flood protection, community resilience, and climate change response as the key areas of focus for the capital expenditure programme.

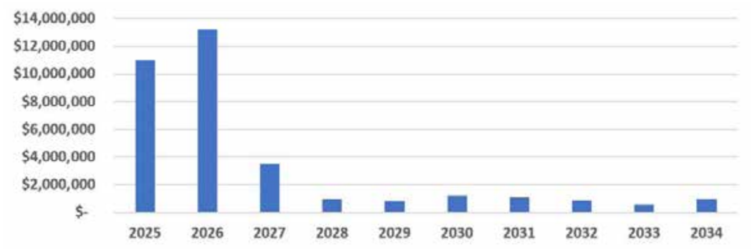
This in turn drives the Financial Strategy, which balances these infrastructure needs with the management of borrowings and rating impacts on the community. All major projects have been, and will continue to be, assessed and prioritised according to their critical need and government stimulus funding and benefit to the regional economy. The scale of capital works in the short term is such that Council will need to be very purposeful in finalising project delivery methods and ensure strong resourcing levels to avoid costly delivery delays.

To ensure the delivery of the significantly increased programme of works, Council will use alternative delivery and procurement models, such as partnering and collaboration with key suppliers in the region that have the capability and capacity to scale up faster than Council. This could include longer term procurement models as well as bundling multiple projects into consolidated packages of work. In addition, the capacity and capability of project management and asset management staff must expand to manage certain key projects and to maintain an overview of the entire capital works programme.

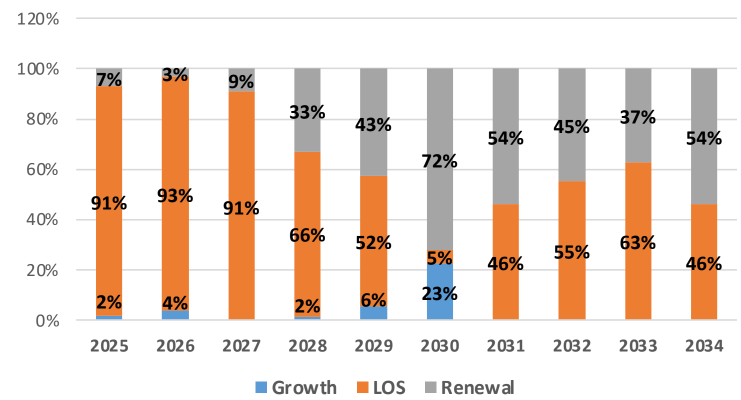
Council believes under investment in critical infrastructure maintenance and renewals is not sustainable, and that it needs to make the most of the funding and time available now to upgrade the flood resiliency of the region as a top priority. The below graphs show the scale and type of investment Council is making over the 10 years of this Long-term Plan, while the table captures key projects within that investment. All should be read in conjunction with the rest of this document.

10-year capital works forecast

Total capital works spend over 10-years



Capital works investment by classification



Key capital projects and methods of funding

Project	Rates/Debt	Grant funding	Total Estimated Cost
Westport Flood Protection Project	$8.37M	$15.6M	$23.97M

Local Government
(Reporting and Prudence) Regulations 2014 requirements

The purpose of this statement is to disclose the Council's planned financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The Council is required to include this statement in its Long-Term Plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Rates affordability benchmark

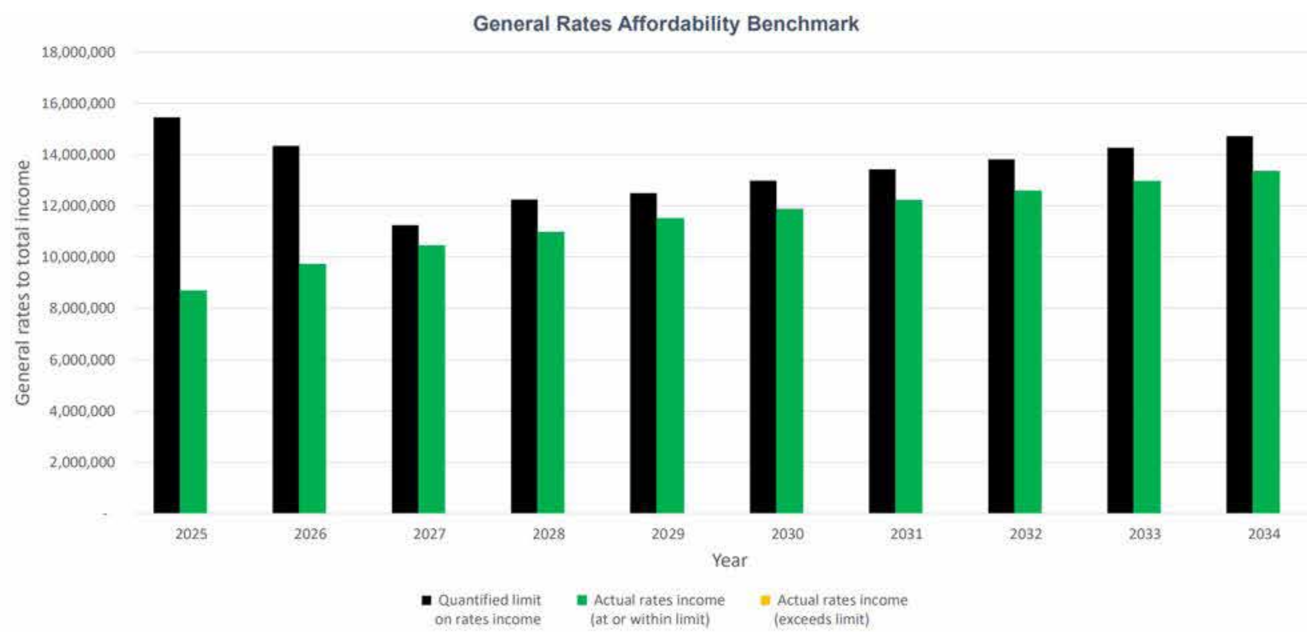
The Council meets the rates affordability benchmark if:

- Its planned rates income equals or is less than each quantified limit on rates; and
- Its planned rate increases equal or are less than each quantified limit on rates increases.

It is of note that Council sets the quantified limit in each of these benchmarks as opposed to any outside influence.

Rates (income) affordability

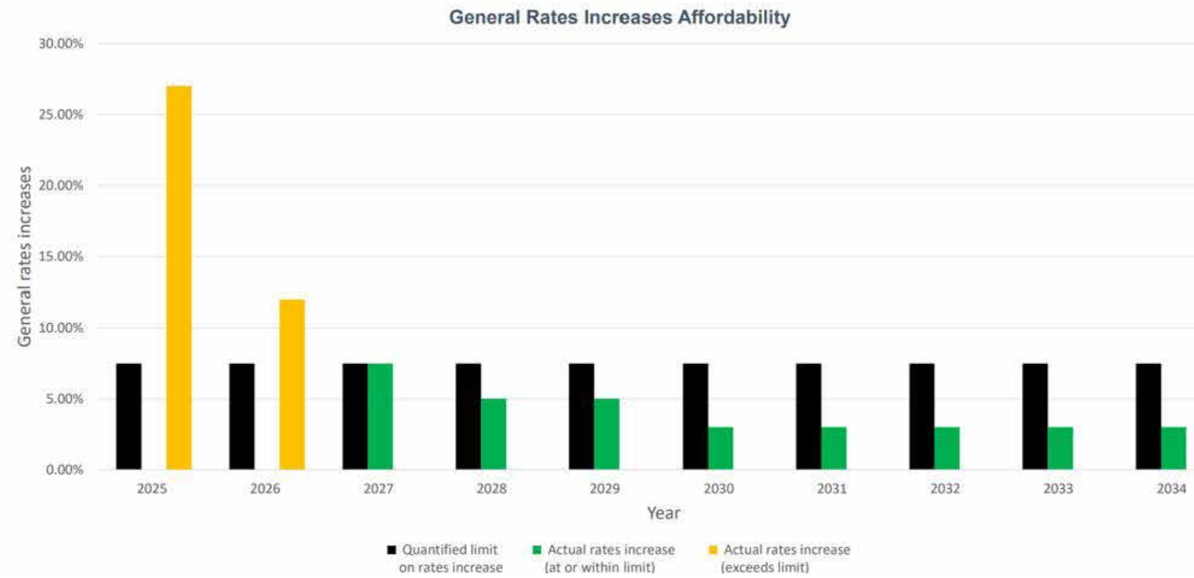
The following graph compares the Council's planned general rates income (including Uniform Annual General Charge (UAGC)) with a quantified limit on general rates (including UAGC) contained in the financial strategy included in Council's Long-term Plan. The quantified limit is that general rates (including UAGC) will not exceed 50% of total income (the quantified limit in the 2021-31 LTP was 50%).



From a dollar's perspective, Council meets this benchmark in all years of the Long-term Plan.

Rates (increase) affordability

The following graph compares the Council's planned general rates (including UAGC) increases with a quantified limit on general rates (including UAGC) contained in the financial strategy included in Council's long-term plan. The quantified limit is that general rates (including UAGC) increase will not exceed 7.50% per annum.

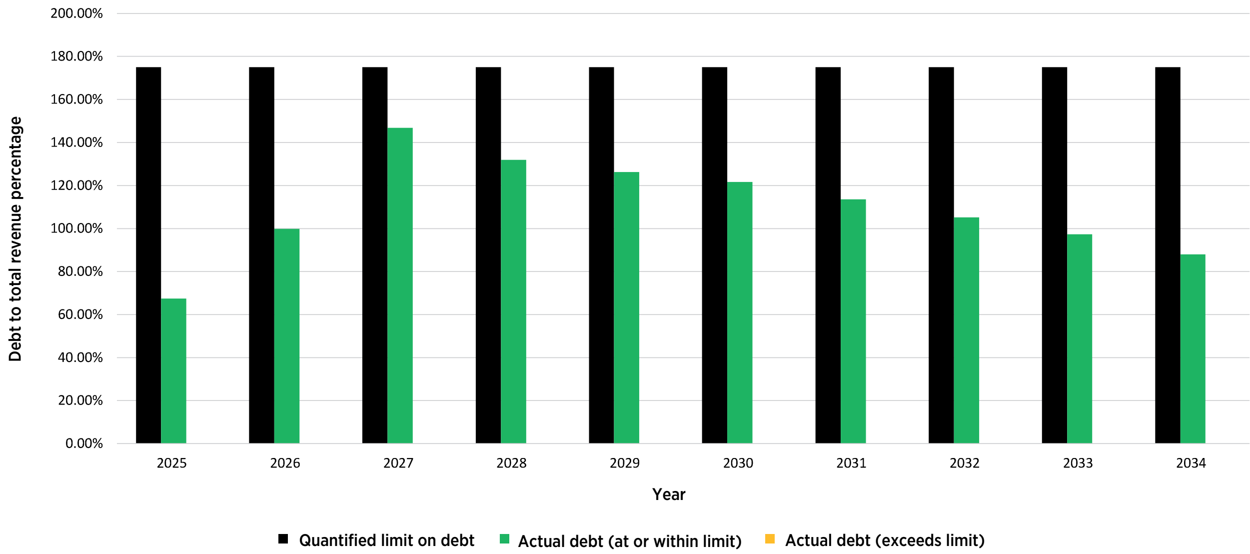


Council has made the decision to not meet this benchmark in the first 2 years of the Long-term Plan. The reason for this is to fast track the resources needed to take advantage of the Central Government funding as it relates to the Westport Flood Protection Project, and to tackle the issues of fast rising costs due to inflation and organisational rebuilding head on. It is not deemed prudent to under resource Council business during this critical period of activity as it could lead to missed investment opportunities and a lowering of services levels to the community.

Debt affordability benchmark

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

The following graph compares the Council's planned borrowing with a quantified limit on borrowing stated in the financial strategy included in Council's Long-Term Plan. The quantified limit is "proposed debt divided by total revenue" will not exceed 175%.



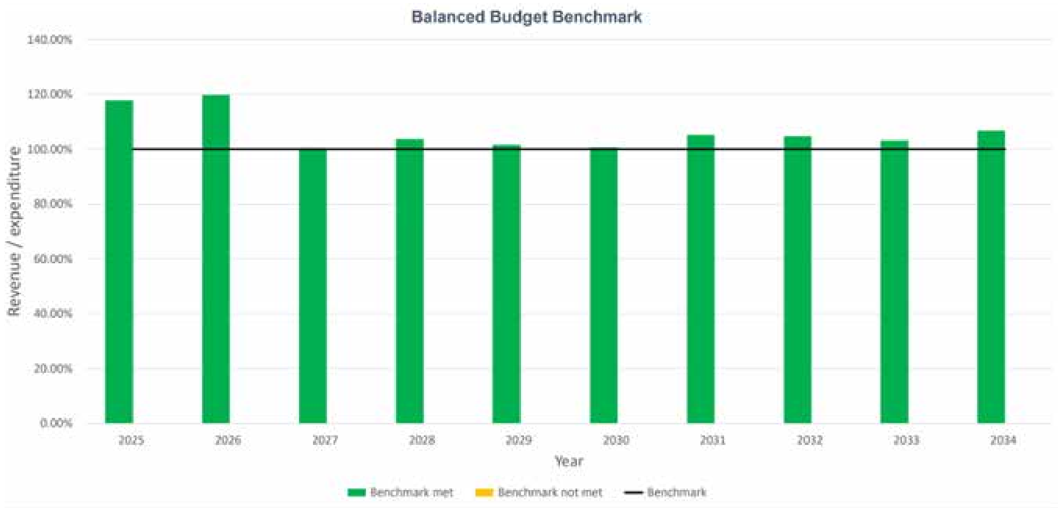
Council meets this important benchmark and its LGFA borrowing covenants in all years of the Long-term Plan. There is a steep rise in debt during the first three years due to the high level of planned capital works, ongoing Te Tai o Poutini Plan cost, and the use of debt to smooth rate increases that would otherwise be unaffordable. The reduction in debt in the second half of the Long-term Plan is related to the Council's return to cash surplus from year four which will be used to start the debt repayment in line with the overall strategy of this document.

Balanced budget benchmark

The Council meets this benchmark if its revenue equals or is greater than its operating expenses.

Council considers that achieving a balanced budget is desirable most years unless there are significant changes required for consideration to maintain service levels and / or implement new regulations. Any years that are not balanced will need to be balanced in years preceding or immediately after to keep Council books sustainable.

The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).



Council meets this benchmark and balances its budgets in all years of the Long-term Plan through a mix of funding methods noted elsewhere in this document.

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:

- Water supply;
- Sewerage, and the treatment and disposal of sewerage;
- Stormwater drainage;
- Flood protection and control works; and
- Provision of roads and footpaths.

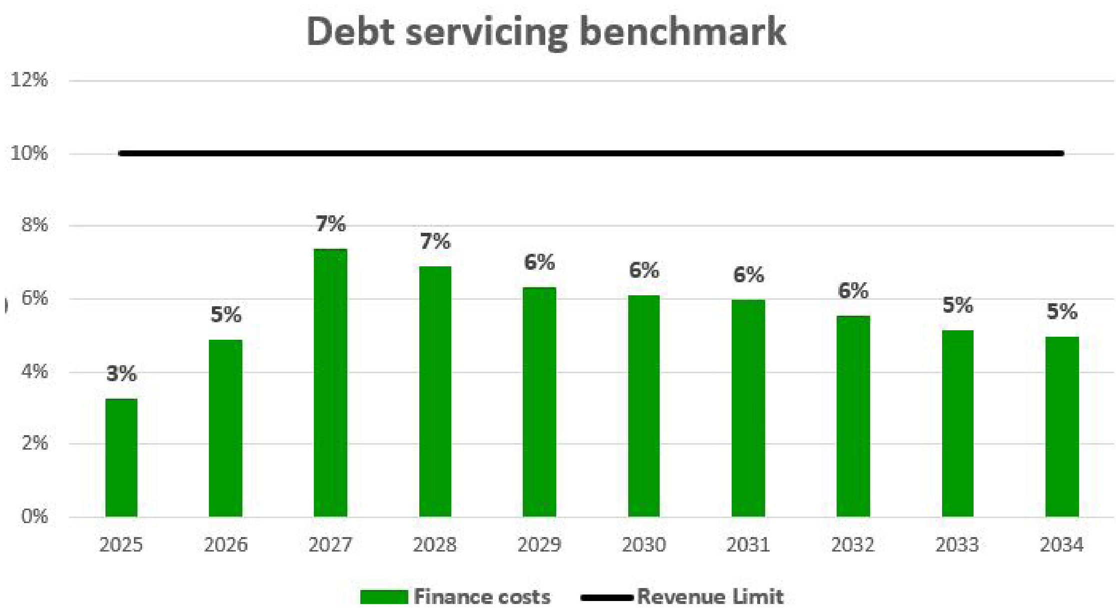
Council's only network services relate to flood protection and control works. Council does not provide any other network services. These network services are in the form of assets such as rock protection, stop banks, seawalls etc. These assets are not subject to depreciation. Council's capital expenditure 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

The following graph displays the Council's planned borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects the region's population will grow more slowly than the national population growth rate or even negative growth, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.

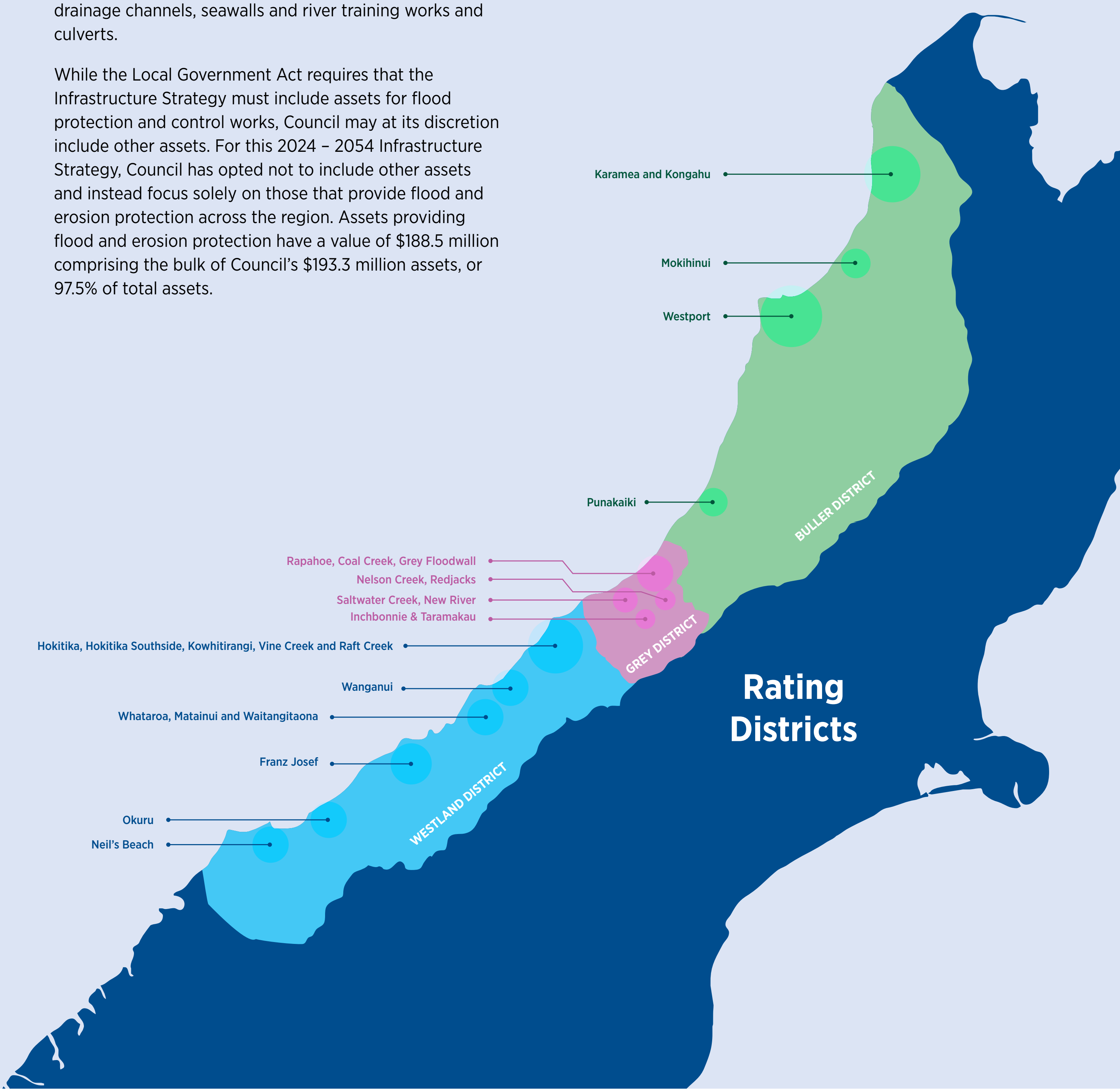


Infrastructure Strategy

Purpose

This strategy has been prepared for the management of flood defences and river and coastal erosion protection infrastructure as required under the Local Government Act 2002, section 101B 6(a)(iv). This includes, but is not limited to stopbanks, floodwalls, groynes, sacrificial bunds, drainage channels, seawalls and river training works and culverts.

While the Local Government Act requires that the Infrastructure Strategy must include assets for flood protection and control works, Council may at its discretion include other assets. For this 2024 – 2054 Infrastructure Strategy, Council has opted not to include other assets and instead focus solely on those that provide flood and erosion protection across the region. Assets providing flood and erosion protection have a value of $188.5 million comprising the bulk of Council's $193.3 million assets, or 97.5% of total assets.



The purpose of the Infrastructure Strategy is to:

- Identify significant infrastructure issues over the period of this strategy.
- Identify the principal options for managing those issues, and the implications of those options.
- Outline how the Council intends to manage these infrastructure assets and what the most likely scenario is for the management of these assets.

Capital and operating spend to meet the levels of service, as agreed with the community, for flood risk management, erosion control and other protection is also included. Flood protection and erosion control faces significant issues over the next 30 years; including those effects from climate, change, natural hazards and affordability issues.

This Infrastructure Strategy is aligned and linked to other key Council documents and strategies including the Financial Strategy and Asset Management Plans. The Infrastructure Strategy is adopted as part of the Long-term Plan process.

West Coast flood and erosion protection

The West Coast Regional Council (the Council) manages and administers flood defences and river and coastal erosion protection structures on behalf of 23 rating districts across the region. While Council does not have a legal requirement to build and maintain flood and erosion schemes, it does so under the agreement and instruction of its beneficiaries; the rating districts. Council enables and assists these rating districts to build, manage and maintain their assets.

Working on behalf of the rating districts is a significant and integral part of the activity of Council. Rating district assets, in conjunction with an array of other activities, provide services to the region that are essential in managing risks associated with natural hazards, enabling economic productivity and providing for community wellbeing. Consequently, it is important that Council assists with the management of these assets in a way that ensures they are resilient to nature's unpredictability, and that they can deliver on the levels of service[1] agreed with the respective rating district in the most cost effective manner for current and future generations.

Financial Strategy

The Infrastructure Strategy and Financial Strategy are inter-related. The benefit of services, affordability and equity of rates are critical for the long-term wellbeing of the community. The 30-year financial projects of the Infrastructure Strategy have been integrated into financial models which in turn generate the reserve, borrowing and rating requirements. The Revenue and Financing Policy describes the funding sources for flood and erosion mitigation. The schemes are funded through a combination of targeted and general rates.

Council is required to plan and manage its infrastructure needs across a thirty-year time horizon. This includes the assets constructed and maintained on behalf of the rating districts. Recognising that flood and erosion type infrastructure can provide benefits across a much longer timeframe than this, Council is seeking to adopt an inter-generational approach, applying consideration of an 80-year timeframe, to the management of these assets while acknowledging that:

- The decisions made today affect future generations; and
- Greater uncertainty will be realised over longer timeframes.

Looking to the future

Over the next 30 years Council is seeking to work with communities across the West Coast to progressively reduce flood and erosion risk in a cost effective manner, integrating environmental, cultural and climate change considerations through supporting rating districts with physical structures, land use planning through regional and district planning instruments, and community awareness and preparedness as part of emergency management.

Doing nothing in managing and maintaining these assets assumes that existing levels of service would gradually reduce due to asset deterioration and projected climate change effects. Looking ahead, Council anticipates that supporting the rating districts with flood and erosion protection will continue to be a major activity of the organisation. Therefore, Council is seeking to work closely with Poutini Ngāi Tahu, stakeholders and communities to put in place strategies and structures that will endure well beyond the timeframes of this strategy.

1. *'Level of Service' means the defined service quality for a particular activity (flood protection) against which service performance can be measured.*

Council's Infrastructure assets

Council manages and administers 23 rating districts on behalf of the community. These provide protection against flooding, river and coastal erosion, as well as channel maintenance, land drainage and river mouth openings.

Located throughout the region from Karamea in northern Buller to Neil's Beach in South Westland, infrastructure assets provide considerable benefits to the communities they protect.

Flood defences and river erosion protection	Flood defences	Coastal erosion protection	River erosion protection	Coastal river mouth opening
• Inchbonnie • Kowhitirangi • Red Jacks Creek • Taramakau • Waitangitoana • Wanganui • Karamea Hokitika/ Kaniere*	• Franz Josef/Lower Waiho • Greymouth/Coal Creek** • Nelson Creek	• Okuru • Punakaiki • Hokitika Seawall*	• Hokitika Southside • Whataroa	• Saltwater Creek / New River (Part of the Grey Floodwall rating district)**
Flood defences and sacrificial coastal bund	**Land drainage scheme**	**Creek clearance, river erosion protection, flood defences**	**Channel maintenance and river erosion protection**	**No infrastructure**
• Mokihinui • Neils Beach	• Raft Creek • Kongahu	• Vine Creek	• Matainui	• Westport • Rapahoe

*Hokitika/Kaniere/Hokitika Seawall are all part of one rating district

**Greymouth/Coal Creek/Saltwater Creek/New River are all part of one rating district

Regional Infrastructure Challenges

Assets involved in flood and erosion protection are mostly considered perpetual in nature and are important to both the regional and national economy. The construction and maintenance costs of those assets are substantial and there is a need to ensure that any future expenditure is affordable. This will ensure the future performance of any scheme is preserved and flood and erosion protection will continue to be provided. This presents a financial challenge for the rating districts to ensure that the costs required to maintain their assets can continue to be met considering the significant issues that have been identified and outlined below.

Ensuring that the funding of asset-related costs matches the perpetual benefit derived from the assets will continue to be important in managing the affordability of these services. Hence Council's approach of management across an 80-year extended timeframe. Council recognises that some assets considered perpetual may be decommissioned depending on the changing risk profile of the hazard and the inability to continue to maintain the required level of service it is intended to provide. There is likely to be difficult decisions needing to be made by rating districts in the future.

Significant Infrastructure issues over the next 30 years

The following tables summarises the most significant strategic infrastructure issues facing the rating districts over the next 30 years, the potential consequences of these issues and the Council's proposed approach to managing these issues.

The significant infrastructure issues are as follows:

- Adapting to climate change impacts
- Ensuring yesterday's assets perform to today's reliability expectations
- Risk of natural hazards
- Economic conditions and affordability

Adpating to climate change impacts

Why is it an issue?

Climate change is likely to increase flood hazards and risks due to sea level rise, more frequent and severe storm events and place additional pressure on river systems caused by larger peaks in rainfall. New Zealand is moving into a "positive" Interdecadal Pacific Oscillation (IPO) cycle which has historically aligned with an increase to West Coast river levels as was experienced in the 1980's and 1990's. Retreat of the snowline and thawing of high alpine environs is exposing more mountain rock slopes. This may be causing an increase in the mobilisation of gravel into river systems leading to increased aggradation (Waiho and Wanganui).

All of these impacts will have implications for levels of service, scheme operations and maintenance activities, with some rating districts unable to afford the current levels of service and even be challenged to significantly reduce their level of service. Council may also be asked by the community to consider new flood or erosion strategies in response to the impacts of climate change.

Council's preferred approach to manage this issue

The preferred option is likely to be location and context specific. The various options, as identified below, may each be suitable for different areas. Consultation and planning through an adaptive pathways planning process will be required to assess optimal adaptation options.

Option	Implication
Protect	Depending on the context, this may be a preferable short- to medium-term approach. Costs will gradually increase over time, especially for coastal areas vulnerable to sea level rise and adjacent to aggrading river systems. Construction to take into account design standards (e.g., RCP6 for Westport flood protection)
Avoid	Increasingly restrict the redevelopment and development through land use planning tools in flood or erosion prone areas. This will require implementation through the Regional Policy Statement and Te Tai o Poutini Plan.
Retreat	There is increasing likelihood for managed or unmanaged retreat from at-risk areas due to increased risk and less funding available. The main implications are loss of land or development potential, and likely expectation for compensation. Land use planning through the Regional Policy Statement and Te Tai o Poutini Plan will form a key component of this management approach.
Accommodate	A strategy of less intervention means lower initial cost. Gradual adaptation over time through more resilient buildings and infrastructure. Requires acceptance of reducing levels of service over time.

Alternative approaches considered and implications	
Reliance on current design standard to accommodate long-term impacts of climate change	• Reduction in level of service over time. • Significant cost when stopbanks have to be redesigned and constructed

Ensuring yesterday's assets perform to today's reliability expectations

Why is it an issue?

Reliability is a critical component of the effective function of the network, and for delivering on our community outcomes. However, this can be impacted by assets not being maintained. In addition, while Council regularly inspects and collects important data about the condition of rating district assets, which helps inform the various operations and maintenance programmes, some aspects of an asset's reliability cannot be fully assessed through this process.

Council's preferred approach to manage this issue

Council expects to continue to undertake maintenance, and additional capital works as approved, on behalf of the rating districts to ensure assets provide the level of service agreed. This may lead to increased financial requirements due to expected impacts of climate change, higher environmental performance requirements and regulatory compliance.

It is forecast that approximately $70.7 million will be undertaken as the operational work maintenance work programme in the next 10 years and approximately $228.4 million over the next 30 years (these figures include inflation).

Council's approach is to maintain the current design standards while noting in some instances this will require increased costs if the same level of protection is to be provided. Should rating districts not wish to undertake this work, Council will need to renegotiate the level of service.

A key component to managing this risk is improving the collection and recording of asset condition information. New operational procedures and data management systems are being implemented to facilitate this.

Alternative approaches considered and implications	
Do nothing – assets could be allowed to deteriorate	• Reduced levels of service • Short term costs savings • Increased risk of asset failure, with associated risk to communities • Environmental benefits (return of land to natural state for example) • Adverse economic impacts
Continue as per current practice with no increase in funding for maintenance	• Similar levels of expenditure • Reducing levels of service over time

Risk of natural hazards

Why is it an issue?

The West Coast is prone to severe storms and seismic risk. Extreme events such as flooding, storm surge and earthquakes pose significant threat to infrastructural assets and the services they provide. Research indicates there is a 75% probability of an Alpine Fault earthquake occurring in the next 50 years, and there is a 4 out of 5 chance that it will be a magnitude 8+ event. Due to the nature of where they are located, a number of infrastructure assets will be on “liquefiable” soils making them prone to damage in a major earthquake. Such events will also increase aggradation throughout river catchments.

Council’s preferred approach to manage this issue

Accept the risk and repair if necessary. However, Council can also take the following measures to improve its responsiveness:

- Seek to reduce the damage potential of natural hazards on assets through additional design resilience for new and existing infrastructure
- Maintain procedures to enable a timely response before, during and following a natural hazard event
- Ensure funding policies are robust and appropriate.
- Maintain structural contingencies e.g., stockpiles of rock.

Council will maintain its Catastrophe fund to provide easily accessible funding in the event of a catastrophe.

Earthquake standards will be considered in new asset builds. Community response plans will continue to developed and implemented across the region through Council’s Emergency Management function.

Alternative approaches considered and implications	
Upgrade earthquake protection on all assets	• Upgrading all assets would be cost prohibitive

Economic conditions and affordability

Why is it an issue?

The region's economic conditions have an impact on the ability of communities to pay for the services provided. There are increasing pressures on the current level of funding to deliver more. In the future, there may be less funding available to fund flood and erosion protection. The affordability of the levels of service may be impacted by changes to the levels of natural hazard risk (increased aggradation and river flows), increased input costs and changes to the cost of compliance. As such, there is a significant amount of land that has enjoyed protection in the past that may no longer receive the same standard of protection.

Trends such as an aging population, urban drift and social inequality all have an impact on the ability to fund infrastructure.

Council and rating districts may need to carefully review the level of service for the future for affordability purposes.

Council's preferred approach to manage this issue

Council recognises the need to balance both the demand for current and additional services with the community's ability to pay. Significant co-funding of capital expenditure for new projects (e.g. Franz Josef, Westport and Hokitika) and upgrades of existing projects (e.g. Mawhera) have been secured from central government. This has substantially reduced the impact on the ratepayers within the respective rating districts. This co-funding arrangement will be central to any further major capital expenditure projects. However, while co-funding is advantageous to offset capital costs, at the completion of the work, the respective rating district will need to be able to fund the ongoing maintenance of the asset.

Council is increasing its advocacy into central government to secure additional funding to support rating district activities.

Given increasing pressures upon affordability, it is appropriate to keep under review the full range of scheme beneficiaries to assess if current funding policies continue to be appropriate.

Opportunities will be identified for cost efficiencies in the way work delivery programmes are procured. This includes a review of the quantum of rating districts and the way these are managed.

Alternative approaches considered and implications	
Maintain current levels of service	• Reduction in cost increases – targeted to maintenance only
No upgrades undertaken or new infrastructure constructed	• Increased risk to property and people over time • Escalation of costs beyond ratepayers' ability or willingness to pay leads to lower levels of service or abandonment of schemes.

Council's approach to infrastructure management

The West Coast Regional Council manages and administers flood and erosion protection assets on behalf of its rating districts across the West Coast region. Management of these assets is crucial to support the region as these assets serve to:

- Protect the economic productivity of the region
- Reduce risks to communities from natural hazards events
- Contribute to the safety and wellbeing of the community.

Collecting and maintaining best possible data and information

Robust decisions are dependent upon the ongoing collection and management of appropriate information. Council will be undertaking the collection of data from regular river surveys, condition assessments and structural inspections. This data, and how it is managed and analysed, is critical to inform work programmes and associated activities. This also enables Council to identify and ensure appropriate management of the region's most critical assets.

Improving the quality and accuracy of data that supports informed decisions is an ongoing activity that Council is committed to, as well as systems and processes for the management of these assets.

This information will inform rating districts as to whether levels of service are being achieved, and if not, what action the rating district will fund to reach the agreed level of service.

Identifying opportunities for cost efficiencies

The construction and ongoing maintenance of flood and erosion schemes can be significant in cost. Council intends to continue to identify efficiencies in the way it undertakes procurement, access to materials and other costs that make up these projects to reduce the burden on ratepayers where possible.

Rating district review

Council currently administers and support 23 rating districts across the region. The way in which the rating districts have been established, and decisions made at the time, have resulted in a range of different rating scenarios. The quantum of rating districts and the various characteristics of each creates a level of complexity and inefficiency for their ongoing management. A review of the rating districts is planned for year 2 of this Long-term Plan to identify opportunities for future efficiencies.

Responding to demands for new capital works

Council will consult with communities in relation to requests for any new capital work initiatives. Funding will be agreed based on Council's Revenue and Financing policy – a requirement of the Local Government Act. In general terms, this means that costs will be met by those that benefit or contribute to the need for the capital work.

Renewal or replacement of existing assets

Provided assets are properly maintained, the majority of current assets will not depreciate unless compromised by an unmanageable event. The type of assets that will require a programme of replacement or renewal includes culverts, pipes and other structures that have a finite lifespan. Council undertakes an annual maintenance programme to ensure the integrity and longevity of these assets.

Council is proposing to implement a new maintenance fee for the Westport Flood Protection Project. This will commence in year 1 of this Long-term Plan at 1% of the capital cost of the asset at the time.

Scaling up of capacity to deliver Westport flood protection

The construction of the Westport flood protection will be one of the largest flood protection projects undertaken for many decades. Council has been scaling up resource inhouse to deliver this project on behalf of the Westport community. The bulk of construction of the Westport flood protection is anticipated to occur in years 2 and 3 of this Long-term Plan, and be completed in year 4.

Transfer of Strategic Assets

Grey Floodwall

The Grey Floodwall is a strategic asset which is currently under ownership of the Grey District Council. The Grey Floodwall is made up of a number of different components, including but not limited to the wall itself, flood banks, pipes, floodgates, drainage ducts and pumps. Some of these are flood protection assets and some are stormwater assets. **It is proposed to officially transfer ownership of the flood protection assets to the Regional Council during year 1 of the Long-term Plan.**

The floodwall structure ownership by the Grey District Council is the result of a historical decision. All costs for it are paid by the Regional Council including insurance, maintenance and renewal costs. The Regional Council also rates for the floodwall and makes all operational decisions with regards to it. The proposal to transfer ownership of the asset to the Regional Council is therefore a logical one.

A Joint Floodwall Committee has been established to help manage the asset, with both Councils having representation on this Committee. The asset transfer will not change this arrangement, although it will be timely to review the terms of reference for the Joint Committee to ensure they are up to date.

No conflicts of interest regarding the proposed transfer have been identified. A condition assessment will be undertaken on the assets to be transferred prior to the transfer taking place. Financial implications relate to maintenance and operational budgets which are not included in the Long-Term Plan financial forecast or targeted rates. If Council does takes over the flood protection assets there is likely to be some increased costs relating to the depreciation and maintenance of some of these.

Havill Wall (Franz Josef)

The Havill Wall is a strategic asset which is currently under the ownership of the Westland District Council. **It is proposed to officially transfer ownership of this asset to the Regional Council during year 1 of the Long-term Plan subject to Council confirmation of a suitable condition assessment.** This process ensures that upon any transfer, the asset is at a service level consistent with its required design.

The Havill Wall was built in 2017 by Westland District Council to provide protection to the oxidation ponds and wider community following a flood event in 2016. Multiple other flood protection structures on the Waiho River are managed by the Regional Council as part of the Franz Josef Rating District, and management of such assets is part of the core business of this Council. The proposal to transfer ownership of the asset to the Regional Council is therefore a logical one with it to become a wider part of flood protection for the community.

A Joint Committee has been established to help manage the assets of the Rating District, with both Councils having representation. While community membership on the Committee is being revised this is not anticipated to impact the transfer of the asset.

No conflicts of interest regarding the proposed transfer have been identified. Financial implications will relate to the ongoing insurance and maintenance costs of the asset.

Rating District Funding

The majority of projects are funded through their respective rating district. Capital works are typically funded through government grants, any reserve the respective rating district holds, via an external loan or combination thereof. Loans are repaid from a targeted rate on that rating district.

Annual operating costs and maintenance are confirmed with each rating district at an annual meeting and undertaken following confirmation.

Funding of Council engineers, additional staff support and administrative costs are funded in a 70:30 split between the rating districts and the General Rate, reflecting Council's user pays approach as well the wider community benefit these services deliver.

The Infrastructure Strategy and Financial Forecasts assume no catastrophic floods or other natural disasters will occur. However, based on history, and the prediction of more frequent and more severe weather events occurring, the likelihood of some flood and coastal inundation and erosion events during the 30-year period of this Strategy is increasing. There is no accurate means to forecast when or where these events will occur.

Repairs to assets from extreme weather events can be funded through reserves, or a loan if required. In addition to this, Council holds insurance to cover rating districts by providing the 40% local share which then allows access to the 60% share in funding provided by the National Emergency Management Agency (NEMA) depending on the scale of event and its impact.

The excess on a claim under Council's insurance policy is 40% of $1,000,000 for a flood event and 40% of $500,000 for any other event.

Infrastructure expenditure assumptions

The construction of new assets, or work to increase the rating district's level of service (e.g. raising the height or length of a stopbank) is regarded as capital expenditure, All costs related to repairs or maintenance is funded by the rating district.

The Infrastructure Strategy investment programme is based on the following assumptions:

- There is no deferred maintenance during the 30-year period.
- There are no new schemes identified for constructed other than what has been noted in this strategy.
- Expenditure figures are based on maintaining the current levels of service.
- For the Infrastructure Resilience Project capital works, and Westport, a 1% allowance based on capital expenditure is to commence in year 1 for maintenance purposes.
- Responding to major natural hazard events is assumed to be funded through insurance, the Catastrophe Fund and reimbursements from National Emergency Management Agency.
- Inflation adjustments have been made using BERL inflation indices.

While Council has modelled flood and inundation risk for many of the rating districts, and gained an understanding of the risk profile, a degree of uncertainty remains. Floodplains and river channels are dynamic, and it is not possible for modelling to be undertaken for all potential storm profiles and flood scenarios, including the potential for structure failure of flood protection assets and long-term accretion of floodplains. Projects of climate change effects continue to be refined over time. The timing of replacement or upgrading of assets will reflect these outcomes.

Total expenditure

Council expects to spend $50.3 million on new or replacement infrastructure for flood and erosion protection between 2024 and 2054 (30 years). Over the same period, $228.4 million is expected to be spent on non-capital related costs including ongoing maintenance, insurance, engineering expertise, modelling and loan repayments across the rating districts.

Infrastructure activity	Capital expenditure	Operational expenditure
Flood and coastal erosion protection	$50.3	$228.4

Capital expenditure

Council's forecast capital programme will continue to see significant expenditure in years 1 to 3 of this LTP. The primary driver of this expenditure is the Westport Flood Protection project which is anticipated to be completed in 2027.

Funding for additional capital works have been sought as part of the co-investment and flood resilience proposal in Te Uru Kahika's Before the Deluge. This proposal identified additional funding required for Hokitika and Franz Josef to complement the Climate Resilience projects, as well the Wanganui River protection. However, given that the final funding decision for co-investment was yet to be made prior to the change in government in October 2023, these projects and their expenditure have not been included in this Infrastructure Strategy.

Projected capital expenditure

Project	Rates/Debt	Grant funding	Total Estimated Cost
Westport Flood Protection Project	$8.37M	$15.6M	$23.97M

Operational expenditure

Council spends only enough in maintenance to maintain the current levels of service on the assets it manages. All major new asset local share is debt funded for intergenerational equity reasons, and this is only likely where co-investment through grant funding from central government is available.

The right balance between routine planned and reactive maintenance is required so that assets are managed optimally in terms of functionality and cost. This balance is derived through the Asset Management Plans to maintain levels of service for the respective rating district and the Annual General Meetings of the rating districts. A work programme is confirmed at the meeting to detail the work that is to be undertaken over the coming year.

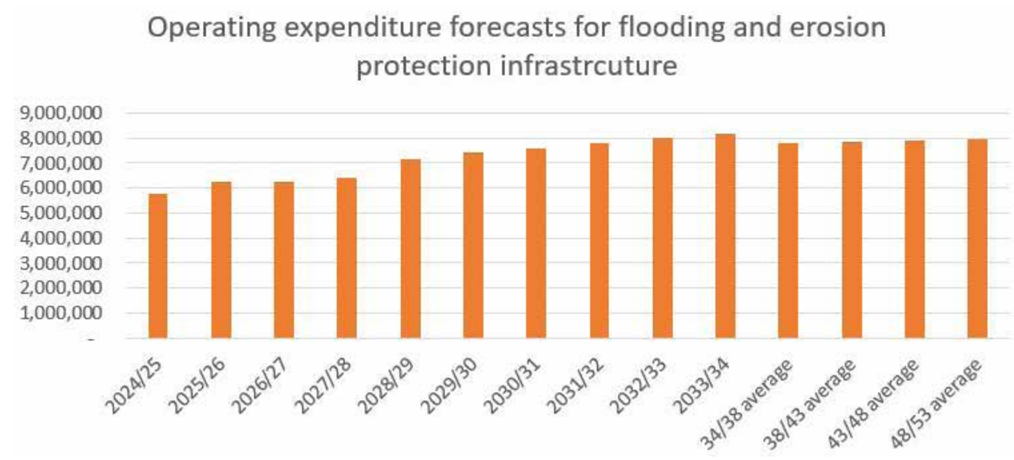
Asset Management Plans for each of the rating districts are available on the Council's website www.wcrc.govt.nz

Council plans to invest resources over the short-term for the provision of better data collection and usage of the information to ascertain what the long-term infrastructure requirements and levels of service are over the next 30 years. This will lead to more informed decision-making for the rating districts and Council.

Council employed engineers will continue to support the rating districts across the region particularly in the areas of ongoing maintenance, asset management and inspections. Independent project managers, consenting specialists, design and modelling consultants have been used successfully across a range of projects in the past. Council intends to continue this approach to enable the rating districts with flood and erosion protection.

Updating expenditure forecasts

It is expected that with each review of Asset Management Plans, Long-term Plan and the Infrastructure Strategy, the cost estimates will be updated, particularly in the early years of the respective project. This will enable the forecasts to be updated to reflect more detailed design and understanding of costs associated with those projects progressing in the early years.



Climate Change

Local government has responsibilities for adaptation to and mitigation of the effects of climate change under the Resource Management Act 1991 and Local Government Act 2002, whereas central government leads policy to mitigate (reduce) greenhouse gas emissions.

Projected changes to our climate will impact our economy, infrastructure, natural environment, lifestyles and future. The data compiled by New Zealand's Climate Change Commission demonstrates that we are already experiencing the effects of climate change and that past emissions have locked in further change.

Climate change assumptions

Although there is uncertainty around some climate change effects and the scale of impacts, climatic records throughout New Zealand already show changing trends, for example, reduction in snow and glacier ice mass and increasing temperatures.

Assuming the Ministry of Environment's projections are accurate, the potential impact on the Council's activities from the effects of climate change could include:

- Increased maintenance, and demand for new, river and coastal erosion protection infrastructure.
- Increased emergency management responses required to natural hazard events.
- Additional biosecurity staffing requirements, and changes to the Regional Pest Management Plan to address an increase in the spread of pests and weeds.
- Amendments to Regional Policy Statement and Regional Plans to incorporate new provisions based on updated hazard information.

Climate change is becoming increasingly intertwined through our work programmes across Council, evidenced in the various Groups of Activities.

Our approach to reducing emissions

Not only does Council have a role in assisting our communities to adapt and mitigate against the impacts of climate change, we also have a role to play in the reduction of emissions. To progress this Council will need to measure its own baseline emissions.

Confirming Council's emissions baseline will be undertaken in year 1 of this Long-term Plan and will be used to determine what actions, and their associated cost, can be made to progress emission reduction.

In the interim, Council is intending to undertake the following actions:

- All new vehicle replacements will be hybrid vehicles except where a diesel ute(s) will be required to access specific offroad locations.
- Revegetation of Organs Island as a wide area of indigenous riparian forest as part of the Westport Flood Resilience project.
- Tender documents will include provisions to ascertain how contractors intend to reduce or offset their emissions, considerations that will be given a weighting through the evaluation processes.

The financial implications of any outcome from the emission baseline investigation can be consulted on through future Annual Plan processes or built into the 2027 – 2028 Long-term Plan development.

For more information on how Council is incorporating climate change response into business as usual refer to Opportunities and Challenges on page 15.

Likely climate change impacts for the West Coast

The projected changes are calculated for 2031 – 2050 (referred to as 2040) and 2081-20100 (2090) compared to the climate of 1986-2005 (1995).

Annual average temperatures are likely to be 0.7°C to 1.0° warmer by 2040 and 0.6°C to 3.0°C warmer by 2090.

By 2090, the West Coast is projected to have up to 30 extra days per year where maximum temperatures exceed 25°C.

Rainfall will vary locally within the region with the seasons of winter and spring to become wetter with winter rainfall increasing by 8 – 29 percent by 2090.

Extreme rainy days are likely to become more frequent throughout the region by 2090.

The number of frosts could decrease by around 7 to 18 days per year by 2090.

Some increase in storm intensity, local wind extremes and thunderstorms

Snow days could decrease by 30-40 days in some parts of the region by the end of the century as well as the duration of snow cover at lower elevations.

Places that currently receive snow are likely to see a shift towards increasing rainfall as snowlines rise to higher elevations due to rising temperatures increasing the possibility for larger winter floods.

New Zealand tide records show an average rise in relative sea level of 1.7mm per year over the 20th century. Globally, the rate of rise has increased, and further rise is expected in the future.

Source - Climate change projections for the West Coast region | Ministry for the Environment 2018

Part 4

Financial Information

Prospective Statement of Comprehensive Revenue and Expense

AP 2023/24		LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
	Revenue										
10,742,690	Rates	12,978,011	14,879,714	16,640,361	17,626,713	18,673,943	19,377,389	19,958,711	20,557,472	21,174,196	21,809,422
24,243,177	Subsidies & Grants	11,708,609	8,421,150	420,869	393,255	398,429	475,541	439,533	474,233	542,028	510,145
1,691,974	User Fees and Charges	1,465,231	1,561,739	1,620,777	2,459,687	1,797,713	1,864,753	2,061,996	2,073,520	2,150,939	2,300,406
38,053	Revaluation of Investment Property	126,500	133,774	141,466	149,600	158,202	167,299	176,918	187,091	197,849	209,225
483,131	Investment Income and Contract Income	4,633,471	3,686,459	3,656,370	3,859,619	3,971,947	4,088,776	4,210,297	4,336,712	4,468,230	4,605,070
37,199,024	**Total Revenue**	30,911,822	28,682,836	22,479,843	24,488,875	25,000,234	25,973,757	26,847,455	27,629,028	28,533,241	29,434,267
	Expenditure										
	Regional Leadership	1,644,632	1,109,222	975,559	942,971	1,001,975	1,031,955	999,575	1,074,917	1,096,863	1,067,591
	Infrastructure and Resilience	6,351,346	7,138,715	7,296,962	7,484,224	8,263,235	8,523,218	8,701,619	8,916,958	9,094,317	9,336,143
	Natural Environment	7,674,299	6,832,793	6,710,624	6,921,291	7,038,494	7,350,053	7,422,718	7,576,954	7,819,910	7,916,778
	Policy and Regulation	5,343,894	5,642,654	5,425,400	4,903,144	4,550,526	4,654,679	4,685,868	4,811,120	5,013,291	5,071,690
	Commercial Activities	4,227,017	3,209,564	3,742,527	3,442,788	3,524,151	4,068,780	3,698,290	3,793,553	4,407,698	3,985,390
	Other	-	-	-	-	-	-	-	-	-	-
	Total Expenditure	25,241,188	23,932,949	24,151,072	23,694,419	24,378,381	25,628,685	25,508,069	26,173,502	27,432,079	27,377,591
14,399,982	**Net Surplus / Deficit**	5,670,634	4,749,888	(1,671,229)	794,457	621,853	345,072	1,339,386	1,455,526	1,101,162	2,056,676
59,422,956	**Other Comprehensive Revenue & Expense** Asset Revaluations	6,822,521	7,239,340	7,876,116	8,236,890	8,490,913	8,747,632	9,023,072	9,333,323	9,615,858	9,934,964
73,822,937	**Total Comprehensive Revenue & Expense**	12,493,155	11,989,227	6,204,886	9,031,347	9,112,766	9,092,704	10,362,458	10,788,850	10,717,020	11,991,641

Summary of Operating Expenditure by Expenditure Type

AP 2023/24		LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
865,838	**Interest**	1,002,109	1,403,566	1,655,903	1,693,205	1,580,442	1,586,703	1,605,745	1,535,397	1,468,015	1,455,661
774,383	Depreciation & Amortisation	734,375	856,259	926,627	1,018,685	1,069,976	991,354	1,018,626	1,019,231	931,521	1,003,390
8,423,659	Employee benefits	9,183,403	9,215,260	9,327,713	9,614,099	10,218,404	10,711,708	10,941,845	11,267,155	11,676,723	11,924,238
12,735,162	Other operating expenditure	14,321,301	12,457,864	12,240,829	11,368,430	11,509,560	12,338,921	11,941,853	12,351,719	13,355,820	12,994,302
22,796,042	**Total Operating Expenditure**	**25,241,188**	**23,932,949**	**24,151,072**	**23,694,419**	**24,378,381**	**25,628,685**	**25,508,069**	**26,173,502**	**27,432,079**	**27,377,591**

Summary of Depreciation and Amortisation Expense by Group of Activities

AP 2023/24		LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
	Regional Leadership	274,716	315,867	336,443	402,328	408,097	341,413	374,515	348,135	277,868	337,937
	Infrastructure and Resilience	252,492	297,733	313,827	333,199	360,105	372,972	361,818	382,130	370,156	382,476
	Natural Environment	97,215	111,362	123,666	135,117	148,130	125,713	130,466	132,886	128,843	128,353
	Policy and Regulation	43,842	60,193	59,569	58,961	58,437	58,803	60,419	60,185	59,978	59,845
	Commercial Activities	66,109	71,104	93,122	89,080	95,207	92,454	91,407	95,895	94,676	94,779
	Total Depreciation & Amortisation	**734,375**	**856,259**	**926,627**	**1,018,685**	**1,069,976**	**991,354**	**1,018,626**	**1,019,231**	**931,521**	**1,003,390**

Prospective Statement of Changes in Equity

AP 2023/24		LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
	Ratepayers Equity										
30,888,450	Opening Balance	45,022,778	50,693,411	55,443,299	53,772,070	54,566,526	55,188,379	55,533,451	56,872,838	58,328,364	59,429,526
14,399,982	Operating Surplus	5,670,634	4,749,888	(1,671,229)	794,457	621,853	345,072	1,339,386	1,455,526	1,101,162	2,056,676
(265,654)	Transfers (Investment Growth)	-	-	-	-	-	-	-	-	-	
-	Transfers (Rating Districts)										
-	Transfers (Catastrophe Fund)										
-	Transfers General										
45,024,778		50,693,411	55,443,299	53,772,070	54,566,526	55,188,379	55,533,451	56,872,838	58,328,364	59,429,526	-
	Rating District equity										
2,693,599	Opening Balance	3,977,533	3,977,533	3,977,533	3,977,533	3,977,533	3,977,533	3,977,533	3,977,533	3,977,533	3,977,533
1,283,934	Net Transfers (Ratepayers Equity)	-	-	-	-	-	-	-	-	-	-
3,977,533		3,977,533	3,977,533	3,977,533	3,977,533	3,977,533	3,977,533	3,977,533	3,977,533	3,977,533	3,977,533
	Revaluation Reserve										
77,639,664	Opening Balance	137,062,619	143,885,141	151,124,480	159,000,596	167,237,486	175,728,399	184,476,031	193,499,104	202,832,427	212,448,284
59,422,956	Other comprehensive revenue and expense	6,822,521	7,239,340	7,876,116	8,236,890	8,490,913	8,747,632	9,023,072	9,333,323	9,615,858	9,334,964
137,062,619		143,885,141	151,124,480	159,000,596	167,237,486	175,728,399	184,476,031	193,499,104	202,832,427	212,448,284	222,383,249
	Investment Growth Reserve										
12,441,382	Opening Balance	12,707,035	12,707,035	12,707,035	12,707,035	12,707,035	12,707,035	12,707,035	12,707,035	12,707,035	12,707,035
265,654	Net Transfers (Ratepayers Equity)	-	-	-	-	-	-	-	-	-	-
12,707,035		12,707,035	12,707,035	12,707,035	12,707,035	12,707,035	12,707,035	12,707,035	12,707,035	12,707,035	12,707,035
	Catastrophe Fund										
481,651	Opening Balance	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
518,349	Net Transfers (Ratepayers Equity)										
1,000,000		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
199,769,965	**Total Equity**	**212,263,120**	**224,252,348**	**230,457,234**	**239,488,581**	**248,601,347**	**257,694,051**	**268,056,509**	**278,845,359**	**289,562,379**	**301,554,019**

Prospective Statement of Financial Position

AP 2023/24		LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
	Current Assets										
1,362,289	Cash	1,315,114	687,278	1,106,343	614,834	635,639	889,080	671,291	777,391	1,106,477	901,641
1,510,527	Receivables	2,178,665	2,076,978	1,572,945	1,722,916	1,757,362	1,828,610	1,890,950	1,945,310	2,009,322	2,072,626
758,824	Inventories	758,824	758,824	758,824	758,824	758,824	758,824	758,824	758,824	758,824	758,824
-	Loan Advances	-	-	-	-	-	-	-	-	-	-
1,667,554	Other Financial Assets	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
5,299,194	**Total Current Assets**	5,252,603	4,523,080	4,438,112	4,096,574	4,151,825	4,476,514	4,321,065	4,481,525	4,874,624	4,733,092
	Non-Current Assets										
4,736,518	Property, Plant, Equipment	5,124,644	5,581,682	5,827,123	6,021,369	6,217,416	6,430,313	6,646,664	6,863,287	7,082,461	7,316,700
196,866,546	Infrastructure	212,998,441	231,994,584	242,195,981	250,269,549	258,417,973	267,266,694	276,259,020	285,262,635	294,372,312	304,108,110
8,833	Intangible Assets	546,249	706,733	681,459	612,006	489,283	366,561	263,839	184,450	111,727	39,005
-	Loan Advances	-	-	-	-	-	-	-	-	-	-
2,200,000	Investment Property	2,326,500	2,460,274	2,601,739	2,751,340	2,909,542	3,076,840	3,253,758	3,440,850	3,638,698	3,847,924
103,961	Investment in CCO	103,961	103,961	103,961	103,961	103,961	103,961	103,961	103,961	103,961	103,961
12,731,905	Other Financial Assets	13,399,458	13,399,458	13,399,458	13,399,458	13,399,458	13,399,458	13,399,458	13,399,458	13,399,458	13,399,458
216,647,761	**Total Non-Current Assets**	234,499,253	254,246,692	264,809,721	273,157,682	281,537,633	290,643,827	299,926,700	309,254,640	318,708,618	328,815,157
221,946,955	**Total Assets**	239,751,856	258,769,772	269,247,833	277,254,256	285,689,458	295,120,341	304,247,765	313,736,165	323,583,241	333,548,249
	Current Liabilities										
4,360,277	Borrowings	3,088,290	4,381,386	5,910,523	5,352,547	5,200,125	5,528,841	4,872,286	4,107,201	3,934,892	2,329,223
4,985,733	Payables	5,606,696	4,877,172	4,792,204	4,450,666	4,505,917	4,830,607	4,675,157	4,835,617	5,228,716	5,087,184
484,096	Employee Benefit Liabilities	484,096	484,096	484,096	484,096	484,096	484,096	484,096	484,096	484,096	484,096
9,830,105	**Total Current Liabilities**	9,179,081	9,742,653	11,186,823	10,287,309	10,190,138	10,843,543	10,031,539	9,426,914	9,647,703	7,900,503
	Non-Current Liabilities										
11,832,852	Borrowings	17,795,621	24,260,738	27,089,744	26,964,334	26,383,941	26,068,714	25,645,684	24,949,859	23,859,126	23,579,694
514,033	Quarry Aftercare Provision	514,033	514,033	514,033	514,033	514,033	514,033	514,033	514,033	514,033	514,033
12,346,885	**Total Non-Current Liabilities**	18,309,654	24,774,771	27,603,777	27,478,367	26,897,974	26,582,747	26,159,717	25,463,892	24,373,159	24,093,727
	Equity										
45,022,778	Ratepayers Equity	50,693,411	55,443,299	53,772,070	54,566,526	55,188,379	55,533,451	56,872,838	58,328,364	59,429,526	61,486,203
3,977,533	Rating District equity	3,977,533	3,977,533	3,977,533	3,977,533	3,977,533	3,977,533	3,977,533	3,977,533	3,977,533	3,977,533
1,000,000	Catastrophe Fund	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
137,062,619	Revaluation Reserve	143,885,141	151,124,480	159,000,596	167,237,486	175,728,399	184,476,031	193,499,104	202,832,427	212,448,284	222,383,249
12,707,035	Investment Growth Reserve	12,707,035	12,707,035	12,707,035	12,707,035	12,707,035	12,707,035	12,707,035	12,707,035	12,707,035	12,707,035
199,769,965	**Total Equity**	212,263,120	224,252,348	230,457,234	239,488,581	248,601,347	257,694,051	268,056,509	278,845,359	289,562,379	301,554,019
221,946,955	**Total Liabilities & Equity**	239,751,856	258,769,772	269,247,833	277,254,256	285,689,458	295,120,341	304,247,765	313,736,165	323,583,241	333,548,249

Prospective Statement of Cash Flows

AP 2023/24		LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
	Cash Flow from Operating Activities										
10,742,690	Rates	13,392,654	14,719,131	16,491,689	17,543,424	18,585,513	19,317,989	19,909,623	20,506,911	21,122,119	21,755,782
192,608	Investment Income	4,633,471	3,686,459	3,656,370	3,859,619	3,971,947	4,088,776	4,210,297	4,336,712	4,468,230	4,605,070
25,935,150	Other Income	12,091,059	10,245,159	2,694,350	2,786,261	2,250,125	2,328,446	2,488,277	2,543,954	2,681,031	2,800,886
36,870,449		30,117,183	28,650,750	22,842,410	24,189,304	24,807,585	25,735,211	26,608,197	27,387,577	28,271,380	29,161,738
865,838	Less Cash Paid for:	977,228	1,330,724	1,525,757	1,529,699	1,451,548	1,455,298	1,459,935	1,421,879	1,389,355	1,391,833
	Interest	24,881	72,842	130,147	163,505	128,894	131,405	145,809	113,518	78,660	63,828
20,956,090	Operating Expenditure	22,883,741	22,402,648	21,653,509	21,324,068	21,672,712	22,725,939	23,039,148	23,458,414	24,639,444	25,060,072
21,821,928		23,885,850	23,806,213	23,309,413	23,017,272	23,253,154	24,312,642	24,644,893	24,993,811	26,107,459	26,515,733
15,048,521	**Net Cash Flow Operations**	6,231,333	4,844,536	(467,003)	1,172,032	1,554,432	1,422,568	1,963,304	2,393,766	2,163,921	2,646,005
	Cash Flow from Investing Activities										
	Cash From:										
286,745	Repayment of loans	-	-	-	-	-	-	-	-	-	-
-	Redemption of Investments	-	-	-	-	-	-	-	-	-	-
-	Sale of Assets	-	-	-	-	-	-	-	-	-	-
286,745		-	-	-	-	-	-	-	-	-	-
	Cash Paid to:										
18,132,119	Purchase of Fixed Assets	10,969,291	13,230,585	3,472,075	980,155	800,812	1,182,617	1,101,508	826,756	571,792	965,740
-	Investments Made	-	-	-	-	-	-	-	-	-	-
18,132,119		10,969,291	13,230,585	3,472,075	980,155	800,812	1,182,617	1,101,508	826,756	571,792	965,740
(17,845,374)	**Net Cash Flow Investing Activities**	**(10,969,291)**	**(13,230,585)**	**(3,472,075)**	**(980,155)**	**(800,812)**	**(1,182,617)**	**(1,101,508)**	**(826,756)**	**(571,792)**	**(965,740)**
	Overdraft Drawdown	1,046,180	1,055,831	1,351,027	-	-	255,354	-	-	-	-
	Overdraft Repaid	-	-	-	(627,503)	(109,619)	-	(688,615)	(731,628)	(308,394)	(1,204,295)
834,700	Loans Raised	4,623,998	7,993,947	4,522,954	1,663,408	1,237,459	1,590,537	1,529,057	1,258,270	1,015,187	1,426,347
-	Loan Principal Repaid	(979,395)	(1,291,565)	(1,515,838)	(1,719,290)	(1,860,655)	(1,832,401)	(1,920,027)	(1,987,552)	(1,969,835)	(2,107,154)
834,700	**Net Cash Flow from Financing**	**4,690,782**	**7,758,212**	**4,358,143**	**(683,386)**	**(732,815)**	**13,490**	**(1,079,585)**	**(1,460,910)**	**(1,263,042)**	**(1,885,101)**
(1,962,154)	**Total Changes in Cash held**	**(47,175)**	**(627,836)**	**419,065**	**(491,509)**	**20,805**	**253,441**	**(217,789)**	**106,100**	**329,086**	**(204,836)**
3,324,443	Opening Cash Balance	1,362,289	1,315,114	687,278	1,106,343	614,834	635,639	889,080	671,291	777,391	1,106,477
1,362,289	**Closing Cash Balances**	**1,315,114**	**687,278**	**1,106,343**	**614,834**	**635,639**	**889,080**	**671,291**	**777,391**	**1,106,477**	**901,641**

Prospective Capital Expenditure

AP 2023/24		LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
	Improved Level of Service	9,805,300	12,310,000	3,077,122	511,669	360,000	422,000	450,000	456,000	360,000	447,000
	Replace Existing Asset	987,092	406,585	394,953	446,487	396,812	578,219	651,508	370,756	211,792	518,740
	Additional Demand	176,898	514,000	-	22,000	44,000	182,398	-	-	-	-
	TOTAL	**10,969,291**	**13,230,585**	**3,472,075**	**980,155**	**800,812**	**1,182,617**	**1,101,508**	**826,756**	**571,792**	**965,740**

Prospective Consolidated Funding Impact Statement

AP 2023/24		LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
	Sources of Funding										
6,829,717	General Rates	8,673,741	9,714,590	10,442,212	10,964,323	11,512,539	11,857,915	12,213,653	12,580,062	12,957,464	13,346,188
3,912,973	Targeted Rates	4,304,270	5,165,124	6,198,149	6,662,390	7,161,403	7,519,474	7,745,058	7,977,409	8,216,732	8,463,234
7,728,435	Subsidies & Grants	3,818,609	1,738,150	420,869	393,255	398,429	475,541	439,533	474,233	542,028	510,145
1,691,974	Fees & Charges	1,465,231	1,561,739	1,620,777	2,459,687	1,797,713	1,864,753	2,061,996	2,073,520	2,150,939	2,300,406
742,608	Fines, Infringement Fees & Other Receipts	4,633,471	3,686,459	3,656,370	3,859,619	3,971,947	4,088,776	4,210,297	4,336,712	4,468,230	4,605,070
20,905,707	**Total Operating Funding (A)**	22,895,322	21,866,063	22,338,377	24,339,275	24,842,032	25,806,459	26,670,537	27,441,937	28,335,392	29,225,042
	Applications of Operating Funding										
20,956,090	Payments to staff and suppliers	23,504,704	21,673,124	21,568,541	20,982,529	21,727,963	23,050,628	22,883,699	23,618,874	25,032,543	24,918,540
865,838	Finance costs	1,002,109	1,403,566	1,655,903	1,693,205	1,580,442	1,586,703	1,605,745	1,535,397	1,468,015	1,455,661
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
21,821,928	**Total Applications of operating funding (B)**	24,506,813	23,076,690	23,224,445	22,675,734	23,308,405	24,637,332	24,489,443	25,154,271	26,500,558	26,374,201
(916,221)	**Surplus (deficit) of Operating Funding (A) - (B)**	(1,611,492)	(1,210,627)	(886,068)	1,663,541	1,533,627	1,169,127	2,181,093	2,287,666	1,834,835	2,850,841
	Sources of Capital Funding										
16,514,741	Subsidies and Grants	7,890,000	6,683,000	-	-	-	-	-	-	-	-
-	Development and Financial Contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
6,696,000	Increase (decrease) in debt	4,690,782	7,758,212	4,358,143	(683,386)	(732,815)	13,490	(1,079,585)	(1,460,910)	(1,263,042)	(1,885,101)
-	Gross Proceeds Sale assets	-	-	-	-	-	-	-	-	-	-
23,210,741	**Total Sources of capital funding (C)**	12,580,782	14,441,212	4,358,143	(683,386)	(732,815)	13,490	(1,079,585)	(1,460,910)	(1,263,042)	(1,885,101)
	Applications of capital funding										
-	Capital expenditure-additional demand	176,898	514,000	-	22,000	44,000	182,398	-	-	-	-
17,457,859	Capital expenditure-improved levels of service	9,805,300	12,310,000	3,077,122	511,669	360,000	422,000	450,000	456,000	360,000	447,000
674,260	Capital expenditure-replace existing assets	987,092	406,585	394,953	446,487	396,812	578,219	651,508	370,756	211,792	518,740
-	Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-
4,162,401	Increase (decrease) in reserves	-	-	-	-	-	-	-	-	(0)	(0)
22,294,520	**Total applications of capital funding) (D)**	10,969,291	13,230,585	3,472,075	980,155	800,812	1,182,617	1,101,508	826,756	571,792	965,740
916,221	**Surplus (Deficit) of Capital Funding (C) - (D)**	**1,611,492**	**1,210,627**	**886,068**	**(1,663,541)**	**(1,533,627)**	**(1,169,127)**	**(2,181,093)**	**(2,287,666)**	**(1,834,835)**	**(2,850,841)**

Rates Funding Impact Statement for 2024/25

Targeted Rates

The following table summarises the types of targeted rates, the group of activities or activity funded by that targeted rate together with matters and factors of the targeted rates.

Notes: Differential with regard to Infrastructure activity scheme rates means that there may be several different classes of land within the Separate Rating Area, e.g. Classes A, B C, D etc. These different classes reflect the different degrees of benefit that the different classes of land receive from the protection works.

Copies of the maps setting out the boundaries of the various Separate Rating Areas can be accessed from Council's website www.wcrc.govt.nz. Council does not invite, nor will it accept, lump sum contributions in lieu of any targeted rate.

Activity Group	Types of Rates	Types of land	Different categories
Infrastructure and Resilience	Scheme maintenance rate	Land within the boundaries of the **Vine Creek** Separate Rating Area	Differential Land Value
Infrastructure and Resilience	Scheme maintenance rate	Land within the boundaries of the **Wanganui** Separate Rating Area	Differential Land Value
Infrastructure and Resilience	Scheme maintenance rate	Land within the boundaries of the **Kowhitirangi** Separate Rating Area	Differential Capital Value
Infrastructure and Resilience	Scheme maintenance rate	Land within the boundaries of the **Coal Creek** Separate Rating Area	Capital Value
Infrastructure and Resilience	Scheme maintenance rate	Land within the boundaries of the **Karamea** Separate Rating Area	Differential Capital Value
Infrastructure and Resilience	Scheme maintenance rate	Land within the boundaries of the **Inchbonnie** Separate Rating Area	Differential Capital Value
Infrastructure and Resilience	Scheme maintenance rate	Land within the boundaries of the **Grey Floodwalls** Separate Rating Area	Capital Value
Infrastructure and Resilience	Scheme loan repayment rate	Land within the boundaries of the **Grey Floodwalls** Separate Rating Area	Capital Value
Infrastructure and Resilience	Scheme maintenance rate	Land within the boundaries of the **Okuru** Separate Rating Area	Capital Value
Infrastructure and Resilience	Scheme maintenance rate	Land within the boundaries of the **Redjacks** Separate Rating Area	Differential Land Area
Infrastructure and Resilience	Scheme maintenance rate	Land within the boundaries of the **Raft Creek** Separate Rating Area	Land Area
Infrastructure and Resilience	Scheme maintenance rate	Land within the boundaries of the **Nelson Creek** Separate Rating Area	Differential Land Area
Infrastructure and Resilience	Scheme maintenance rate	Land within the boundaries of the **Taramakau** Separate Rating Area	Differential Land Area
Infrastructure and Resilience	Scheme maintenance rate	Land within the boundaries of the **Kongahu** Separate Rating Area	Differential Land Area
Infrastructure and Resilience	Scheme maintenance rate	Land within the boundaries of the **Waitangi-taona** Separate Rating Area	Differential Land Area
Infrastructure and Resilience	Scheme maintenance rate	Land within the boundaries of the **Punakaiki** Separate Rating Area	Capital Value

Activity Group	Types of Rates	Types of land	Different categories
Infrastructure and Resilience	Scheme loan repayment rate	Land within the boundaries of the **Punakaiki** Separate Rating Area	Differential Capital Value
Infrastructure and Resilience	Scheme maintenance rate	Land within the boundaries of the **Hokitika River South Bank** Separate Rating area	Differential Capital Value
Infrastructure and Resilience	Scheme loan repayment and maintenance rate	Land within the boundaries of the **Franz Josef 2020** Separate Rating area	Differential Capital Value
Infrastructure and Resilience	Scheme loan repayment rate	Land within the boundaries of the **Lower Waiho** Separate Rating area	Capital Value
Infrastructure and Resilience	Scheme loan repayment rate	Land within the boundaries of the **Matainui Creek** Separate Rating area	Capital Value
Infrastructure and Resilience	Scheme maintenance rate	Land within the boundaries of the **Mokihinui** Separate Rating area	Per rating unit
Infrastructure and Resilience	Scheme maintenance rate	Land within the boundaries of the **Whataroa River** Separate Rating area	Differential Capital Value
Infrastructure and Resilience	Scheme maintenance rate	Land within the boundaries of the **New River/Saltwater Creek catchment** Separate Rating Area	Differential Capital Value
Infrastructure and Resilience	Scheme loan repayment and maintenance rates	Land within the boundaries of the **Hokitika 2021** Separate Rating area	Capital Value
Infrastructure and Resilience	Scheme maintenance rate	Land within the boundaries of the **Neil's Beach** Separate Rating Area	Capital Value
Infrastructure and Resilience	Scheme maintenance rate	Land within the boundaries of the **Rapahoe** Separate Rating Area	Per rating unit
Infrastructure and Resilience	Scheme maintenance rate	Land within the boundaries of the **Westport** Separate Rating Area	Capital Value
Infrastructure and Resilience	Emergency Management	All rateable land in the region	Capital Value
Warm West Coast	Repayment of insulation / clean heating funding	Only levied on individual properties that have received Council funding to install insulation and/or clean heating appliances.	Amount of Council funding provided * 14.9286% per annum for the term of the funding agreement.
Policy and Regulation	Plan preparation	All rateable land in the region	Capital value

Projected number of rating units across the life of the Long-term Plan

2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
20,600	20,700	20,800	20,900	21,000	21,070	21,140	21,200	21,250	21,300

Rating Impact Ready Reckoner

The following rates will be payable by all properties in the **Buller District** part of the West Coast region:

Rate type	Rate per $100,000 of Capital value
General Rate on Capital Value	$60.15
Emergency Management Targeted Rate	$14.75
Te Tai o Poutini Plan (combined District Plan)	$3.99
	Per Rating Unit
Uniform Annual General Charge	$192.59

Other targeted rates (relating to river, drainage and coastal protection rating districts) may be payable depending on where the property is located, for example:

- Karamea separate rating area rated on differential capital value
- Kongahu separate rating area rated on differential land area
- Mokihinui separate rating area rated as a fixed charge per rating unit
- Westport separate rating area rated on capital value
- Punakaiki separate rating area (loan) rated on differential capital value
- Punakaiki separate rating area (Mtce) rated on capital value

The following rates will be payable by all properties in the **Grey District** part of the West Coast region:

Rate type	Rate per $100,000 of Capital value
General Rate on Capital Value	$64.96
Emergency Management Targeted Rate	$14.75
Te Tai o Poutini Plan (combined District Plan)	$3.99
	Per Rating Unit
Uniform Annual General Charge	$192.59

Other targeted rates (relating to river, drainage and coastal protection rating districts) may be payable depending on where the property is located, for example:

- Coal Creek separate rating area rated on capital value
- Inchbonnie separate rating area rated on differential capital value
- Grey Floodwall separate rating area rated on capital value
- Saltwater Creek separate rating area rated on differential capital value
- Redjacks separate rating area rated on differential land area
- Nelson Creek separate rating area rated on differential land area
- Taramakau separate rating area rated on differential land area
- Rapahoe separate rating area rated as a fixed charge per unit
- New River separate rating area rated on differential capital value

The following rates will be payable by all properties in the **Westland District** past of the West Coast region:

Rate type	Rate per $100,000 of Capital value
General Rate on Capital Value	$64.01
Emergency Management Targeted Rate	$14.75
Te Tai o Poutini Plan (combined District Plan)	$3.99
	Per Rating Unit
Uniform Annual General Charge	$192.59

Other targeted rates (relating to river, drainage and coastal protection rating districts) may be payable depending on where the property is located, for example:

- Hokitika separate rating area
  rated on differential capital value
- Vine Creek separate rating area
  rated on differential land value
- Wanganui River separate rating area
  rated on differential land value
- Kowhitirangi separate rating area
  rated on differential capital value
- Okuru separate rating area
  rated on capital value
- Raft Creek separate rating area
  rated on land area
- Waitangi-taona River separate rating area
  rated on differential land area
- Franz Josef separate rating areas
  rated on differential capital value
- Whataroa River separate rating area
  rated on differential capital value
- Neil's Beach separate rating area
  rated on capital value
- Lower Waiho separate rating area (loan)
  based on capital value
- Matainui Creek separate rating area
  rated on capital value
- Hokitika River South Bank separate rating area
  rated on differential capital value

Rating impact on some typical properties

	Westport dwelling	Buller District farm property
Capital Value	**$300,000**	**$3,000,000**
General rate	$180.44	$1,804.36
Emergency Management Rate	$44.27	$442.69
Te Tai o Poutini Plan (combined District Plan)	$11.96	$119.56
Uniform Annual General Charge	$192.59	$192.59
Total	**$429.25**	**$2,559.19**

Other targeted rates (relating to river, drainage and coastal protection rating districts may be payable depending on where the property is located.

	Greymouth dwelling	Grey District farm property
Capital Value	**$300,000**	**$3,000,000**
General rate	$194.89	$1,948.88
Emergency Management Rate	$44.27	$442.69
Te Tai o Poutini Plan (combined District Plan)	$11.96	$119.56
Uniform Annual General Charge	$192.59	$192.59
Total	**$443.70**	**$2,703.71**

Other targeted rates (relating to river, drainage and coastal protection rating districts may be payable depending on where the property is located.

	Hokitika dwelling	Westland District farm property
Capital Value	**$300,000**	**$3,000,000**
General rate	$192.03	$1,920.27
Emergency Management Rate	$44.27	$442.69
Te Tai o Poutini Plan (combined District Plan)	$11.96	$119.56
Uniform Annual General Charge	$192.59	$192.59
Total	**$440.84**	**$2,675.11**

Other targeted rates (relating to river, drainage and coastal protection rating districts may be payable depending on where the property is located.

Funding Impact Statement – rates for the year ending 30 June 2025

Note: All amounts are stated inclusive of GST

Rating Instalment Information

First instalment Due date XX October 2024
Second instalment Due date XX April 2025

Penalties

Current year rates:
A 10% instalment penalty for late payment will be applied on any part of a 2024/25 instalment that remains unpaid after the due dates of XX October 2024 and XX April 2025 respectively.

Prior year rates:
An additional 10% annual penalty for late payment will be applied on all accumulated rate arrears (excluding the current year rates) as at 30 June 2024, on 1 July 2024.

General Rate

The General Rate is used to fund activities that are of the public benefit and where no other source of revenue is identified to cover the cost of the activities. The General Rate will be a differential general rate in the dollar set for all rateable land within the region and calculated on the Capital Value of each rating unit.

Differential

Rateable Capital Value in the Buller District Council area to yield 32% of the total general rate

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

Rateable Capital Value in the Westland District Council area to yield 29% of the total general rate

Differential	Estimated Rateable Capital Value	Factor per $ of Capital Value	Estimated to Yield	GST Exclusive
Rateable Value of Land in the Buller District Local authority Area				
Rateable Value of Land in the Grey District Local authority Area				
Rateable Value of Land in the Westland District Local authority Area				

Uniform Annual General Charge

The Uniform Annual General Charge is charged at one (1) full charge per rating unit as per Section 15 of the Local Government (Rating) Act 2002. The Council sets a Uniform Annual General Charge to fund activities that are of public benefit and where no other source of revenue is identified to cover the cost of the activities.

Amount per rating unit	Estimated Yield	GST Exclusive

Targeted Rates

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

Vine Creek Rating District	Estimated Rateable Land Value	Differential Based on Benefits	Factor per $ of Land Value	Estimated to Yield	GST Exclusive
Class A					
Class B					
Class C					
Class D					
Class E					

Reserves

Reserve funds are utilised to provide a fund for expenditure on specific purposes. In some circumstances the reserves are a legal requirement. The Council holds the following reserves:

Rating district reserves (river, drainage and coastal protection schemes)

Purpose

These reserves reflect the unspent balances of the targeted rates struck to fund the river, drainage and coastal protection schemes. Activities the Reserve Funds relate to:

- Infrastructure group of activities

Investment growth reserve

Purpose

In 2003, Council established a separate Equity Reserve Fund called the "Investment Growth Reserve". The funds relating to this Reserve were originally from the 2000 Crown payment of $7,000,000 to this Council (Council share of the $120 million compensation payment to the West Coast following the cessation of native logging).

The balance of the fund is calculated by identifying the Investment Portfolio balance, less the amount relating to Rating Districts.

This Reserve Fund generates income, some of which is used to fund general Council activities. The reserve helps fund the following:

- Regional Leadership
- Infrastructure and Resilience
- Natural Environment
- Policy and Regulation.

Catastrophe Fund

Purpose

As from 1 November 2017, Council insured its infrastructure (river, drainage and coastal protection assets) through AON Llyods scheme which covers a grouping of South Island Councils. For further details review the Significant Forecasting Assumptions. The Catastrophe Fund is intended to help fund any excess, any uninsurable costs, as well as provide cash flow at short notice.

Activities the Reserve Fund relates to:

- Infrastructure and Resilience

Significant Forecasting Assumptions

The preparation of a long-term plan requires the adoption of a number of assumptions about events and activities that the Council believes will reasonably occur over the life of the strategy.

The overarching assumptions used in preparing the Long-term Plan are that:

- There will be no significant growth in the population of the region over the Long-term Plan period;
- Economic growth of the region will fluctuate, reflecting the volatility of the tourism sector, the current economic uncertainty, and the nature of the extractive industries (e.g. mining and forestry) that the West Coast region relies on; and
- Growth in the rating base is not likely in the short term with the Department of Conservation, and other central government organisations, administering approximately 86% of the land in the region.
- The Council will continue to perform its existing functions in accordance with present legislation.
- The Council will continue to deliver functions and services in accordance with adopted policies, plans and operational strategies.

The following significant forecasting assumptions have been addressed due to the potential for them to materially impact upon the Council's overall revenue; operating expenditure; ability to finance and fund future operating and capital expenditure; strategic assets and ability to deliver intended levels of service.

Forecasting Assumption	Risk	Level of Uncertainty	Reasons and Financial Effect of Uncertainty
Return on investments	Investments do not return sufficient funds and general rates have to increase.	High	**Main Investment Fund** Returns of 6.00% have been budgeted for across the 10 year term of the LTP, for Council's main investment fund. Effect of uncertainty: An increase or decrease in returns of 1% would be + / - $133,000 **Catastrophe Fund** Returns of 5.40% have been budgeted across the 10 year term of the LTP, for this conservative fund. **Commercial Property Investment @ Rolleston** Council is budgeting on a 8.36% return on original cost of $1.328 million (Market yield on revalued amount of $2.327 million@ 30/6/23 = 4.77%) The assume growth in rental income is 5.75% and the appreciation of the market value is assumed to be 2.32% **General Comment** All cash returns on investments are utilised to reduce the general rates for rate payers. Any significant shortfall in returns could result in increases to general rates.
Vector Control Services Business Unit	This Council business unit competes on a contestable basis for pest control contracts.	High	It is uncertain what contracts might be won by the VCS business unit during the ten-year period. The budget expectations are partly based on historical achievements by the VCS Business Unit. If the VCS business unit cannot meet budgeted profit expectations, there may be a need by Council to increase general rates or cut back services. Effect of uncertainty: An increase or decrease of the core trading surplus of + / - 20% would amount to $45,000

Forecasting Assumption	Risk	Level of Uncertainty	Reasons and Financial Effect of Uncertainty
New Rating Districts for Flood, Drainage and Coastal Protection.	Council may receive requests from communities to build new infrastructure or extend existing works. It is not possible to predict if and when these requests will occur.	High	This Long-term Plan has been prepared based on maintaining existing infrastructure and building additional infrastructure as set out in the Plan. Council may and will receive further requests for protection schemes from time to time but has not predicted when this may occur. It is not possible to budget for such requests before they occur. Such requested new / extended infrastructure would be paid for by the affected community, usually funded by a loan and repaid by a targeted rate. Attention is also drawn to the Council's Revenue & Financing Policy, Financial Strategy and 30-year Infrastructure Strategy.
Change to Functions	Change to Council functions could significantly increase costs	Medium	The statutory functions of Council under the Resource Management Act and Land Transport Management Act have been subject to significant change in recent years. The change in government in 2023 will result in further change with the repealing of various pieces of legislation. This Long-term Plan has been prepared in the current legislative environment. Change in any Council function will be undertaken when legislation changes.
Unforeseen environmental issues or resource management challenges.	New environmental issues requiring works that cannot be funded out of normal budgetary provisions.	Medium	The potential effect of any new environmental or resource management issues is dependent upon the scale, type, location and impact upon the environment of the issue. Each issue will be addressed on its merits and any funding requirement addressed in terms of the principles outlined in the Revenue and Financing Policy.
Council amalgamation proposals	Council amalgamation within the West Coast region is needed.	Medium	The Long-term Plan has been prepared on the assumption that there will be close co-operation and continued investigation of aligned service opportunities among the four West Coast Councils (refer page 18). In 2018 the Local Government Commission initiated Governor General Order in Council mandated the West Coast Regional Council with the responsibility for preparing, approving and reviewing a combined district plan for the West Coast. This work is included in the Long-term Plan.
Revaluation of River & Coastal Protection Infrastructure Assets	Movements in the value of the infrastructure assets might be greater or lesser than the estimates.	Low	Estimated future revaluations have been calculated using the BERL "Local Government Cost Index". The infrastructure asset revaluations are a function of contracting rates prevailing at the time of revaluation. Revaluations will occur every year @ 30 June. However, these revaluations have no funding impact.
Projected growth change factors	Increased population and economic activity pressures Council to increase its levels of service.	Low	No significant population increases are anticipated. The Statistics NZ population project forecasts only minimal increases in the regional population over the 10-year term of the Long-term Plan (32,400 in 2023 – 32,500 in 2033).

<table>
<tr><th>Forecasting Assumption</th><th>Risk</th><th>Level of Uncertainty</th><th>Reasons and Financial Effect of Uncertainty</th></tr>
<tr><td>Cost changes</td><td>Inflation will increase costs to Council and there will be insufficient revenue.</td><td>Low</td><td>Cost changes have been included in the financial projections. Cost changes are as per BERL estimates.

Interest and depreciation expenses in this LTP have not had cost change inflation applied.

Investment income in this LTP has not had cost change inflation applied.

Index adopted
<table>
<tr><th>Year</th><th>Local Government Cost Index (published by BERL for SOLGM)</th></tr>
<tr><td>2024/25</td><td>2.7%</td></tr>
<tr><td>2025/26</td><td>2%</td></tr>
<tr><td>2026/27</td><td>2.2%</td></tr>
<tr><td>2027/28</td><td>2.2%</td></tr>
<tr><td>2028/29</td><td>2.1%</td></tr>
<tr><td>2029/30</td><td>2.1%</td></tr>
<tr><td>2030/31</td><td>2%</td></tr>
<tr><td>2031/32</td><td>2%</td></tr>
<tr><td>2032/33</td><td>1.9%</td></tr>
<tr><td>2033/34</td><td>1.9%</td></tr>
</table></td></tr>
<tr><td>Borrowing rates</td><td>Borrowing rates could be higher than estimated.</td><td>Medium</td><td>Term borrowing is expected to be through Local Government Funding Agency and other commercial funders. The borrowing terms will be structured with various maturities and / or roll-overs to reduce the risk of interest rate volatility. The borrowing may be a mixture of fixed and floating contracts, as guided by Council's Investment and Borrowing Policy. Borrowing costs are estimated between 4.56% - 5.14% across the life of the Long-term Plan depending on the drawdown period and term of the loans.</td></tr>
<tr><td>Significant natural or other hazard emergencies.</td><td>Emergencies require work that cannot be funded out of normal budgetary provision.</td><td>Low</td><td>The potential effect of a natural disaster on the Council's financial position is dependent upon the scale, duration and location of the event.

Central Government will refund most of the direct welfare costs of major emergency events.

Our river, drainage and coastal protection infrastructure assets are insured through a combination of Central Government 60% and commercial insurers 40%.

The Central Government excess is 0.002% of rateable capital value across the region.

The commercial insurers excess is $1,000,000 for a flood event and $500,000 for any other event.

Council has rating district prudent reserves and a catastrophe reserve to mitigate the financial impact of an event.</td></tr>
<tr><td>General Rate Increases</td><td>The general rate requirement might exceed that forecast in the Long-term plan</td><td>High</td><td>There is a risk that major court appeals on plans under the Resource Management Act (RMA) could result in additional costs. This could result in a further general rate increase. Council is undertaking reviews across the suite of its RMA plans during this Long-term Plan.</td></tr>
</table>

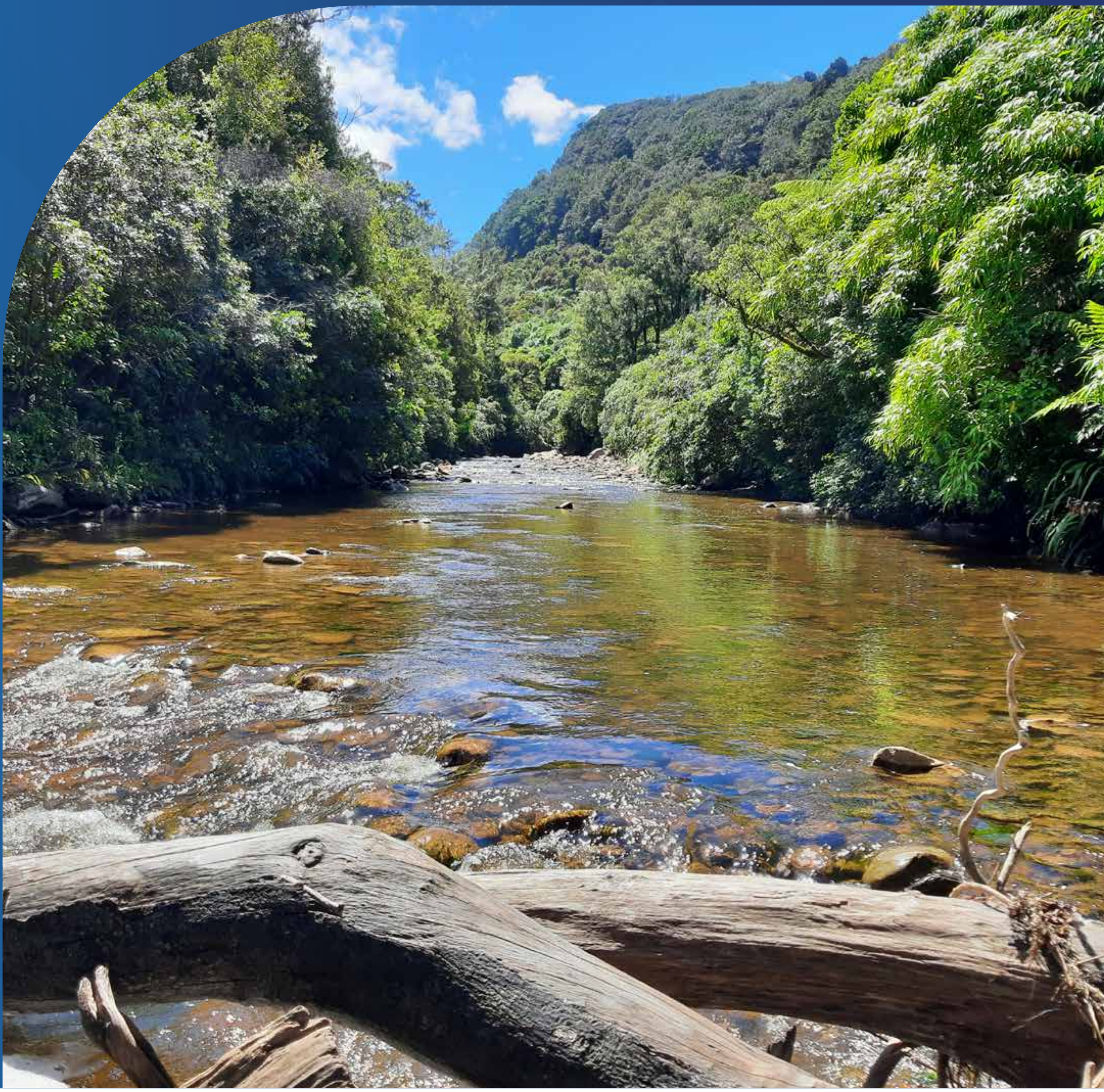
Forecasting Assumption	Risk	Level of Uncertainty	Reasons and Financial Effect of Uncertainty
Climate change	Climate Change has an impact on the likelihood and severity of weather events.	Low	Council stopbanks and seawall structures have been designed to allow for raising when appropriate and necessary. Council is cautious to not incur unnecessary cost by overdesign or by prematurely adding mitigation until it is evident that it is required. Council continues to monitor actual events and climate change predictions and will respond accordingly. Refer also to the Infrastructure Strategy.
Climate Change	Climate change has an impact to raise the sea level.	Low	Sea level rise will be incremental during the period of this strategy and Council will plan and respond as the predictions take effect and begin to impact on our assets. Refer also to the Infrastructure Strategy.
Capex do-ability	The forecast capital expenditure may not be able to be completed within the predicted timeframes.	High	The following factors could have an impact on Council's ability to complete its capital expenditure projects in the set timeframes: - Delays in receiving resource consent. - Adverse weather event that delays the project or requires the reallocation of resources. - Inability to procure the appropriate contracted services. Council considers the likelihood of the above factors having a significant impact on the capital expenditure as medium. Council has, and will be, recruiting additional engineering capability to assist with mitigating these risks. The financial impact of a significant delay could push the transactions into subsequent accounting periods.
Capex do-ability resourcing	The forecast capital expenditure may not be able to be completed within the predicted timeframes.	High	Council is confident that it will have the capacity required in-house, and will be able to source the appropriate external capacity, to achieve the proposed capital works programme. To ensure that Council can plan ahead in areas that require resource consents, professional contractors will be engaged and overseen by project managers. There is always a risk that the people needed will not be available when required. This can lead to delays in completing projects. This is managed by including timing expectations in respective procurement processes and maintaining regular and early communication with contractors so that plans can be adjusted and the risk of delays reduced.
Asset condition	Council has incomplete asset condition information leading to uncertainty over the timing for maintenance and renewals.	High	The assumption has been made that Council has low quality or incomplete asset condition knowledge and this could lead to poor infrastructure capital decision making. It could also lead to poor maintenance planning assumptions or incorrect timing of renewal capital works. Council is committed to improving knowledge of its asset conditions through both process and technological improvements within the next two years and increasing professional asset management capability and capacity within the organisation. A further assumption has been made that all assets will deliver the required level of service over their documented useful life. However, incomplete asset information could allow critical asset failures before they are scheduled for planned maintenance and renewal and could lead to loss of service for a period of time. Where this loss of service is found to be the case, Council will consult with communities around what the affordable levels of service will be in the future. It is likely that any conversation of this nature would result in a decrease in service levels without significant reinvestment requirements.
Westport flood protection work programmes	The funding may not be received.	Low	Council has formal agreements with central government funding agencies. Council expects that the required funding will be received.

Forecasting Assumption	Risk	Level of Uncertainty	Reasons and Financial Effect of Uncertainty
Westport flood protection work programmes	Council may not be able to complete the work on time, within budget and / or in accordance with the conditions of the Agreement.	Medium	Council generally expects to be able to procure the services required to complete the work on time, within budget and in accordance with the conditions of the Agreements. The budgets and timelines have been set based on Council's experience and historical knowledge of work of this nature. Council has, and will be, recruiting additional engineering capability to assist with mitigating these risks.
Forecasting effectiveness	Forecasting of budgets may not always match actual requirements in future years.	High	Forecasting of Council budgets is undertaken with the information available at the time. There is always a risk of unplanned work arising or external factors influencing funding requirements. No allowance has been made in budgets for these factors which are unknown at the time of preparing the Long-term Plan.
Future for Local Government Review	Possible changes to the structure and function of Local Government	Low	On 23 April 2021 the Minister of Local Government announced a Ministerial Inquiry into the Future for Local Government. The overall purpose of the review is to "identify how our system of local democracy needs to evolve over the next 30 years, to improve the well-being of New Zealand communities and the environment, and actively embody the treaty partnership." The final report was published in June 2023. While the outcomes of the review could recommend significant change to what local government is and does, there is no information available on the likely direction at this time. Council has prepared the Long-term Plan on the assumption its existing role and functions will continue for the life of the plan (refer page 18 for more information).
Wage Growth	To attract and retain staff higher wage increases may be required.	Low	Currently it is assumed that wages increase at 1% above inflation each year. This means that an additional 1% is added to the BERL inflation estimates to provide the wage growth for the roles required over the Long-term Plan.
Debt Funded CAPEX	The terms of the loans drawn down may not match those in the LTP.	Low	All CAPEX over the length of the Long-term Plan is assumed to be funded by debt with the terms of the loans matching the useful life of the assets. This has the effect of smooth the rating impact of acquiring the new assets over the time the rate payers are receiving the benefit.
Existing Debt	The feasibility and costs of renewing existing debt may differ from reality.	Low	All existing debt assumed to be on the Council's balance sheet at the beginning of the Long-term Plan is assumed to be renewed when the loans mature.
TTPP Debt Funded	The costs of funding the debt associated with TTPP may be higher.	Low	To ensure that the rating impact of the expenditure related to Te Tai o Poutini Plan (TTPP) does not hit the related communities drastically at the beginning of the Long-term Plan debt is being drawn down to smooth the rating impact over time.
Asset Revaluation Assumptions	The asset values may fluctuate at rates not reflected by the assumptions.	Medium	Asset revaluations have been included in the financial projections. The revaluations are as per BERL estimates. Depreciation recognised reflects the revalued carry amounts of the assets. Index adopted

Year	Local Government Cost Index (published by BERL for SOLGM)
2024/25	3.5%
2025/26	1.9%
2026/27	2.6%
2027/28	2.7%
2028/29	2.6%
2029/30	2.5%
2030/31	2.4%
2031/32	2.4%
2032/33	2.3%
2033/34	2.3%

Part 5

Key Policies



Statement of Accounting Policies

Reporting Entity

The West Coast Regional Council is domiciled and operates in New Zealand and is a regional local authority governed by the Local Government Act 2002 (LGA). The Council is a public benefit entity (PBE) for financial reporting purposes.

The primary objective of Council is to provide goods or services to the community or social benefit rather than making a financial return.

The prospective financial statements were authorised for issue by Council on XX MONTH 2024.

Cautionary Note

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

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

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

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

Basis of preparation

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

These prospective financial statements of the Council have been prepared in accordance with the requirements of the LGA and the Local Government (Finance Reporting and Prudence) Regulations 2014 (LG(FRP)R), which include the requirements to comply with generally accepted accounting practice in New Zealand (NZ GAPP).

These prospective financial statements also comply with PBE FRS 42.

These financial statements have been prepared in accordance with Tier 2 PBE accounting standards reduced disclosure regime.

The West Coast Regional Council 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 RDR and are presented in New Zealand dollars.

Investment in Associates and Council Controlled Organisations

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

Revenue

Revenue is measured at the fair value of consideration received or receivable.

Revenue from exchange and non-exchange transactions

Revenue from exchange transactions arises where the Council provides goods or services to another entity and directly receives approximately equal value (primarily in the form of cash in exchange).

Revenue from non-exchange transactions arises from transactions that are not exchange transactions. Revenue from non-exchange transactions arises when the Council receives value from another party without giving approximately equal value directly in exchange for the value received.

Approximately equal value is considered to reflect a fair or market value, which is normally commensurate with an arm's length commercial transaction between a willing buyer and willing seller. Many of the services that the Council provides for a fee are charged at below market value as they are subsidised by rates. Other services operate on a coast recovery or break-even basis and are not considered to reflect a market return. Most of the Council's revenue is therefore categorised as non-exchange. Specific accounting policies for major categories of revenue are outlined below. The Council undertakes various activities as part of its normal operations, some of which generate revenue, but generally at below market rates. The following categories (except where noted) are classified as transfers, which are non-exchange transaction other than taxes.

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

Council receives government grants from Waka Kotahi NZ Transport Agency, which subsidises part of Council in carrying out its land transport responsibilities. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Other grants are recognised as revenue when they becomes receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Interest income is recognised using the effective interest method. Dividends are recognised when the right to receive payment has been established.

Sale of Goods

Revenue from the same of goods is recognised when a product is sold to the customer.

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, Council recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments. The 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 Council 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

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL). The Council apply the simplified ECL model of recognising lifetime ECL for receivables.

In measuring ECL's, receivables have been grouped into rates receivables, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due. A provision matrix is then established based on the historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Rates are written off:

- When remitted in accordance with Council's Rates Remissions and Postponements Policy; and
- In accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Maori freehold land) of the Local Government (Rating) Act 2002.

Other receivables are written-off when there is no reasonable expectation of recovery.

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

Council has two classifications for its financial assets:

- Financial assets at fair value through surplus or deficit.
- Amortised cost.

Financial assets are initially recognised at fair value.

Transaction costs are included in the carrying value of the financial asset at initial recognition, unless it has been designated at FVTSD, in which case it is recognised in surplus of deficit.

The classification of a financial asset depends on its cash flow characteristics and the Council's management model for them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are 'solely payments of principal or interest (SPPI)' on the principal outstanding, and is held within a management model whose objectives to collect the contractual cash flows of the asset.

Subsequent management of financial assets at FVTSD

Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit. Interest revenue and dividends recognised from these financial assets are separately presented within revenue.

Instruments in this category include the Council's investment fund portfolio (comprising of listed shares, bonds, and units in investment funds) and LGFA borrower notes.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. Council fund manager JBWere 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. JBWere 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.

Subsequent measurement of financial assets at amortised cost

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses. Where applicable, interest accrued is added to the investment balance. Instruments in this category include term deposits, community loans, and loans to subsidiaries and associates.

There are also assets in trade and other receivables that are not financial assets such as the right to receive rock.

Impairment of financial assets

Expected credit loss allowance (ECL)

The Council recognises an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability-weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to Council in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

ECLs are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council's historical experience and informed credit assessment and including forward-looking information.

The Council considers a financial asset to be in default when the financial asset is more than 90 days past due.

The Council may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full.

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 Council. 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 Council 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 Council 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	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%
Motor vehicles	6 – 7 years	15%
Capitalised quarry costs	Based on the pattern of benefits from the Quarry	Not applicable

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

Revaluation

Operational assets 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 2020 (Westland District area land), 1 September 2021 (Grey District area land), and 1 September 2022 (Buller District area land).

The next round of valuations will be:

- 1 September 2024 Grey District Council
- 1 September 2025 Buller District Council
- 1 September 2026 Westland District Council

Infrastructural asset classes: River, Drainage and Coastal Protection Assets: These assets are valued at fair value determined annually on a replacement cost basis by AON Valuation Services. The most recent valuation was prepared by AON Valuation Services as at 30 June 2023.

Accounting for revaluations: Council 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 off-sets a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then credited to the revaluation reserve 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 Council expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months.

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

Provisions

Council 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 Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves. The components of equity are:

- Retained earnings;
- Restricted reserves; and
- Asset revaluation 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 Council. Restricted reserves are those subject to specific conditions accepted as binding by Council and which may not be revised by Council 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 have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by Council for the preparation of the financial statements.

Cost allocation

Council has derived the cost of service for each significant activity of Council 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 Council 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 estimates and assumptions of fair value of Infrastructure, Quarry Restoration Provision and Capitalised Quarry Development costs that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Council does not recognise community owned protection assets until they are formally inspected for condition and performance. Once appropriate service level decisions are made, the assets will be accepted to vest in Council.

Financial Instruments

In January 2017, the XRB issued PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IFRS 9 is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The main changes under PBE IFRS 9 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management of risks.

PBE IPSAS 41 Financial Instruments will replace both PBE IPSAS 29 and PBE IFRS 9. IPSAS 41 is effective from 1 July 2022.

The Council has early adopted this standard. The Council has assessed that the changes have minimal impact on the prospective statements.

Differences between Cost of Services shown in the Statement of Comprehensive Revenue and Expense (SCRE) and the Funding Impact Statements (FIS) prepared pursuant to the Local Government (Financial Reporting) regulations 2011

The Statement of Comprehensive Revenue & Expense has been prepared in accordance with Generally Accepted Accounting Practice (GAAP). The Funding Impact Statements, prepared under the Regulations, are not prepared in accordance with GAAP as they do not include non-cash types of expenditure such as depreciation.

The difference in operating expenditure between the costs of activities as shown in the Statement of Comprehensive Revenue & Expense, and the Funding Impact Statements are as follows:

Year	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
SCRE net surplus / (deficit)	5,670,634	4,749,888	(1,671,229)	794,457	621,853	345,072	1,339,386	1,455,526	1,101,162	2,056,676
FIS Operating Surplus**	(1,611,492)	(1,210,627)	(886,068)	1,663,541	1,533,627	1,169,127	2,181,093	2,287,666	1,834,835	2,850,841
	7,282,125	**5,960,515**	**(785,161)**	**(869,085)**	**(911,774)**	**(824,055)**	**(841,707)**	**(832,139)**	**(733,672)**	**(794,164)**

***These differences are the amount of the non-cash depreciation expense and investment income*

Year	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Depreciation & Amortisation	(734,375)	(856,259)	(926,627)	(1,018,685)	(1,069,976)	(991,354)	(1,018,626)	(1,019,231)	(931,521)	(1,003,390)
Investment property revaluations	126,500	133,774	141,466	149,600	158,202	167,299	176,918	187,091	197,849	209,225
Capital Subsidies & Grants	7,890,000	6,683,000	-	-	-	-	-	-	-	-
	7,282,125	**5,960,515**	**(785,161)**	**(869,085)**	**(911,774)**	**(824,055)**	**(841,707)**	**(832,139)**	**(733,672)**	**(794,164)**

Revenue and Financing Policy

Purpose

The Revenue and Financing Policy sets out how the Council's activities are funded. The requirements for this Policy are set out in the Local Government Act 2002 (sections 101–103).

Overview

Council must manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interest of the community. To achieve this Council makes certain there is sufficient revenue in its Long-term Plan and in its Annual Plans to meet expenditure needs. The Policy outlines the Council's: funding sources, including rates, grants, fees and borrowing funding considerations and decision-making processes, for example for operating expenses and capital expenditure.

Available Funding Sources/Mechanisms

General Rates

This rating method is used to fund those services where the Council believes there is a public benefit even though it may not be to the whole community. It typically funds "public goods" for which there is no practical method for charging individual users as the benefit is wider than just specific users. General rates fund a range of services which are used by individual ratepayers to varying extents. The Council uses the general rate rather than several targeted rates to achieve a simpler rating structure. That simpler structure makes it easier for ratepayers to understand how they are being rated and it is also more straight-forward and cheaper to administer. Differentials are used to ensure that other rates mechanisms do not alter the incidence in rates between the major ratepayer groups. All general rates are set and assessed across the region (which includes the Buller, Grey and Westland District areas), but that might be on a uniform or a differential basis.

Uniform Annual General Charge

Council will use a Uniform Annual General Charge of $192.59 (GST incl) as well as a general rate in the $ of Capital Value. Council sees including the setting and assessing of a Uniform Annual General Charge as being a fairer way of spreading the imposition of the general rate over the region's ratepayers. This recognises that all ratepayers receive a base level of service regardless of the Capital Value of their property. The Uniform Annual General Charge will be set and assessed on all rating units.

Council sets its rate on a differential basis and it has decided for the 2024-25 year that the differential relationship for the categories are:

- Buller District Area 32% (34% last year)
- Grey District Area 39% (38% last year)
- Westland District Area 29% (28% last year)

Council checks the validity of these differentials from time to time using a comparison involving district Capital Values, district population and the number of rating units. These comparisons continue to support the above differentials as shown in the following table:

Comparisons

	Buller	Grey	Westland
% based on number of rating units	33%	38%	29%
% based on Capital Value	35%	36%	29%
% based on population	29%	43%	28%
Average	**32%**	**39%**	**29%**

Targeted Rates

Council may set and assess targeted rates for the purpose of undertaking specific services or work for the benefit of all or part of the region. Council will be setting and assessing targeted rates to fund the following types of expenditure:

- Various river, drainage, and coastal protection schemes. These rates are only set and assessed over properties that have a direct beneficiary or cause/effect relationship with the service being provided.
- A Regional Emergency Management rate will be set and assessed across the region to fund Emergency Management responsibilities.
- Te Tai o Poutini Plan (the combined district plan for the West Coast) rate is set and assessed across the region to fund the work required in preparing this Plan mandated by the Local Government Commission Order in Council.
- The Warm West Coast targeted rate scheme requires homeowners who borrowed money from Council to improve their home heating and insulation, pay this amount back via regional rates. This scheme has been discontinued.

The Funding Impact Statement provides detailed definitions, description, and rating sectors for each of the targeted rates.

Grants and subsidies

Used where they are available to fund both capital and operational expenditure to minimise the use of borrowing or to lower the impact on rates.

Fees and Charges

These are used for those services where there is a benefit to an individual. If it is possible to efficiently impose a charge the Council does so, based on either recovering the full cost of the service or a rate that the market will pay. The market rate can limit the potential for charging in circumstances where the Council believes that a charge set too high will adversely reduce use.

Investment Income

Council at present has funds under management with its Fund Manager. Council is currently using 100% of this income to offset rates.

Council also has a Catastrophe Fund of $1million invested with its Fund Manager. Interest earned on this fund is retained 100% within the Catastrophe Fund. The Council has in place insurance cover on its infrastructure (Rating District assets) with a grouping of South Island Councils. The Catastrophe Fund of $1million will provide easily accessible funding in the event of a catastrophe.

Environment Court appeals for RMA planning, enforcement and resource consents are unpredictable. If significant legal expenses are likely to be incurred, Council may consider using debt to cover legal fees to smooth the impact to rates and to avoid rating for expenses whose timing is uncertain.

Rating District Balances

Various river, drainage and coastal protection rating districts have credit balances carried forward from year to year. At various times these credit balances will be utilised to fund works required in those rating districts.

Borrowing

Council views debt as a smoothing mechanism and a means of achieving equity between time periods, however Council does not have an unlimited capacity to borrow, and the community does not have unlimited capacity to service those loans into the future. Therefore, Council adopts a prudent approach to debt and its capital programme to ensure that the burden of debt and the interest cost does not place an impossible burden on the community.

Council's Long-term Plan envisages borrowing to fund:

- Scheme works where Council has sought the views of the contributing community prior to carrying out the river, drainage or sea protection works.
- Work programmes that have future benefits and where the expenditure is uneven, and borrowing is an effective strategy for smoothing the rating impact.
- To raise the local share of key projects that are otherwise substantially paid for through Central Government grant funding to achieve intergenerational equity outcomes.

Council borrows the funds required to carry out the works and normally rates the properties identified as benefiting from the works to service and repay the loan. Council seeks to match the term of borrowings to average life of assets where practicable. New loans drawn down for the key forecast capital works in this Long-term Plan will be repaid in line with the new asset life expectancy which could be up to 80+ years.

Proceeds from asset sales

These may be used to fund capital works or repay debt. The preferred option will be for debt repayment with any new works funded from new debt draw down. This method is favoured due to its transparency and the neutral effect it has on rating. There are no major planned asset sales programmed over the period of this plan, but assets which are no longer required for strategic or operational purposes may be sold.

Summary of funding tools and how they are applied

Funding	Operating expenditure	Capital expenditure
General rates, including Uniform Annual General Charge (UAGC)	Used to fund expenditure	Used to fund expenditure and repay debt
Target rates including differential rates	Used to fund expenditure	Used to fund expenditure and repay debt
Fees and charges	Used to fund expenditure	Not used
Interest and dividends	Used to fund expenditure	Used to fund expenditure
Borrowing	Used to fund expenditure if required	Used to fund expenditure
Proceeds from asset sales	Used to fund expenditure	Used to fund expenditure and repay debt
Grants and subsidies	Used to fund projects	Used to fund projects
Surpluses from previous financial year or reserves	Used to fund expenditure	Used to fund projects

Funding principles

In considering which funding sources are appropriate for each activity, Council has considered Section 101(3) of the Local Government Act:

a. The promotion of community outcomes.
b. User/beneficiary pays – the distribution of benefits between the community as a whole, any identifiable part of the community and individuals.
c. Intergenerational equity – the period in or over which those benefits are expected to come.
d. Exacerbator pays – the extent to which the actions or inaction of particular individuals or groups contribute to the need to undertake the activity.
e. The costs and benefits of funding an activity in a different manner to the way other activities are funded, including consequences for transparency and accountability.
f. The overall impact on the current and future social, economic, environmental and cultural well-being of the community.

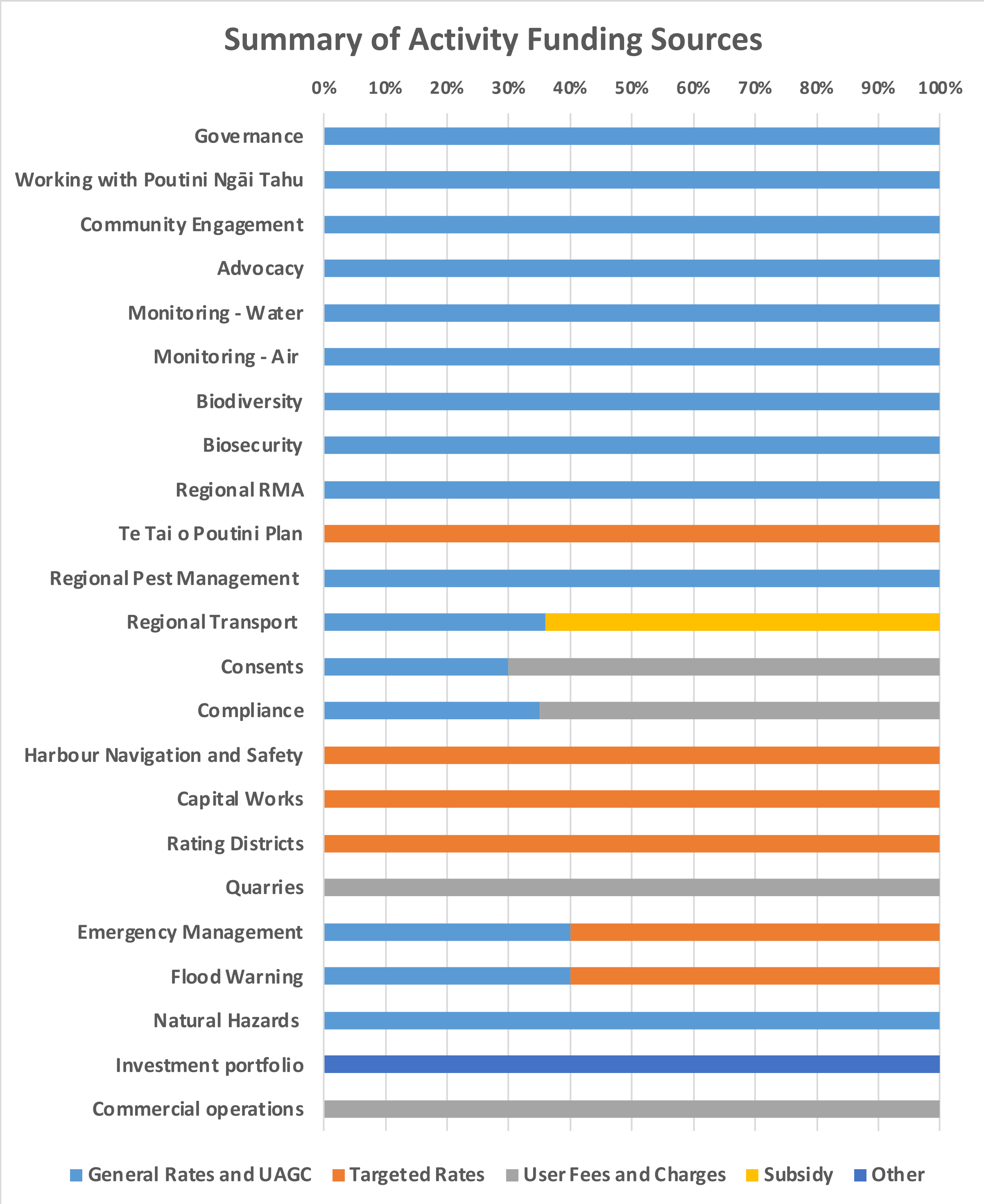
Changes to Funding Mechanisms

There have been several changes made in this Policy review due to the consolidation and restructure of Council's Activity Groups. These changes have resulted in the consolidation of seven Activity Groups into five which are considered to better reflect the role and responsibilities of Council. An additional activity, Navigation and Harbour Safety, has been included in the Policy and Regulation Group of Activities, Vector Control Services (VCS) is no longer a separate Activity Group but included in a wider, new, Commercial Activities Activity Group along with Quarries. Hydrology and Flood Warning Services is now included within the Infrastructure and Resilience Group of Activities.

The below table and graphs summarise the funding policy of Council.

Summary of funding policies

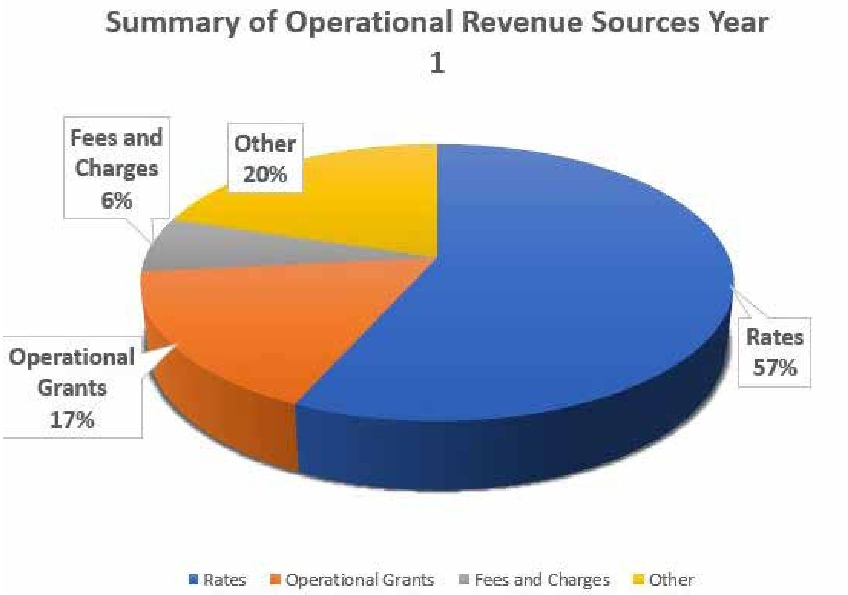
Activity Group	Activity	General Rates and UAGC	Targeted Rates	User Fees and Charges	Subsidy	Other
Regional Leadership	Governance	100%				
	Working with Poutini Ngāi Tahu	100%				
	Community Engagement	100%				
	Advocacy	100%				
Infrastructure and Resilience	Capital Works		100%			
	Rating Districts		100%			
	Emergency Management	40%	60%			
	Flood Warning	40%	60%			
	Natural Hazards	100%				
Natural Environment	Monitoring - Water	100%				
	Monitoring - Air	100%				
	Biodiversity	100%				
	Biosecurity	100%				
Policy and Regulation	RMA Policy and Planning	100%				
	Te Tai o Poutini Plan		100%			
	Regional Transport	36%			64%	
	Consents	30%		70%		
	Compliance	35%		65%		
	Navigation and Harbour Safety		100%			
Commercial Activities	Investment portfolio					100%
	Commercial operations			100%		

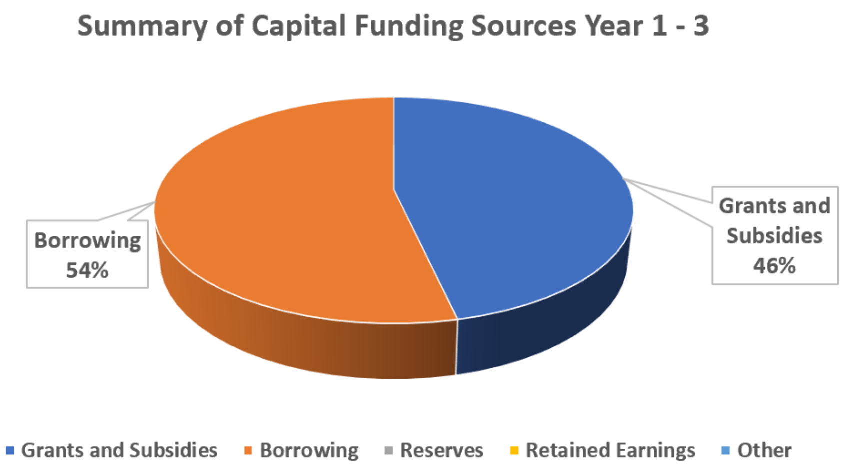

Summary of Activity Funding Sources
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
Governance
Working with Poutini Ngāi Tahu
Community Engagement
Advocacy
Monitoring - Water
Monitoring - Air
Biodiversity
Biosecurity
Regional RMA
Te Tai o Poutini Plan
Regional Pest Management
Regional Transport
Consents
Compliance
Harbour Navigation and Safety
Capital Works
Rating Districts
Quarries
Emergency Management
Flood Warning
Natural Hazards
Investment portfolio
Commercial operations
General Rates and UAGC
Targeted Rates
User Fees and Charges
Subsidy
Other

Funding of Operating and Capital Expenditure

Operating Costs

Council policy is to fund Operating Expenditure from rating revenue, user fees and charges, operational grant funding where available, and retained credit balances (e.g. rating district targeted rate credit balances). Council has elected to also fund Te Tai Poutini Plan costs through debt for intergenerational and affordability reasons. The following two graphs illustrate the change in the funding mix across the Long-term Plan of a decrease in available grants and subsidies which will result in a higher rate requirement.



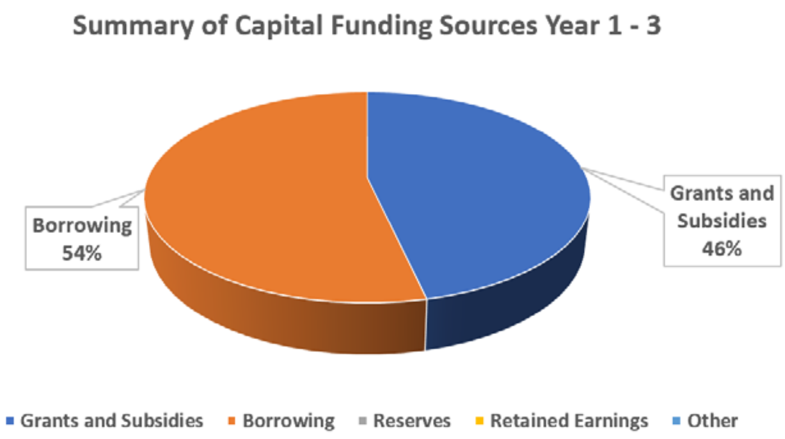


Capital Expenditure

Capital Expenditure can be funded by retained earnings, rating district credit balances (for flooding and erosion protection works), Central Government grants and subsidies, occasional sale of assets, or Council borrowing. In this Plan Council has elected to fund all capital works and local share contributions for the Westport Flood Protection projects through debt.

It is worth noting, in the representative graph below, that year 1 - 3 of the Long-term Plan has more capital work forecast ($27.7M) than the rest of the other 7 years combined ($6.4M). This is driven primarily through the delivery of the Westport Flood Protection project.

From year 4 onwards, capital expenditure will be returning to a much higher ratio of retained earnings and rating district credit balances (for flooding and erosion protection works).



Significance and Engagement Policy

The purpose of this Significance and Engagement Policy is to enable Council to identify the degree of significance attached to particular issues, proposals, assets, decisions and activities.

This will determine the level of assessment and information to be provided, and the nature and extent of public input that may be appropriate in the circumstances.

The Policy will provide clarity about how and when communities can expect to be engaged in decisions made by Council. It will inform Council from the beginning of a decision making process about the extent, form and type of engagement required.

The Policy

Engaging with the community enables the Council to understand the views and preferences of people likely to be affected by or interested in a proposal or decision. The Council wishes to apply a consistent and transparent approach to engagement.

An assessment of the degree of significance of proposals and decisions, and the appropriate level of engagement, will therefore be considered in the early stages of a proposal before decision making occurs and, if necessary, reconsidered as a proposal develops.

The Council will take into account all of the following matters when assessing the degree of significance of proposals and decisions and the appropriate level of engagement:

- Whether there is a legal requirement to engage with the community.
- Whether community interest is high, or the likely consequences are controversial.
- Whether the proposal affects the level of service of a significant activity, and if so, to what extent.
- The level of financial consequences of the proposal or decision.
- Whether the proposal or decision will affect a large portion of the community.
- Any likely impact Māori cultural values and their relationship to land and water.
- The form of engagement used in the past for similar proposals and decisions.
- Whether community views are already known, including preferences on the form of engagement.

If a proposal or decision is affected by a number of the above considerations, it is more likely to have a higher degree of significance. In general, the more significant an issue, the greater the need for community engagement.

Council is required to undertake a special consultative procedure as set out in Section 83 of the Local Government Act 2002 or to carry out consultation in accordance with or giving effect to Section 82 of that Act on certain matters (regardless of whether they are considered significant as part of this policy).

For all other issues requiring a decision, Council will determine the appropriate level of engagement on a case by case basis.

Note that this policy applies to Local Government Act processes only, not those undertaken under the Resource Management Act, the Biosecurity Act or other legislation.

When Council will engage

The Council will use the Special Consultative Procedure (in section 83 of the Local Government Act) where required to do so by law, including for the following issues requiring decisions:

- The adoption or amendment of a Long Term-Plan (in accordance with Section 93 A)
- The adoption, amendment, or revocation of bylaws if required under Section 156(1)(a)
- Unless already explicitly provided for in the Long-Term Plan, the Council will seek to amend its Long-Term Plan, and therefore use the Special Consultative Procedure, when it proposes to:
- Alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of Council, including commencing or ceasing such an activity; or
- Transfer the ownership or control of strategic assets, as listed in Schedule 1.

The Council will consult in accordance with, or using a process or a manner that gives effect to the requirements of Section 82, where required to do so by law, including for the following specific issues requiring decisions:

- Adopting or amending the Annual Plan if required under Section 95.
- Transferring responsibilities to another local authority under Section 17.
- Establishing or becoming a shareholder in a Council-controlled organisation.

- Adopting or amending a revenue and financing policy, rates remission and postponement policy, or a policy on the remission or postponement of rates on Māori freehold land.

For such consultation, Council will make available information fulfilling the requirements of Section 82A; allow written submissions; and consider all submissions before making decisions.

When the Council may not engage

There are times when it is not necessary, appropriate or practical to engage the community on a matter or decision. The Council may also choose not to consult on a matter and, if so, will make this determination in accordance with the criteria below and notwithstanding any legislative requirements.

The Council will not engage when:

- The matter is not of a nature or significance that requires consultation.
- The Council already has a sound understanding of the views and preferences of the persons likely to be affected by or interested in the matter.
- There is a need for confidentiality or commercial sensitivity.
- The costs of consultation outweigh the benefits.
- The matter has already been addressed by the Council's policies or plans, which have previously been consulted on.
- An immediate or quick response or decision is needed or it is not reasonably practicable to engage, or
- Works are required unexpectedly, urgently, or following further investigations on projects already approved by the Council.
- Works required are related to the operation and maintenance of an existing Council asset and responsible management requires the works to take place.
- When Council has consulted on the issue in the last 24 months.

Where any of the above listed circumstances apply and consultation is not to be undertaken, the Council is still required to give consideration to the views and preferences of persons likely to be affected by, or to have an interest in, the matter (Section 78 (1)). The Act requires that this consideration be in proportion to the significance of the matters affected by the decision (Section 79 (1)).

Principles of engagement

Council will:

- Be genuine in our consultation and engagement.
- Provide good information for feedback and, wherever possible, enable the community to consider options relating to the decision.
- Give a timely opportunity to have a say.
- Have an open mind to community feedback before making decisions.

When seeking your feedback or input Council will let you know:

- What is being proposed.
- Why it is being proposed.
- What options Council has.
- What the impacts are (if any).
- How you can provide feedback to have your say.
- The timeframes for responding.

Engagement tools and techniques

Council may use a variety of engagement techniques on any issue or proposal based on a range of other factors, including history and public awareness of the issue, stakeholder involvement, and timing related to other events and budgets. Should an identifiable resident or group of residents be affected by any action proposed to be taken, such residents will be consulted specifically in addition to the formal consultation undertaken with the general public.

Council will also take into consideration that the community can feel 'over consulted'. Each situation will be assessed on a case-by-case basis.

Definitions

Community
A group of people living in the same place or having a particular characteristic in common. Includes interested parties, affected people and key stakeholders

Engagement
Is a term used to describe the process of seeking information from the community to inform and assist decision making.

Significance
As defined in Section 5 of the Local Government Act (LGA) 2002 "in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for,—

- the region;
- any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter; or
- the capacity of the local authority to perform its role and the financial and other costs of doing so.

Strategic asset
As defined in Section 5 of the LGA 2002 "in relation to the assets held by a local authority, means an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community; and includes any asset or group of assets listed in accordance with section 76AA(3) by the local authority (see following page).

Schedule 1: West Coast Regional Council Strategic Assets

The following is a list of assets or group of assets that the Council needs to retain if it is to maintain its capacity to achieve or promote any outcome that it determines to be important to the current or future well-being of the community:

- Okuru Rating District protection works
- Franz Josef Rating District protection works
- Waitangitoana River Rating District protection works
- Whataroa River Rating District protection works
- Matainui Creek Rating District protection works
- Wanganui River Rating District protection works
- Vine Creek Rating District protection works
- Kowhitirangi Rating District protection works
- Raft Creek Rating District drainage works
- Hokitika Southside Rating District protection works
- Hokitika Rating District protection works (including the Kaniere Rating District protection works)
- Taramakau Rating District protection works
- Inchbonnie Rating District protection works
- Grey Rating District protection works (including the Coal Creek Rating District Protection works)
- Red Jacks Creek Rating District protection works
- Nelson Creek Rating District protection works
- Punakaiki Seawall Rating District protection works
- Westport Rating District protection works
- Mokihinui Rating District protection works
- Kongahu Rating District drainage works
- Karamea Rating District protection works

Addendum

Schedule 1 is Council's list of Strategic Assets as of 30 June 2024. Assets within the rating districts may change over the life of this Long-term Plan as a result of new infrastructure being constructed as part of the Westport Flood Protection project, or projects applied for in the *Before the Deluge* proposal.

Council is consulting on the transfer of ownership of the Grey Floodwall and Havill Wall (Franz Josef) for this Long-Term Plan. The Havill Wall asset will be included in the list of assets above should the transfer take place

Part 6

Supporting Information

Summary of Consultation

– to be completed following consultation process

Ongoing collaboration with local government and others

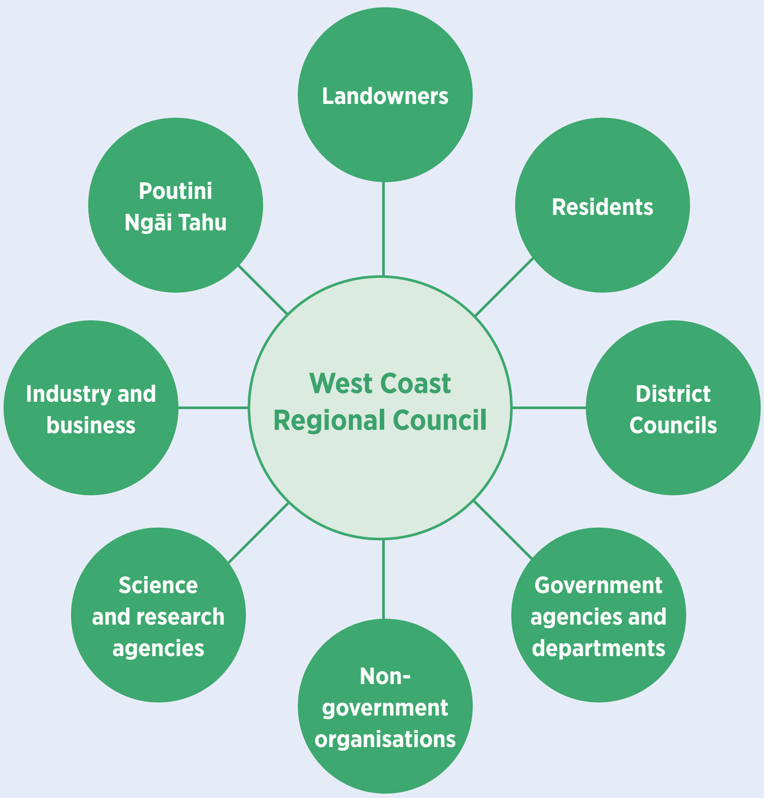
How Council works with others will vary depending on the specific outcomes and the activities involved. In areas where Council has a primary role, we will act as the lead agency.

Council will continue to build relationships, and work with, other local and regional organisations, Poutini Ngāi Tahu, central government, non-government organisations and the private sector to further the well-beings of our community. The range of organisations and stakeholders is shown in the diagram below.

A key group of which the Regional Council is part of is the West Coast Mayors, Chairs and Iwi Fourm. Formed under the Triennial Agreement (Local Government Act 2022 requirement), membership includes the Mayors of the three districts and Chair of the Regional Council. Membership has been extended to include the Chairs of Te Rūnanga o Ngāti Waewae and Te Rūnanga o Makaawhio.

Meeting quarterly, the Fourm has a strong commitment to cooperating on matters that benefit the West Coast and the economy as a whole. Working together, the Forum presents a united front and collective voice on regional matters.

Organisations and stakeholders



Borrowing and Investment Policy

Introduction

This Borrowing and Investment Policy ("the policy') outlines the objectives and approach that West Coast Regional Council ("the Council") shall adopt to manage its treasury exposures.

The policy is developed pursuant to the Local Government Act 2002 ("LGA"). For all borrowing activities it seeks compliance with Section 102 and Section 104 of the LGA. It discloses the Council's principles of prudent financial management and risk mitigation strategies as they relate to the management of external debt.

For all financial market investing activities the policy seeks compliance with Section 102 and Section 105 of the LGA. It discloses the Council's principles of prudent financial management and risk mitigation strategies as they relate to financial market investments.

The purpose of the policy is to establish a framework and guidelines within which the Council manages its treasury risks. While the Council does not seek to speculatively profit from its treasury activities, it recognises that active and prudent management of its treasury risks, within defined management parameters, will assist the Council in achieving its overall objectives.

It is recognised that the policy is an evolving document which can be amended and expanded to take account of changes in the Council's operational activities and operating structure. The policy must be regularly monitored for compliance and appropriateness and, where necessary, the document updated with any changes to be approved by the full Council. Notwithstanding this, a formal review of the policy must be completed at least every three years, or more frequently if required.

It is also recognised the Council does not have a dedicated treasury function and the Corporate Services Manager ("CSM") will effectively be responsible for treasury risk management as well as other duties. Hence it is essential that the policy reflects this structure and the other internal resources available to assist in this area.

Treasury Objectives

The objectives of the treasury function should be consistent with the Council's overall objectives, in particular recognising that the Council is a risk averse organisation which does not seek to profit from any speculative treasury activity. The primary objectives of the treasury function are to:

- Minimise the cost of the Council's borrowing through monitoring and implementation of the most cost effective financing techniques giving consideration to balance sheet and other strategic limitations
- Mitigate the impact of interest rate volatility
- Ensure the Council's continued ability to meet its financial obligations in an orderly manner, as and when they fall due in both the short and long term, through active liquidity and funding risk management
- Maintain dialogue and information flows to the Council's funding providers to enhance the commercial relationship between the parties
- Ensure compliance with the Council's financing and borrowing covenants and ratios specified in this document
- Safeguard the Council's financial market assets by establishing and regularly reviewing financial market investment parameters and treasury credit limits and then managing financial market exposures within these limits
- Evaluate on an ongoing basis, the appropriateness of the current risk management processes
- Maintain adequate internal controls to minimise operational risk while recognising the limited number of personnel who participate in the Council's treasury activities
- Control cash in an effective and efficient manner
- Produce accurate and timely information that can be relied on by the elected members and management of the Council that ensures policy compliance and maintains appropriate exposure monitoring procedures.

Organisational and responsibility structure

An effective policy requires a clear understanding and definition of the structure of the treasury function and the responsibilities of all personnel involved in treasury management.

The following personnel are primarily responsible for the management of the treasury activities of the Council:

- Full Council (of elected members).
- Chief Executive Officer ("CEO").
- Corporate Services Manager.
- Finance Manager ("FM").

In addition to the above, the Council may retain on an ongoing or consultancy basis the services of an Independent Treasury Advisor.

The respective responsibilities of those personnel involved in the treasury function are detailed below.

Full Council

- Approves the policy document
- Approves any risk management strategies outside the delegated authorities outlined in this policy document
- Approves any amendments to the policy as recommended by the CEO
- Approves new borrowing facilities from the banking sector and capital markets upon the recommendation of the CEO
- Monitors and reviews the ongoing treasury risk management performance of the Council to ensure that the treasury function is operating in such a way as to ensure that the Council's strategic objectives are being met.

Chief Executive Officer

- Approves all debt related interest rate risk management strategies submitted by the CSM
- Determines in consultation with the CSM the level of future core debt to be used for interest rate risk management purposes
- Submits to the full Council new or amended borrowing facilities which have been negotiated by the CSM
- Approves any amendments to this Policy recommended by the CSM, prior to submission to the full Council for approval
- Checks external counterparty advice on treasury transactions to records generated internally by other staff
- In the absence of the CSM undertakes the following treasury transactions or delegates to the FM where permissible under his/her permissions:
    - Funding from bank facilities and the capital markets including the Local Government Funding Agency ("LGFA")
    - Interest rate derivative transactions relating to the hedging of the Council's debt
    - Placing of deposits in the short term money market or fixed interest market
    - Investing in bonds in the fixed interest market.

Corporate Services Manager

- Organises all new or amended borrowing facilities which shall then be submitted to the CEO for approval and then to the full Council for final approval
- Reviews this Policy every three years or more regularly if required which shall then be submitted to the CEO for approval and then to the full Council for final approval
- Develops all interest rate risk management strategies in conjunction with the Independent Treasury Advisor for approval by the CEO
- Determines in conjunction with the CEO the level of future core debt is to be used for interest rate risk management purposes
- Reports to the full Council and CEO on overall treasury risk management issues on a regular basis.
- Manages the funding and liquidity activities of the Council
- Maintains lender relationships with the banks and the capital markets including the LGFA
- Undertakes all treasury transactions which will include but not be limited to the following:
    - Funding from bank facilities and the capital markets including the LGFA
    - Interest rate derivative transactions relating to the hedging of the Council's debt
    - Placing of deposits in the short term money market
    - Investing in bonds in the fixed interest market
- Monitors and reviews the ongoing treasury risk management performance of the Council to ensure compliance with the policy parameters
- Prepares quarterly treasury reports
- Checks external counterparty advice on treasury transactions to records generated internally by other staff.

Finance Manager
Checks external counterparty advice on treasury transactions to records generated internally by other staff.

- Assists the CSM with the preparation of treasury reports.
- When delegated to so undertakes all treasury transactions which will include but not be limited to the following:
  - Funding from bank facilities and the capital markets including the LGFA
  - Interest rate derivative transactions relating to the hedging of the Council's debt
  - Placing of deposits in the short term money market
  - Investing in bonds in the fixed interest market
- Checks external counterparty advice on treasury transactions to records generated internally by other staff.

Interest Rate and Borrowing Risk Management

Interest Rate Risk Management

Interest rate risk management has the objective of containing the Council's interest rate exposures in order to:

- Give a sufficient level of certainty to the Council's funding costs while, at the same time, allowing the Council to participate if interest rates and credit spreads move favourably.
- Control variations in interest expense for the debt portfolio from year to year, taking into consideration any relevant budgetary assumptions.
- Recognise the Council's exposure to the local and international economies and maintain sufficient flexibility in its interest rate risk management profile to enable the Council to respond when considered appropriate.

For the purposes of interest rate hedging, core debt projections should be supported by budgetary analysis contained in the Annual Plan and the Long-term Plan. Core debt is defined as the level of current and projected future debt as determined by the CSM in consultation with the CEO.

Fixed Rate Cover Percentages

Period	Minimum	Maximum
0 to 2 years	40%	100%
2 to 4 years	20%	80%
4 to 8 years	0%	60%

The Council will maintain fixed interest rate cover of its core debt within the control limits detailed in the table above. Compliance with these parameters is not necessary if debt is less than $3.0 million.

The CSM is primarily responsible for the monitoring and managing the interest rate hedging profile of the Council. If the fixed rate cover is below or above the Fixed Rate Cover Percentages, the reasons for the non-compliance with the policy must be documented in an exception report.

Approved Interest Rate Risk Management Instruments

The approved derivative interest rate risk management instruments are as follows with definitions and examples of these instruments contained in Appendix II.

- Fixed interest rate swaps, including forward starting swaps.
- Forward Rate Agreements ("FRA").
- Interest rate options – includes caps, swaptions and collars. For a collar the amount of the sold option must match the amount of the purchased option.
- Fixed rate term loans

Options on hedging floating rate debt with an exercise rate greater than 2.00% above the equivalent period interest rate at the time of inception cannot be counted as part of the fixed rate cover percentage calculation. For example, a two-year cap at 5.00% would only count as a fixed rate hedge if the underlying swap rate at the time of inception was greater than 3.00%.

In addition to the above derivative instruments, Fixed Rate Term Loans may also be used to manage the Council's interest rate risks.

Funding Risk Management

Funding risk is defined as an inability to secure access to external lines of credit sufficient to enable the Council to achieve its strategic short term and long term objectives where the financial requirements to achieve those goals exceed the funds being generated from operating activities. Funding risk covers both working capital requirements and core debt.

- The Council must approve all new debt funding facilities and/or revision to the parameters of existing debt funding facilities.
- To ensure that all of the Council's debt is not exposed to excessive refinancing risk at any one time, no more than 40% of all debt facilities should mature within a rolling twelve-month period. Compliance with this provision is not required if total external debt is less than $3.0 million.
- The CSM must renegotiate/replace maturing bank funding facilities on a timely basis. Specifically, the CSM must obtain an indicative letter of offer no later than two months before the maturity of any bank facility.

Liquidity Risk Management

Liquidity risk management has the objective of ensuring that adequate liquid assets and funding sources are available at all times to meet the short term commitments of the Council as they arise in an orderly manner. Appropriate cash flow reporting mechanisms will be maintained to monitor the Council's estimated liquidity position over the next twelve months.

To manage liquidity risk the Council must maintain committed funding facilities at a minimum of 110% of the projected peak debt level over the ensuing twelve month period.

Counterparty Risk Management for Borrowing and Interest Rate Risk Management

The management of counterparty credit risk in relation to the Council's borrowing and interest rate risk management activities has the objective of minimising financial loss through the default of a financial counterparty, usually a financial institution, due to the financial insolvency of the counterparty, the inability of the counterparty to perform due to country decree, or any other circumstance such as an adverse market event. The purpose of counterparty credit limits is to limit the loss that the Council may incur if a counterparty was to default or be unable to meet its obligations.

The Council's exposure to counterparty credit risk will be managed by entering into financial market transactions and funding arrangements with only approved counterparties. Approved counterparties are defined as follows:

- An approved counterparty must be a New Zealand Registered Bank or financial institution with a long term credit rating of 'A-' or above by Standard & Poor's ("S&P"), or the Moody's Investors Service ("Moody's) or Fitch Ratings ("Fitch") equivalents.

Local Government Funding Agency

The Council may borrow from the New Zealand LGFA and, in connection with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:

- Contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA
- Provide guarantees of the indebtedness of the LGFA
- Commit to contributing additional equity (or subordinated debt) to the LGFA if required
- Subscribe for shares and uncalled capital in the LGFA
- Secure its borrowing from the LGFA, and the performance of other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue.

Borrowing Limits

Council will borrow to fund its total funding needs in accordance with the Annual Plan and Long-term Plan. Borrowing includes funding of short term working capital and long term capital investment. In general terms, Council approves borrowing through the annual and long-term planning process with public disclosure by way of resolution.

Ratios based on revenue and debt servicing are used for measuring a prudent borrowing level. The Council borrowing limits are based on the following LGFA ratios:

- Net interest will not exceed 20% of total revenue
- Net debt will not exceed 175% of total revenue
- Net interest will not exceed 25% of annual rates.

Financial Market Investments

Introduction

The Council may invest surplus funds in financial market instruments, generally on a short term basis, and these funds are to be managed according to the parameters contained in Appendix I. These funds are separate from the 'Main Portfolio' and the 'Catastrophe Fund' both of which are managed externally.

Restrictions on Investments

In addition to the parameters contained in Appendix I, the following restrictions apply to investments in financial market instruments:

- No investment shall have a maturity date exceeding one year from the date of inception of the investment
- No investments shall be made in Council Controlled Organisations
- If a short term security is downgraded below 'A1' then that security must be sold within one month of the date of the downgrade. The exceptions to this are Term Deposits due to the inability in some cases to effect early repayment.
- If a long term security is downgraded below 'BBB' that security must be sold within three months of the date of the downgrade.
- All financial market investment transactions must be carried out with one of the following.
  - A New Zealand Registered Bank or financial institution with a minimum S&P Global Ratings ("S&P") long term rating of 'A-' or the Moody's or Fitch equivalent.
  - A full trading member or an advising member of the NZX.

Local Government Funding Agency

Council may invest in shares and other financial instruments of the New Zealand Local Government Funding Agency Limited (LGFA), and may borrow to fund that investment. The Council's objective in making any such investment will be to:

- Obtain a return on the investment; and
- Ensure that the LGFA has sufficient capital to become and remain viable, meaning that it continues as a source of debt funding for the Council.

Because of this dual objective, the Council may invest in LGFA shares in circumstances in which the return on that investment is potentially higher than the return it could achieve with alternative investments. If required in connection with the investment, the Council may also subscribe for uncalled capital in the LGFA.

Operations and Procedures

Introduction

Arranging and agreeing transactions with external counterparties must occur within a framework of control and accuracy. It is vital to the internal control of the Council that all transactions are captured, recorded, reconciled and reported in a timely manner within a process that has the necessary checks and balances so that unintentional errors and/or fraud are identified early and clearly. Movements in financial market variables can be rapid and exposures to such movements that are not known due to inadequate transaction recording and reporting systems should not be allowed to occur.

Transaction Origination

The following authorities shall apply in respect of the execution of treasury transactions on behalf of the Council that may commit it to all the related contractual obligations under these transactions. All such transactions are generally originated and agreed either verbally via the telephone or by email. Therefore, it is important that procedures are in place to control the activity.

Funding from Banks, the LGFA and the Capital Markets and Entering into Financial Market Investment Transactions

- Funding from bank facilities, the capital markets and the LGFA or entering into financial market investment transactions with an approved counterparty entails the personnel of the Council, who are authorised to undertake these activities, verbally or by email agreeing with the counterparty the amount, type of debt or investment instrument, term selection and rate accepted.
- Once the deal is agreed, details of the transaction shall be entered on the relevant internal system.
- Once the confirmation of the transaction is received the details should then be checked by someone other than the person who entered into the transaction in the first place to ensure that the external confirmation is in accordance with the details on the Council's internal system.

Any discrepancies in the above procedures should be immediately communicated to the counterparty so that the correct details of the deal can be agreed. A report on the error shall be prepared by the person who transacted the deal in the first place and submitted to the CEO for sign-off. Where the CEO has transacted the deal, the report shall be submitted to the CSM. In this way there is a clear division of responsibility and a self-checking system.

Interest Rate Derivative Products

Transacting interest rate derivative products with an approved counterparty entails the personnel of the Council who are authorised to undertake these activities, verbally or by email agreeing with the counterparty the amount, term selection and rate accepted. Once the deal is agreed details of the transaction shall be entered on the relevant internal system. Once the bank confirmation of the transaction is received, the details should be checked by someone other than the person who entered into the transaction in the first place to ensure that the bank confirmation is in accordance with the details on the internal system.

Any discrepancies in the above procedures should be immediately communicated to the counterparty so that the correct details of the deal can be agreed. A report on the error shall be prepared by the person who transacted the deal in the first place and submitted to the CEO for sign-off. Where the CEO has transacted the deal, the report shall be submitted to the CSM. In this way there is a clear division of responsibility and a self-checking system.

Settlement Procedures

All transactions are to be confirmed and reconciled to external confirmations and internal documentation before settlement. All transactions processed through the company bank accounts must conform to the Council's internal procedures and controls, and be reconciled to internal documentation and external confirmation(s).

Cash Management

The CSM and the FM are responsible for day-to-day cash and short term debt management activities. Specifically, this will include the following:

- Ensure that appropriate cashflow projections are maintained, with the objective of managing an optimal cash position within approved parameters
- Undertake short term borrowing functions as required, thus minimising overdraft costs
- Ensure efficient cash management through improvements to the accuracy of forecasting
- Minimise fees and bank charges by optimising bank accounts, facility structures and merchant service agreements
- When operating as a net borrower, surplus funds will normally only be permitted only to be invested on a short term basis, usually until the next opportunity to repay debt. However exceptions to this may occur where it is prudent to do so, for example, the pre-funding of debt which is placed on term deposit until the funds are required.

Reporting

Quarterly Funding and Debt Profile Report

This report forms the basis for the reporting of the Council's funding and associated interest rate risk management activity and provides the elected members and management with details about the Council's borrowing activities. The report shall contain the following:

- Total debt facility utilisation, including any debt sourced from a bank, the capital markets and the LGFA
- Interest rate maturity profile against percentage hedging limits
- New hedging transactions completed – interest rate risk management
- Weighted average cost of funds
- Funding profile against the policy limits
- Liquidity profile against the policy limits
- Exception reporting as required
- Summary of any unresolved exception reports
- Statement of policy compliance
- Commentary on economic conditions and the debt markets.

Quarterly Treasury Report

This report provides the elected members and management with details about the Council's financial market investment activities. The report shall contain the following:

- Total nominal value of the investment portfolio
- Details of individual investments
- Asset class percentages
- Credit rating profile
- Maturity profile
- Weighted average yield of the portfolio
- Statement of policy compliance
- Commentary on economic conditions and the financial markets.

The following is a list of approved interest rate risk management instruments:

- Forward rate agreements ("FRA")
- Interest rate swaps ("IRS")
- Option on a swap ("Swaption")
- Interest rate options
- Interest rate collar.

Products which create a contingent risk on the Council, for example, ratio options, are expressly prohibited.

Appendix I: Authorised Investment Criteria for short term funds

Authorised Asset Classes	Maximum limit as a % of the Total Portfolio	Approved Financial Market Investment Instruments (must be denominated in NZ$	Credit Rating Criteria – S&P (or Moody's of Fitch equivalents)**	Limit for each issuer subject to overall portfolio for issuer class
New Zealand Government or Government Guaranteed	100%	Government Stock Treasury Bills	Not applicable	Unlimited
Rated Local Authorities including the LGFA	50%	Commercial Paper Bonds/MTNs/FRNs Bonds/MTRs/FRNs	S&P ST rating of 'A-1' or LT 'BBB' or 'BBB+' S&P ST rating of 'A-1+' or LT 'A-' or better	$1 million $2 million
Unrated local authorities where rates are used as security	25%	Bonds/MTRs/FRNs	Not applicable	$1 million
New Zealand Registered Banks	100%	Call/Term Deposits onds/MTNs/FRNs	S&P ST rating of 'A-1' or LT 'BBB' or 'BBB+' S&P ST rating of 'A-1+' or LT 'A-' or better	$1 million $10 million
State Owned Enterprises	33%	Commercial Paper Bonds/MTNs/FRNs	S&P ST rating of 'A-1' or LT 'BBB' or 'BBB+' S&P ST rating of 'A-1+' or LT 'A-' or better	$1 million $2 million
Corporates	25%	Commercial Paper Bonds/MTNs/FRNs	S&P ST rating of 'A-1' or LT 'BBB' or 'BBB+' S&P ST rating of 'A-1+' or LT 'A-' or better	$1 million $2 million
Financials	25%	Commercial Paper Bonds/MTNs/FRNs	S&P ST rating of 'A-1' or LT 'BBB' or 'BBB+' S&P ST rating of 'A-1+' or LT 'A-' or better	$1 million $2 million

Appendix 2: Approved Derivative Interest Rate Risk Management Instruments

Examples of the use of Derivative Risk Management Instruments

Forward Rate Agreement

An agreement between the Council and a bank counterparty protecting the Council against a future adverse interest rate movement. The Council and the counterparty agree to a notional future principal amount, the future interest rate, the date and the benchmark rate.

Objective

To provide the Council with certainty as to its interest rate cost on an agreed principal amount for an agreed period. A FRA typically applies to a three month period, usually starting at some point within the next 12 months.

Example

The Council wishes to provide certainty on a portion of its floating rate borrowings over the event risk posed by an expected change in monetary policy at a point in the future. A borrower's FRA is purchased in say, December, at 2.50% for protection through the December to March period. It is described as a 3X6 FRA, i.e. the rate applies to a borrowing for three months starting in three months' time.

Outcome

If, on the rate set date in December, the three-month interest rate has climbed to, say, 3.00%, the Council receives the difference between this and the FRA rate of 2.50%. The Council then borrows at 3.00% with the payment received making the effective base borrowing rate 2.50%.

If, on the rate set date in December, the three-month interest rate has dropped to, say, 2.00%, the Council pays the difference between this and the FRA rate of 2.50%. The Council then borrows at 2.00% with the payment made making the effective base borrowing rate 2.50%.

Interest Rate Swap

An interest rate swap is an agreement between the Council and a bank counterparty protecting the Council against a future adverse interest rate movement. The Council pays (or receives) a fixed interest rate and receives (or pays) a floating interest rate. The parties agree to a notional principal amount, the future interest rate, the settlement dates and the benchmark floating rate.

Objective

To provide the Council with certainty as to its interest rate cost on an agreed principal amount for an agreed period. Floating rates are typically set every one or three months over the life of the swap.

Example

The Council fixes its interest rate on a quarterly basis on a portion of its planned borrowings by entering into a three-year fixed rate swap at 2.75%. The floating rate reference is three-month BKBM FRA rate.

Outcome

On a swap reset date, the three-month BKBM FRA rate is at, say, 3.25%. The Council borrows from its bank the principal, for three months at 3.25% plus the Council's margin. At the same time the bank pays the Council 3.25% on the principal amount for a three-month period. The Council then pays the bank 2.75% on the principal amount for a three-month period. This process is repeated at each reset date over the life of the interest rate swap. This means that The Council's effective interest rate is 2.75% plus its margin over the life of the interest rate swap. In practice, cashflows would be netted off if the swap and the underlying borrowing facility were with the same bank.

Forward Start Interest Rate Swap

Objective

To provide the Council with certainty as to its interest rate cost on an agreed principal amount for an agreed period which commences at a future point in time. All other conditions are as with an interest rate swap.

Example

The Council's strategic plan necessitates an increase in debt levels, the funding for which will be obtained from the LGFA. The debt is planned to be obtained from the LGFA in six months' time and the Council wishes to secure its borrowing costs and thus enters into a five-year swap with a six month forward start date at a rate of 3.00%. The Council would enter into a five-year fixed rate swap with a commencement date six months hence.

Outcome

Regardless of where interest rates are in six months' time the Council has locked in its effective base borrowing rate at 3.00%.

Options on a Swap - Swaption

Objective

To provide the Council with the right but not the obligation to enter into a fixed rate swap at a future point in time, on an agreed principal amount and for an agreed period. A swaption is an option on a swap and requires a premium to be paid.

Example
The Council wishes to secure a worst case rate for borrowings for a five year period in six months' time. There is a view however that interest rates will not move sharply higher and a decision is taken not to lock into a swap. A swaption is purchased at 3.25% for a cost equivalent to 5.5 basis points or $2,500 per million.

Outcome
If, at the time the borrowings commence, the five-year swap rate has moved above 3.25%, The Council exercises the swaption and borrows at 3.25% (all up cost is effectively 3.305%, the worst case rate). If, at the time the borrowings commence, the five-year swap rate has fallen to 2.75%, the Council abandons the swaption and borrows at 2.75% (all up cost is effectively 2.805%). Swaptions can also be cash settled, for example the purchaser would receive payment if at maturity it was in the money and then physically borrow at the market rate. Whether it is exercisable or cash settled is usually determined at commencement.

Interest Rate Options

The purchase of an interest rate option gives the holder (in return for the payment of a premium) the right but not the obligation to borrow (described as a cap) or invest (described as a floor) at a future date. The Council and the counterparty agree to a notional future principal amount, the future interest rate, the benchmark dates and the benchmark floating rate (usually BKBM FRA rate).

Objective
To provide the Council with worst case cover on its interest rate cost on an agreed principal amount for an agreed period. Rate sets are typically at three monthly intervals. A premium is payable for entering into an interest rate option.

Example
The Council wishes to secure a worst case rate over the event risk posed by a change in monetary policy. There is a view however that interest rates will not move sharply higher as a result of the event risk and a decision is taken not to lock into a forward start swap. An option is purchased at 3.25% for a cost equivalent to 35 basis points or $14,560 per million. It is for 5 years and is priced at three monthly intervals.

Outcome
If, on any of the rate set dates the 90-day bank bill rate has moved above 3.25% the Council exercises the option and borrows at 3.25%). If on any of the rate set dates interest rates have fallen below 3.25% the Council walks away from the option and borrows at the prevailing three-month bank bill rate. This exercise will be repeated every three months over the life of the option.

Interest Rate Collar

The combined purchase (or sale) of a cap or a floor with the sale (or purchase) of another floor or cap.

Objective
To provide the Council with certainty as to its interest rate cost on an agreed principal amount for an agreed period, but at the same time, avoids the need to pay an up-front premium.

Example
The Council wishes to secure a worst case base borrowing rate of 3.25% for the next five years, but wishes to avoid paying a premium. In exchange for the worst case protection at 3.25%, the Council accepts a best case outcome of 2.50%. In this structure the Council has bought and sold options, with the respective option premiums offsetting each other. On each quarterly rate set date the Council will have a rate between 3.25% and 2.50%, these being the parameters of the collar.

Outcome
If, on any rate set date the three-month interest rate is in excess of 3.25%, the Council exercises its option and pays a base rate of 3.25%, for that three-month period, its worst case rate. If on any rate set date the three-month interest rate is below 2.50%, the bank exercises its option on the Council and forces the Council to pay 2.50%. If on any rate set date the three-month interest rate is between 3.25% and 2.50%, the Council borrows at the prevailing market rate.

Statutory framework

This Policy is prepared under sections 102 (3), 109 and 110 of the Local Government Act 2002 (the Act).

This Policy covers both the remissions of rates under section 109 of the Act and the postponement of rates under section 110 of the Act.

This Policy is also prepared in accordance with the Local Government (Rating) Act 2002, where all land is rateable unless specified in that Act, or another Act states that land is non-rateable (refer Appendix 1).

For the purposes of this Policy, the West Coast Regional Council is referred to as 'the Council'.

Rates Remissions and Postponements Policy

Applications for remissions or postponement
All applications for remission or postponement must be in writing and must include the relevant information required for each type of remission or postponement. Applications should be:

- Mailed to: The West Coast Regional Council, P.O. Box 66, Greymouth, 7840; or
- Emailed to: rates@wcrc.govt.nz

Applications will be considered on a case-by-case basis.

Remissions or postponements are only available to ratepayers identified in the Council's rating information database.

Remissions or postponements are limited to the rates set and assessed by the Council.

The approval of any remission or postponement is at the absolute discretion of the Council or its delegated officer as detailed in Council's Delegations Manual.

The categories in this Remissions and Postponements Policy are:

1. Remissions for Land 50% non-rateable
2. Remission of penalties on rates
3. Remission of rates on land protected for natural, historic, or cultural conservation purposes
4. Remission of rates on land subject to natural calamity
5. Postponement due to financial hardship
6. Postponement for business and economic development.

Where a rating unit for which Council has granted a rates remission is sold, leased, or otherwise disposed of, the rates remission shall be terminated at the time of disposal. If the new ratepayer qualifies for a rates remission under this policy, it is up to that ratepayer to apply for a rates remission.

Reporting
Staff will maintain a register of approved applications and report this to Council's Risk and Assurance Committee quarterly.

Category 1
Remissions for Land 50% non-rateable

Commentary
Council has historically allowed a discretionary remission up to 50% in addition to the mandatory 50% remission. Land 50% non-rateable applies to:

- Land owned or used by a society incorporated under the Agricultural and Pastoral Societies Act 1908 as a showground or place of meeting.
- Land owned or used by a society or association of persons (whether incorporated or not) for games or sports, except galloping races, harness races, or greyhound races.
- Land owned or used by a society or association of persons (whether incorporated or not) for the purpose of any branch of the arts.

Policy Objective
To facilitate the ongoing provision of community services and recreational opportunities for the residents of the West Coast.

The purpose of granting rates remission to an organisation is to:

- Assist the organisation's survival; and
- Make membership of the organisation more accessible to the public, particularly disadvantaged groups. These include children, youth, young families, aged people and those who may be economically disadvantaged.

Conditions and Criteria
This part of the policy will apply to an applicant, who is the ratepayer, for land which is exclusively or principally used for the purposes as defined by Schedule 1 Categories of non-rateable land, Part 2 of the Local Government Act 2002. The application may be for up to 100% of rates installment on the land.

The policy does not apply to:

- Land used by organisations operated for private pecuniary profit.
- Land which holds a licence under the Sale and Supply of Alcohol Act 2012.

Procedure

The application for rate remission must be made to the Council prior to the commencement of the rating year (1 July to 30 June). Successful applications received during a rating year will be applicable from the commencement of the following rating year. Remissions will not be backdated. From time to time Council may request the documents outlined below from organisations wishing to receive a continuing remission. Failure to provide documents requested may result in the Council ending the entitlement to remission.

Remissions will cease if the criteria in the policy are no longer met.

Organisations making an application should include the following documents in support of their application:

- Proof of organisation structure;
- Land owned or used by the applicant;
- Details of the use of the land;
- Statement of objectives and how it aligns with this policy;
- Financial statements;
- Information on activities and programmes;
- Details of membership or clients.

Category 2

Remission of Penalties on Rates

Policy Objective

The objective of this part of the remission policy is to enable the Council to act fairly and reasonably in its consideration of rates which have not been received by the Council by the penalty date because of circumstances outside the ratepayer's control.

Conditions and Criteria

Penalties are added to unpaid rates installments on the last working day of the month in which the installment was due.

Remission of penalties will be considered where payment has been late due to circumstances outside the ratepayers control. Remission will be considered in the case of death, illness, or accident of a family member, at the due date.

Remission of the penalty will also be considered if the payment received after the penalty date subsequently clears all outstanding rates at the date the penalty was applied.

Remission of penalties may be granted:

- Where payment is made within 14 days of the penalty date provided the ratepayer has made no late payment for rates within the previous three years; or
- Where the late payment has resulted from matters outside of the ratepayers control.

Procedure

Each application will be considered on its merits and a full or partial remission will be granted where it is considered just and equitable to do so.

The Delegations Manual sets out the delegated authority to consider applications for the remission of any rates in terms of this Policy, and if appropriate, to approve or decline them.

Category 3

Remission of Rates on Land Protected for Natural, Historic, or Cultural conservation purposes.

Policy Objective

To provide rates remission for private landowners who:

- Enter into land protection covenants or similar protective agreements'
- Have a wetland classification imposition; or
- Have a Significant Natural Area (SNA) classifications imposition.

Conditions and Criteria

A remission of 100% of rates may be granted on those portions of land which are subject to:

- An open space covenant under Section 22 of the Queen Elizabeth the Second National Trust Act 1977;
- A heritage covenant under Sections 39 to 41 of the Heritage New Zealand Pouhere Taonga Act 2014;
- A conservation covenant under Section 77 of the Reserves Act 1977;
- A covenant for conservation purposes under Section 27 of the Conservation Act 1987;
- Land identified for protection as a Significant Natural Area, Outstanding Natural Feature or Landscape through the Regional Policy Statement, Regional Plans or District Plan(s);
- Ngā Whenua Rahui kawenata under Section 77A of the Reserves Act 1977;
- A declaration of protected private land under Section 76 of the Reserves Act 1977;
- A management agreement for conservation purposes under Section 38 of the Reserves Act 1977;

- Ngā Whenua Rahui kawenata under Section 27A of the Conservation Act 1987;
- A management agreement for conservation purposes under Section 29 of the Conservation Act 1987;
- A Māori reservation for cultural purposes under Sections 338 to 341 of the Te Ture Whenua Māori Act 1993 (Māori Land Act 1993) (1993 No 4); or
- Land identified for protection as a natural inland wetland as defined by clause 3.21 of the National Policy Statement Freshwater Management; or
- Land identified for protection as a significant natural wetland as outlined in Schedule 1 or 2 of the West Coast Regional Land and Water Plan.

Procedure
The Applicant must obtain from a Registered Valuer the proportion of a rating unit that qualifies for remission either through adjusting the rateable capital value, land value, or land area of a property as is appropriate.

In determining the proportion the Registered Valuer shall consider the following factors:

1. The proportion of the property protected;
2. The components of value making up the overall value of the property;
3. The management of the protected property;
4. The way the property is occupied whether residential or non-residential.

Applications must be received prior to the commencement of the rating year (1 July to 30 June). Successful applications received during a rating year will be applicable from the commencement of the following rating year. No remissions will be backdated.

The Delegations Manual sets out the delegated authority to consider applications for the remission of any rates in terms of this Policy, and if appropriate, to approve or decline them.

Category 4

Remission for Land Subject to Natural Calamity

Policy Objective
To assist property owners with rates relief, for a period, where the use of the rating unit has been detrimentally affected by erosion, subsidence, submersion, fire or other natural calamity.

Conditions and Criteria
A rates remission may be granted to rating units that are:

- Used principally for residential purposes by the owner occupier and are subject to one of the following:
  - Erosion;
  - Subsidence;
  - Submersion;
  - Fire; or,
  - Other natural calamity that had the effect of rendering the residence uninhabitable or unusable, such as earthquake related.
- Uninhabitable or unusable for a period of greater than one month.

Procedure
The application must be received in writing within 12 months of the event. The application must include the following supporting information:

- Details of the property;
- The description of the natural calamity;
- Steps taken, or that will be taken, to return the rating unit to an inhabitable or usable state; and
- An estimate of the time the rating unit is expected to be affected.

Up to 100% of all rates may be remitted for the period during which the building(s) is uninhabitable or unusable.

Category 5

Postponement Due to Financial Hardship

Policy Objective
The objective of this part of the policy is to assist ratepayers experiencing financial hardship, which may affect their ability to pay rates.

Conditions and Criteria
Residential ratepayers
Rating units used solely for residential purposes (as defined by Council) will be eligible for consideration for rates postponement due to financial hardship.

Only the person entered as the ratepayer, or their authorised agent, may make an application for rates postponement for financial hardship. The applicant must not own any other rating units or investment properties (whether on the West Coast or in another region).

When considering whether financial hardship exists, the Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision for maintenance of their home and chattels at an adequate standard as well as making provision for normal day to day living expenses.

Any postponed rates will be postponed until:

- The rate payer pays the rates; or
- The death of the ratepayer(s); or
- Until the ratepayer(s) ceases to be the owner or occupier of the rating unit; or
- Until the ratepayer(s) ceases to use the property as his/her residence; or
- Until a date specified by the Council.

Businesses
The business sector is defined as rating units in the following Buller, Grey and Westland District Councils' rating categories:

- Business (Category 13);
- Motels (Category 15); and
- Shopping Plazas (Category 16).

Businesses making an application must include the following documents in support of their application:

- Proof of business ownership;
- Land owned or used by the applicant;
- Details of the use of the land;
- Financial statements;
- Reason for making an application.

Any rates postponed due to financial hardship will not be subject to penalties and will be removed from the rates penalties regime.

Procedure
The policy will apply from the beginning of the rating year in which the application is made although the Council may consider backdating past the rating year in which the application is made depending on the circumstances.

The Council will consider, on a case-by-case basis, all applications received that meet the Conditions and Criteria described in this category, Category 5. The Delegations Manual sets out the delegated authority to approve applications for rates postponement.

The postponed rates or any part thereof may be paid at any time.

Postponed rates will be registered as a statutory land charge on the rating unit title. This means that the Council will have first call on the proceeds of any revenue from the sale or lease of the rating unit.

Category 6

Remission and Postponement for Business and Economic Development

Policy Objective
To offer rates remission and / or postponement to promote economic development and new business. The intent is that this will:

- Encourage developments that assist new business to become established in the region; and
- Encourage developments that assist existing business in the region to expand and grow.

Conditions and Criteria
To be eligible for rates remission and / or postponement for business and economic development purposes, applications must meet all of the criteria in Part 1(a) and Part 1(b):

Part 1 (a)
- New commercial and/or industrial developments that involve the construction of any new building; or

- Existing commercial and/or industrial developments that involve substantial alterations or renovations to the existing building.

Part 1 (b)
- The new investment must increase the rateable value of the rating unit (units) on which the development takes place by more than 25% of the capital value of the rateable unit.

Any rates postponed for business and economic development will not be subject to penalties and will be removed from the rates penalties regime.

Procedure
Any rates remission and / or postponement is subject to:

- A maximum of three consecutive years.
- The Council's determination of the size and length of the remission and / or postponement. Generally, it will not be of a size that results in a full remission of the rates derived by the Council from the rating unit.

- Meeting the agreed conditions which the Council considers appropriate in relation to the approval of a remission or postponement. Failure to comply with such conditions may lead either to the suspension of the remission or postponement for a period to be determined by the Council, or termination of the remission or postponement, at the Corporate Service Manager’s discretion.

Applications must be received prior to the commencement of the rating year (1 July to 30 June). Successful applications received during a rating year will be applicable from the commencement of the following rating year. Remissions and postponements will not be backdated.

Businesses making an application should include the following documents in support of their application:

- Proof of organisation structure;
- Land owned or used by the applicant;
- Details of the use of the land;
- Statement of objectives and how it aligns with this policy;
- Financial statements;
- Proof of capital value prior to development;
- Proof of capital value after development.

Appendix 1

Extract from the Local Government (Rating) Act 2002

Schedule 1

Categories of non-rateable land

Part 1

Land fully non-rateable

5. Land forming part of—
    - (a). a National Park under the National Parks Act 1980:
    - (b). a reserve under the Reserves Act 1977:
    - (c). a conservation area under the Conservation Act 1987:
    - (d). a wildlife management reserve, wildlife refuge, or wildlife sanctuary under the Wildlife Act 1953.

6. Land vested in the Crown and forming part of—
    - (a). a flood ponding area:
    - (b). the bed of any navigable lake or navigable river.

7. Land that is—
    - (a). owned by a society or association of persons (whether incorporated or not); and
    - (b). used for conservation or preservation purposes; and
    - (c). not used for private pecuniary profit; and
    - (d). able to be accessed by the general public.

8. Land used by a local authority—
    - (a). for a public garden, reserve, or children's playground:
    - (b). for games and sports (except galloping races, harness races, or greyhound races):
    - (c). for a public hall, library, athenaeum, museum, art gallery, or other similar institution:
    - (d). for public baths, swimming baths, bathhouses, or sanitary conveniences:
    - (e). for soil conservation and rivers control purposes, being land for which no revenue is received.

9. Land owned or used by, and for the purposes of,—
    - (a). Heritage New Zealand Pouhere Taonga:
    - (b). the Queen Elizabeth the Second National Trust:
    - (c). the Museum of New Zealand Te Papa Tongarewa Board:
    - (d). the charitable trust known as Children's Health Camps—The New Zealand Foundation for Child and Family Health and Development:
    - (e). the Royal New Zealand Foundation of the Blind, except as an endowment.

10. Land owned or used by, and for the purposes of,—
    - (a). a special school established under section 98(1) of the Education Act 1964:
    - (b). an educational establishment defined as—
        - (i). a state school under section 2(1) of the Education Act 1989:
        - (ii). an integrated school under section 2(1) of the Private Schools Conditional Integration Act 1975:
        - (iii). a special institution under section 92(1) of the Education Act 1989:
        - (iv). an early childhood education and care centre under section 309 of the Education Act 1989, excluding any early childhood centres that operate for profit:
        - (v). a school under section 35A of the Education Act 1989, excluding any registered schools that operate for profit:
    - (c). an institution under section 159(1) of the Education Act 1989.

11. Land owned or used by, and for the purposes of, an institution for the instruction and training of students in theology and associated subjects, being land that does not exceed 1.5 hectares for any one institution.

12. Land owned or used by a district health board and used to provide health or related services (including living accommodation for hospital purposes and child welfare homes).

13. Land used solely or principally—
    - (a). as a place of religious worship:
    - (b). for a Sunday or Sabbath school or other form of religious education and not used for private pecuniary profit.

14. Land that does not exceed 2 hectares and that is used as—
    - (a). a cemetery, crematorium, or burial ground, within the meaning of section 2(1) of the Burial and Cremation Act 1964 (except a burial ground or crematorium that is owned and conducted for private pecuniary profit):
    - (b). a Māori burial ground.

15. Māori customary land.

16. Land that is set apart under section 338 of Te Ture Whenua Maori Act 1993 or any corresponding former provision of that Act and—
    (a). that is used for the purposes of a marae or meeting place and that does not exceed 2 hectares; or
    (b). that is a Māori reservation under section 340 of that Act.

17. Māori freehold land that does not exceed 2 hectares and on which a Māori meeting house is erected.

18. Māori freehold land that is, for the time being, non-rateable by virtue of an Order in Council made under section 116 of this Act, to the extent specified in the order.

19. Machinery, whether fixed to the soil or not, but excluding, in the case of a hydro-electric power station, everything other than the turbines, generator, and associated equipment through which the electricity produced by the generator passes.

20. Land that is specifically exempt from rates under the provisions of any other enactment, to the extent specified in the enactment.

21. Land vested in the Crown or a local authority that is formed and used for a road, limited access road, access way, or service lane.

22. Land vested in and occupied by the Crown, or by any airport authority, that is—
    (a). within the operational area of an aerodrome; and
    (b). used solely or principally—
        (i). for the landing, departure, or movement of aircraft; or
        (ii). for the loading of goods and passengers on to or from aircraft.

23. Land occupied by the New Zealand Railways Corporation, or by a railway operator, that is—
    (a). part of the permanent way of the railway, being land on which is sited any railway line together with contiguous areas of land that are occupied incidentally and not otherwise used; or
    (b). used, solely or principally, for the loading or unloading of goods or passengers on to or from trains situated on the railway line.

24. Land used as a wharf.

25. Land used or occupied by, or for the purposes of, an institution that is carried on for the free maintenance or relief of persons in need, being land that does not exceed 1.5 hectares for any one institution.

26. Land on which any vice-regal residence or Parliament building is situated.

27. The common marine and coastal area, including any customary marine title area, within the meaning of the Marine and Coastal Area (Takutai Moana) Act 2011.

28. The bed of Te Whaanga Lagoon in the Chatham Islands.

29. Structures that are—
    (a). fixed to, or under, or over any part of the common marine and coastal area; and
    (b). owned, or deemed to be owned, by the Crown under section 18 or 19 of the Marine and Coastal Area (Takutai Moana) Act 2011; or
    (c). owned by the Crown, Te Urewera Board, or the trustees of Tūhoe Te Uru Taumatua under the Te Urewera Act 2014, but subject to note 2.

Notes:

1. For the purposes of this Part, unless the context otherwise requires,—

- aerodrome has the same meaning as in section 2 of the Civil Aviation Act 1990
- airport authority has the same meaning as in section 2 of the Airport Authorities Act 1966
- persons in need means persons in New Zealand who need care, support, or assistance because they are orphaned, aged, infirm, disabled, sick, or needy
- railway line has the same meaning as in section 4(1) of the Railways Act 2005
- railway operator has the same meaning as in section 2(1) of the New Zealand Railways Corporation Restructuring Act 1990
- wharf—
    (a). means any quay, pier, jetty, or other land or premises in, on, or from which passengers or goods are taken on board or landed from vessels; but
    (b). does not include land that is used primarily or exclusively for private recreational or personal transport purposes.

2. For the purposes of clauses 1 and 2, land does not include land that is used primarily or exclusively for private or commercial purposes under a lease, licence, or other agreement.

3. For the purposes of clauses 3, 9, and 10, land must not be treated as being used for private pecuniary profit solely because charges are made for the admission to, or use of, that land if the net proceeds of the charges are applied,—
   (a). in the case of a local authority, as part of the local authority's revenues:
   (b). solely for the purposes of the society, organisation, association, or administering body of a reserve that makes those charges, and no part of the charges is distributed as profit to any individual.

4. For the purposes of clause 6, land must be treated as being used for the purposes of a school, institution, or centre described in that clause if—
   (a). it is used solely or predominantly as residential accommodation for any principal, teacher, or caretaker; and
   (b). it is let at a discounted or subsidised rent.

5. For the purposes of clauses 18 to 20, land does not include land that is used—
   (a). for administrative purposes; or
   (b). for the purposes of parking, the storage of freight or machinery, maintenance, cleaning, freight consolidation, passenger waiting areas, and the buying and selling of tickets.

6. For the purposes of clause 21, an institution must be treated as being carried on for the free maintenance and relief of the persons to whom that clause applies if—
   (a). those persons are admitted to the institution regardless of their ability to pay for the maintenance or relief; and
   (b). no charge is made to those persons or any other persons if payment of the charge would cause those persons to suffer hardship.

Part 2
Land 50% non-rateable

1. Land owned or used by a society incorporated under the Agricultural and Pastoral Societies Act 1908 as a showground or place of meeting.

2. Land owned or used by a society or association of persons (whether incorporated or not) for games or sports, except galloping races, harness races, or greyhound races.

3. Land owned or used by a society or association of persons (whether incorporated or not) for the purpose of any branch of the arts.

Notes:

For the purposes of this Part, unless the context otherwise requires,—

- Land does not include land used for the private pecuniary profit of any members of the society or association
- Land, in clause 2, excludes land in respect of which a club licence under the Sale and Supply of Alcohol Act 2012 is for the time being in force.

Policy on the Remissions and Postponement of Rates on Māori Freehold Land

Council is required to adopt a policy on the remission and postponement of rates on Māori freehold land. Council has taken into account the principles of the preamble to Te Ture Whenua Māori Act 1993 and the matters identified in Schedule 11 of the Local Government Act 2002. This policy is made under Sections 102, 108 and 109 of the Local Government Act

The matters to be considered in adopting a policy include:

- The desirability and importance within the region of each of the objectives listed in Schedule 11 of the Local Government Act 2002.
- Whether, and to what extent, the attainment of any of those objectives could be prejudicially affected if there is no remission of rates or postponement of the requirement to pay rates on Māori freehold land.
- Whether, and to what extent, the attainment of any of those objectives is likely to be facilitated by the remission of rates or postponement of the requirement to pay rates on Māori freehold land.
- The extent to which different criteria and conditions for rates relief may contribute to different objectives.

Note: Part 1 of Schedule 1 of the Local Government (Rating) Act 2002, sets out those categories of non-rateable land.

Policy Objectives

1. To recognise that certain Māori-owned land may have particular conditions, features, ownership structures or other circumstances that make it appropriate to provide relief from rates.
2. To recognise that the Council and community benefit through the efficient collection of rates that are properly payable and the removal of rating debt that is consider non-collectable.
3. To support the connection of mana whenua and Māori to their traditional lands and resources, and cultural values, where appropriate through the short, medium and long term relief from rates.
4. To meet the requirements of the Local Government Act 2002 and to support the principles in the preamble to Te Ture Whenua Māori Act 1993.

Application

This Policy applies to rates on Māori freehold land within the West Coast region.

Conditions and Criteria

Council will consider remission or postponement of rates, in whole or in part, for Māori freehold land where it is considered that the application contributes to the objectives listed in Schedule 11 of the Local Government Act.

Māori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Māori Land Court. Only land that is the subject of such an order may qualify for remission or postponement under this policy.

As per the objectives listed in Schedule 11 of the Local Government Act, the remission or postponement of rates on Māori freehold land is to:

- Support the use of the land by the owners for traditional purposes.
- Recognise and support the relationship of Māori and their culture and traditions with their ancestral lands.
- Avoid further alienation of Māori freehold land.
- Facilitate any wish of the owners to develop the land for economic use.
- Recognise and take account of the presence of wāhi tapu that may affect the use of land for other purposes.
- Recognise and take account of the importance of land in providing economic and infrastructure support for marae and associated papakainga housing.
- Recognise and take into account the importance of the land for community goals relating to:
    - The preservation of the natural character of the coastal environment.
    - The protection of outstanding natural features.
    - The protection of significant indigenous vegetation and significant habitat of indigenous fauna.
- Recognise the level of community services provided to the land and its occupiers.
- Recognise matters related to the physical accessibility of the land.

Procedure

Owners or trustees making an application should include the following information in their applications:

- Details of the rating unit or units involved.
- Supporting information to demonstrate that the remission or postponement will help achieve the objectives in Schedule 11 of the Local Government Act as set out above.
- Documentation that shows the land, which is the subject of the application, is Māori freehold land.

Applications must be received prior to the commencement of the rating year (1 July to 30 June). Successful applications received during a rating year will be applicable from the commencement of the following rating year. No remissions will be backdated.

Where applicable, Council may determine that a remission will only apply to part of the land which is eligible (for example, wāhi tapu on a portion of a site that limits some but not the entire use of the sire). In these cases the remission will be pro-rated.

The Delegations Manual sets out the delegated authority to consider applications for the remission or postponement of any rates in terms of this Policy, and if appropriate, to approve or decline them.

Council Controlled Organisations

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

Regional Software Holdings Ltd – owner of Integrated Regional Information Software – (IRIS)

Council is part owner of a CCO with five other regional councils for the purposes of collaboratively developing and maintaining a software application suite for use by regional councils. Regional Software Holdings Ltd (RSHL) is the name of the company.

The CCO is a limited liability company. The shareholders are the six regional councils that have developed the IRIS suite of software. The West Coast Regional Council's Director is one of seven Directors of RSHL, being one per shareholding council and one independent.

Council Organisations

The West Coast Regional Council has interests in an organisation that meets the definition of a Council Organisation.

The West Coast Development Trust (trading as Development West Coast) was established "for the benefit of the community of the present and future inhabitants of the West Coast Region". One Trustee is jointly appointed by the four West Coast Councils: Westland District Council, Grey District Council, Buller District Council and the West Coast Regional Council.

Policy on Appointments and Remuneration of Directors for Council Organisations and Council Controlled Organisations

This policy details the skills sought from potential appointees and the appointment process to be followed by Council.

The Local Government Act 2002 requires that the Council may appoint a person to directorship of Council Organisations (CO's) or Council Controlled Organisations (CCO's) only if the Council considers the person has the skills, knowledge and experience to:

- Guide the organisation given the nature and scope of its activities
- Contribute to the achievement of the objectives of the organisation.

The Council is required to adopt a policy setting out the objectives and transparent process for identifying and considering the skills required and appointing the Directors of CO's and CCO's.

Skills

The Council considers that any person that it appoints to be a Director of a CO or CCO should as a minimum have the following skills:

- Intellectual ability and an understanding of the region's community
- Appropriate business acumen and experience in the activities of the organisation
- Sound judgement and ability to work with others
- A high standard of personal integrity.

Appointment Process

When vacancies arise in any CO or CCO, the Council will identify and follow the appropriate process for appointing the representative(s).

Final Appointment

An elected member who is under consideration to fill a particular vacancy may not take part in the discussion or vote on the appointment.

Conflicts of Interest

The West Coast Regional Council expects that Directors of CO's and CCO's will avoid situations where their actions could give rise to a conflict of interest. To minimise these situations, the Council requires the Directors to follow the provisions of the good practice guide by the Office of the Auditor General "Managing conflicts of interest: A guide for the public sector".

All Directors are appointed "at the pleasure of the Council".

Remuneration

Remuneration of directors of CO's and CCO's is a matter of public interest.

Where the Council is the sole shareholder in a particular organisation, the Council will set Directors renumeration either by resolution at the Annual General Meeting or will review salaries on an annual basis (for those organisations that do not have such a meeting). In reaching a view on the appropriate level of remuneration for Directors of CO's or CCO's, Council will consider the following factors:

- The need to attract and retain appropriately qualified people
- The levels and movements of salaries in comparable organisations (Council will retain professional advice on salary levels and movements)
- The objectives of the CO or CCO (in particular whether or not the CO or CCO operate on a charitable basis)
- The past performance of the organisation
- The financial situation of the organisation.

In cases where Council cannot exercise direct control, such as in an organisation where it is one shareholder among many, it will conduct its own monitoring of salaries against the above factors.

As well as having this policy on appointments and remuneration, Council must monitor performance of its CO. Should Council form a CCO in future, the Local Government Act 2002 contains more rigorous additional requirements.

Financial Contributions Policy

The Local Government Act 2002 requires Council to adopt a policy on financial contributions.

"Financial Contributions" has the meaning given to it by section 108(9) of the Resource Management Act 1991.

The Council does not intend to fund any capital expenditure identified in this Long-term Plan from Financial Contributions. However, during the period of this plan, it is possible that in granting a resource consent, a financial contribution may be imposed, according to the Policy set in the relevant Regional Plan.

Copies of the Regional Plans are available for inspection at the Regional Council office and are available on the Council website www.wcrc.govt.nz.

WEST COAST
REGIONAL COUNCIL