

# **WEST COAST REGIONAL COUNCIL**

**ANNUAL REPORT**

**July 1 2018 to June 30 2019**

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## Chairman's Report

It is my pleasure to present the West Coast Regional Council's 2018/2019 Annual Report.

The Council's mission is to work with the people of the West Coast to sustainably manage the environment for the social, cultural and economic wellbeing of present and future generations and 2018/2019 has seen the Council continue to progress actions to achieve this.

Council has a turnover of over \$13 million and a balance sheet now in excess of \$90 million. The infrastructure (river, drainage and coastal protection), which Council manages on behalf of its rating districts, has been revalued from \$58 million to more than \$71 million.

Activities over the past year have led to a deficit of \$413,000 compared to the budgeted deficit of \$552,000. Contributing to this was the Greymouth Floodwall repair work which was deferred to the 2019/20 year. Council had budgeted \$700,000 for this work on its operating account.

During the storm event on 26 March 2019, the Milton and Others stopbank, which is part of the Lower Waiho Rating District, was destroyed. In consultation with the Lower Waiho Rating District, the decision was made to reinstate the stopbank. Council is continuing discussions with both the Ministry of Civil Defence and Emergency Management and insurers to recover the costs of the damage to the infrastructure.

Council continues to closely scrutinise options for cost saving on behalf of the community. Over the past 12 months we have shifted our borrowing from Westpac to the Local Government Funding Agency to take advantage of the lower percentage borrowing rates.

Work has started on the Te Tai o Poutini Plan which will deliver a combined district plan across the region. This is a key initiative which will provide considerable long term benefit to our communities. Staff across the organisation are also working extremely hard to give effect to the various central government policy directions that are being pushed down onto local government. These unfunded mandates are expected to continue to place even further pressure on our resources.

Meanwhile, our staff are continuing to deliver Council's core functions across the region. In most areas, including consent processing, compliance monitoring, working with communities to protect against coastal erosion or flooding we have met our levels of service. I gratefully acknowledge the efforts and achievements of staff, as well as the governance provided by our Councillors who have continued to provide clear and consistent direction.

**Andrew Robb**  
**Chairman**

## Directory & Councillors

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Web [www.wrc.govt.nz](http://www.wrc.govt.nz)

The Council has seven Councillors, representing the following constituencies:

### **Buller Constituency**

Neal Clementson – Councillor, Council Deputy Chairman  
Terry Archer - Councillor

### **Grey Constituency**

Peter Ewen - Councillor  
Andrew Robb – Councillor, Council Chairman  
Allan Birchfield - Councillor

### **Westland Constituency**

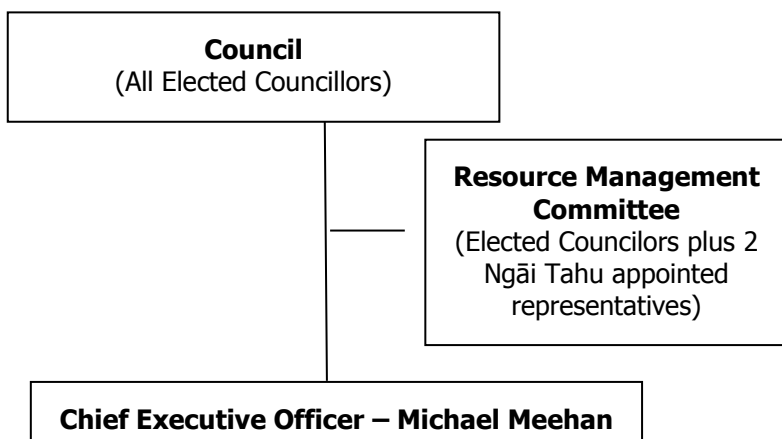
Peter McDonnell – Councillor  
Stuart Challenger - Councillor



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

## Council Organisation Structure

**Citizens of the West Coast Region**



Division	Manager	Functions
Chief Executive Officer	Michael Meehan	Civil Defence Emergency Management Regional Transport Planning
Consents & Compliance Group	Heather McKay	Resource Consent Processing Compliance Monitoring & Enforcement Environmental Incident Complaints Pollution Response
Planning & Science	Hadley Mills	IT Regional Planning Science Hydrology
Operations	Randal Beal	VCS Business Unit Engineering Quarries Biosecurity
Corporate Services	Robert Mallinson	Corporate Support
Strategy & Communications	Nichola Costley	Strategy & Communications
Civil Defence	Mark Crowe	Civil Defence & Emergency Management
People & Capabilities	Kim Hibbs	Human Resources

## Community Outcomes

In the Long Term Plan 2018-2028 the West Coast Regional Council identified the following three high-level Community Outcomes:

- Economy:** A thriving, resilient and innovative economy is promoted, which creates many opportunities for growth, wealth generation and employment.
- Environment:** The high quality and distinctive character of our environment is retained.
- Safety:** A region that is a safe place to live, with strong community spirit and cohesion.

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

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

### Measurement of Progress towards achievement of Community Outcomes

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

Council has not undertaken any such measurement during the year.

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

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

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

## Statement of Compliance and Responsibility

### **Compliance**

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

### **Responsibility**

1. The Council and management of the West Coast Regional Council accept responsibility for the preparation of the annual financial statements and the judgements used in them.
2. The Council and management of the West Coast Regional Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.
3. In the opinion of the Council and management of the West Coast Regional Council, the annual financial statements for the year ended 30 June 2019 fairly reflects the financial position and operations of the West Coast Regional Council.
4. West Coast Regional Council hereby confirms that all statutory requirements contained in the Local Government Act 2002, in relation to the Annual Report 2018/2019 have been complied with.

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A Birchfield  
Chairperson

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M. Meehan  
Chief Executive

Dated: 31 October 2019









## **Statement of Accounting Policies for year ended 30 June 2019**

### **Reporting Entity**

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

The financial statements of WCRC are for the year ended 30 June 2019. The financial statements were authorised for issue by Council on 31 October 2019.

### **Basis of preparation**

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

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

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

WCRC qualifies as a Tier 2 entity as its total expenditure is less than \$30 million per annum.

These financial statements comply with the PBE standards RDR.

These financial statements 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 that is neither a subsidiary nor an interest in a joint venture. The investment in an associate is initially recognised at cost and subsequently equity accounted.

Council's investment in Pest Control Research Limited Partnership (49%) is an investment in a controlled entity in terms of Public Benefit Entity Public Sector Accounting Standard 6 Consolidated and Separate Financial Statements.

### **Revenue**

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

### **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.

### **Recoveries from Ministry of Civil Defence & Emergency Management**

Recoveries from the Ministry of Civil Defence and Emergency Management are recognised following the grant approach. Revenue is recognised as eligible costs are incurred.

### **Other revenue**

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

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided. Interest income is recognised using the effective interest method. Dividends are recognised when the right to receive payment has been established.

**Sale of Goods**

Revenue from the sale 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, WCRC recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether WCRC will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

**Operating leases**

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

**Trade and other receivables**

Trade and other receivables are initially measured at face value, less any provision for impairment. A provision for impairment of receivables is established when there is objective evidence that WCRC will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

**Inventories**

Inventories held for consumption in the provision of services that are not supplied on a commercial basis are measured at cost. The write down from cost to current replacement cost, or net realisable value, is recognised in the surplus or deficit.

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

**Derivative financial instruments and hedge accounting**

Derivative financial instruments are used to manage exposure to foreign exchange and interest rate risks arising from financing activities. In accordance with its treasury policy, the Council does not hold or issue derivative financial instruments for trading purposes.

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

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

Council has not designated any derivatives as hedging instruments.

The Council designates certain derivatives as either:

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

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

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

### **Other Financial assets**

WCRC has two classifications for its financial assets:

- Financial assets at fair value through surplus or deficit.
- Loans and receivables.

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

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

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

#### **(1) Financial assets at fair value through surplus or deficit**

This category has two sub-categories: financial assets held for trading, and those designated at fair value through surplus or deficit at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date. After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the surplus or deficit. Financial assets in this category include derivatives and Council's investment portfolio and the LGFA borrower notes.

#### **(2) Loans and receivables**

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition they are measured at amortised cost using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit. Loans and receivables are classified as "trade and other receivables" in the statement of financial position.

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

### **Impairment of financial assets**

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

### **Property, plant and equipment**

Property, plant and equipment consists of:

- *Operational assets* – These include land, buildings, plant and equipment, and motor vehicles.
- *Infrastructure assets* – Infrastructure assets are the river, drainage and coastal protection systems owned by WCRC. They include rock protection work and stopbanks.

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

### **Additions**

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to WCRC and the cost of the item can be measured reliably. In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

### **Disposals**

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

### **Subsequent costs**

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

### **Depreciation**

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land and river protection systems, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. Due to the nature of the river systems and the structural composition of river protection works, no decline in service potential occurs.

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

Item	Estimated life	Rate
Buildings (non-component items)	50 – 67 years	1.5% - 2%
Portable buildings	10 years	10%
Building components	6.7 – 20 years	5% - 15%
Plant and Equipment	4 – 6.7 years	15% - 25%
Truck	6.7 years	15%
Motor Vehicle	6 – 7 years	15 %
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**

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

*Operational land:*

This is revalued on a cyclical 3-year basis at fair value as determined from the most recent market based rating valuations. Valuations are as at 1 September 2018 (Grey District area land), 1 September 2016 (Westland District area land), and 1 September 2017 (Buller District area land).

*Infrastructural asset classes: River, Drainage and Coastal Protection Assets*

At fair value determined on a replacement cost basis by a staff member and peer reviewed by an independent river control engineer. At balance date, WCRC assesses the carrying value of its infrastructural assets to ensure that they do not materially differ from the assets' fair values. The most recent valuation was prepared internally and reviewed by Mr Mark Gordon of AECOM. The valuation date was as at 31 December 2018.

**Accounting for revaluations:**

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

**INTANGIBLE ASSETS**

**Software acquisition and development**

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

**Amortisation**

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

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

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

**Impairment of non-financial assets**

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

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

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

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

**Investment property**

Property leased, or intended to be leased to third parties under operating leases, is classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation. Investment property is measured initially at cost, including transaction costs. After initial recognition, all investment property is measured at fair value as



determined annually by an independent valuer. Gains or losses arising from a change in the fair value of the investment property are recognised in the surplus or deficit.

## **Employee benefits**

### *Short-term benefits*

Employee benefits that WCRC expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months.

### *Long-term benefits:*

#### Long service leave

Entitlements that are payable beyond 12 months, such as long service leave have been calculated on an actuarial basis. The calculations are based on likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information;

### Superannuation schemes

#### *Defined contribution schemes*

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

## **Provisions**

WCRC recognises a provision for future expenditure of uncertain amounts or timing when there is a present obligation (either legal or constructive) as a result of a past event. It is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

## **Borrowings**

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

## **Equity**

Equity is the community's interest in WCRC and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves. The components of equity are:

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

## **Restricted and Council created reserves**

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by WCRC. Restricted reserves are those subject to specific conditions accepted as binding by WCRC and which may not be revised by WCRC without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met. Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

## **Goods and Services Tax (GST)**

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

relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows. Commitments and contingencies are disclosed exclusive of GST.

### **Budget figures**

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

### **Cost allocation**

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

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

In preparing these financial statements WCRC has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**Statement of Comprehensive Revenue and Expense for Year ended 30 June 2019**

2018 Actual	<u>Cost of Services</u>	Notes	2019 Actual	2019 Budget
461,814	Governance		488,962	480,042
377,223	Economic Development		268,159	300,000
3,648,739	Resource Management		3,917,522	3,761,372
194,801	Transport		195,049	203,591
796,066	Hydrology & Floodwarning Services		863,206	960,219
1,042,407	Emergency Management		1,374,010	1,202,395
1,432,712	River, Drainage & Coastal Protection		2,331,087	2,829,019
3,384,546	Vector Control Services Business Unit		3,735,767	3,389,000
272,549	Impairment on transfer held for sale		-	-
110,249	Other		143,916	62,037
20,749	Warm West Coast Scheme		8,858	10,223
11,741,856		3(a),4,5	13,326,536	13,197,898
	<u>Less</u>			
	<u>Less Revenue</u>			
4,227,076	Rates		5,724,162	5,779,422
212,118	Subsidies & Grants		642,752	82,330
96,183	Commercial Property Rental		96,182	96,183
10,230	Gains/-Losses disposal of Assets		34,969	-
-	Commercial Property Revaluation		120,000	35,526
37,535	Income from Associate		(45,574)	-
906,074	Investment Income		603,307	750,000
5,393,004	User Fees & Charges		5,738,118	5,902,675
10,882,220		1,2	12,913,916	12,646,136
(859,636)	Net Surplus / (Deficit) for year		(412,620)	(551,762)
	Other Comprehensive Revenue and Expense			
-	Revaluation Reserve Movement		11,417,464	3,693,931
-	Total Other Comprehensive Revenue and Expense		11,417,464	3,693,931
(859,636)	Total Comprehensive Revenue & Expense		11,004,844	3,142,169

(Refer Page 66 for explanation of major variances)

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

<b>Statement of Changes in Equity for Year Ended 30 June 2019</b>
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		<b>Notes</b>	<b>Actual 2019</b>	<b>Budget 2019</b>
<b>2018</b>				
70,764,567	Balance 1 July		69,904,932	71,304,494
(859,635)	Comprehensive Income		(412,620)	(551,762)
-	Revaluation Reserve movement		11,417,464	3,693,931
<u>69,904,932</u>	Balance 30 June		<u>80,909,776</u>	<u>74,446,663</u>

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

**Statement of Financial Position as at 30 June 2019**

Actual 2018		Notes	Actual 2019	Budget 2019
	<b>Assets</b>			
	<b>Current Assets</b>			
2,220,031	Receivables	7	3,749,289	1,600,000
904,133	Inventories	8	289,137	700,000
-	Land Held for Sale		126,080	-
1,029,104	Interest in Limited Partnership Held for Sale		-	-
59,417	Loan Advances	9	56,379	70,000
985,488	Other Financial Assets	9	1,149,429	1,500,000
<u>5,198,173</u>	<b>Total Current Assets</b>		<u>5,370,313</u>	<u>3,870,000</u>
	<b>Non-Current Assets</b>			
63,075,463	Property, Plant & Equipment	10	76,019,639	66,415,927
145,746	Intangible Assets	11	112,393	112,393
1,480,000	Investment Property	12	1,600,000	1,555,526
305,778	Loan Advances	9	217,092	250,000
1,027,811	Investment in Associate	19	943,174	1,056,000
208,202	Investment in Council Controlled Organisation	20	207,947	212,300
10,998,142	Other Financial Assets	9	9,700,710	9,826,154
<u>77,241,142</u>	<b>Total Non-Current Assets</b>		<u>88,800,956</u>	<u>79,428,300</u>
<u><u>82,439,315</u></u>	<b>Total Assets</b>		<u><u>94,171,269</u></u>	<u><u>83,298,300</u></u>
	<b>Liabilities</b>			
	<b>Current Liabilities</b>			
1,162,210	Bank Overdraft	6	305,783	97,565
434,631	Borrowings	17	2,909,996	475,535
2,499,392	Payables	15	3,324,302	2,000,000
532,750	Employee Benefit Liabilities	16	544,870	300,000
-	Derivative Financial Liabilities	18	-	-
<u>4,628,983</u>			<u>7,084,951</u>	<u>2,873,100</u>
	<b>Non-Current Liabilities</b>			
-	Employee Benefit Liabilities	16	-	-
7,433,461	Borrowings	17	5,600,000	5,908,537
73,939	Derivative Financial Liabilities	18	-	-
398,000	Future Quarry Restoration	26	576,540	70,000
<u>7,905,400</u>			<u>6,176,540</u>	<u>5,978,537</u>
<u><u>12,534,383</u></u>	<b>Total Liabilities</b>		<u><u>13,261,491</u></u>	<u><u>8,851,637</u></u>
	<b>Equity</b>			
17,902,818	Ratepayers Equity	21(a)	18,880,001	21,187,289
2,807,695	Rating Districts	21(b)	2,458,040	2,755,522
38,339,289	Revaluation Reserve	21 (c)	49,756,755	42,033,220
9,815,000	Investment Growth Reserve	21(d)	9,581,000	7,470,632
1,040,130	Catastrophe Fund	21(i)	233,981	1,000,000
<u>69,904,932</u>			<u>80,909,776</u>	<u>74,446,663</u>
<u><u>82,439,315</u></u>	<b>Total Liabilities and Equity</b>		<u><u>94,171,269</u></u>	<u><u>83,298,300</u></u>

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

## Statement of Cash Flows for the Year Ended 30 June 2019

2018 Actual \$	Notes	2019 Actual \$	2019 Budget \$
	<b>Cashflow from Operating Activities</b>		
	<u>Cash was provided from:</u>		
4,195,318	Rates	5,542,266	5,729,422
4,692,595	Other Income	5,262,068	6,035,005
<u>116,575</u>	Other Investment Income	<u>557,733</u>	<u>-</u>
9,004,488		11,362,067	11,764,427
	<u>Cash was Disbursed to:</u>		
10,760,736	Payments to Suppliers & Employees	11,546,227	12,542,690
218,712	Interest Paid	283,291	251,738
<u>86,744</u>	Net GST Movement	<u>(323,443)</u>	<u>-</u>
11,066,192		11,506,075	12,794,698
<u>(2,061,704)</u>	<b>NET CASH FLOW FROM OPERATIONS</b>	<u>(144,008)</u>	<u>(1,030,271)</u>
	<b>Cashflow from Investing Activities</b>		
	<u>Cash was provided from:</u>		
841,098	Redemption of Investments	2,194,902	1,370,029
<u>45,996</u>	Sale Fixed Assets	<u>273,122</u>	<u>39,432</u>
887,094		2,468,024	1,409,461
	<u>Cash was Disbursed to:</u>		
889,574	Purchase of Fixed assets	2,109,493	-
-	Investment Property Capital Expenditure	-	679,925
1,189,318	Investment in Associates	-	-
<u>164,175</u>	Investments Purchased	<u>-</u>	<u>-</u>
2,243,067		2,109,493	679,925
<u>(1,355,973)</u>	<b>NET CASH FLOW FROM INVESTING</b>	<u>358,531</u>	<u>729,536</u>
	<b>Cashflow from Financing Activities</b>		
	<u>Cash was provided from:</u>		
7,868,092	Loans repaid by borrowers	-	-
<u>7,868,092</u>	Loan Raised	<u>8,135,172</u>	<u>600,000</u>
		8,135,172	600,000
	<u>Cash was Disbursed To:</u>		
5,679,564	Loans Advanced	-	-
<u>5,679,564</u>	Loan Principal Repaid	<u>7,493,267</u>	<u>397,100</u>
		7,493,267	397,100
<u>2,188,528</u>	<b>NET CASH FLOW FROM FINANCING</b>	<u>641,905</u>	<u>202,900</u>
(1,229,149)	TOTAL INCREASE IN CASH HELD	856,428	(97,835)
66,936	OPENING BALANCE OF CASH RESOURCES	(1,162,210)	-
<u>(1,162,213)</u>	<b>CLOSING BALANCE OF CASH RESOURCES</b>	<u>(305,782)</u>	<u>(97,835)</u>

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

## Notes to the Financial Statements

<b>1 Actual 2018</b>	<b>Rates Revenue</b>	<b>Actual 2019</b>
2,378,200	General Rates	3,387,101
	<b>Targeted Rates attributable to activities</b>	
1,147,469	River, Drainage & Coastal Erosion	1,197,628
701,408	Regional Emergency Management	1,139,433
4,227,077	Total Rates Revenue	5,724,162
-	Rates Remissions	-
4,227,077	Rates Revenue net of remissions	5,724,162
<b>2 Actual 2018</b>	<b>Revenues</b>	<b>Actual 2019</b>
	<b>Other Revenues</b>	
841,098	Net gains/-losses on investment portfolio	550,739
69,081	Sundry Interest Income	52,822
37,535	Income from Associates	(45,574)
(4,104)	Income from CCO's	(255)
-	Commerical Property Revaluation	120,000
96,183	Income from investment property	96,183
10,229	Gains / -Losses on disposal property, plant, equipment	34,969
1,050,022		808,884
	<b>Fees and Charges</b>	
1,010,858	Resource Consents & Compliance Monitoring	763,274
3,652,441	Rendering of services (Business Unit income)	3,912,175
387,489	Sale of goods (Quarry rock)	723,347
36,661	Infringements & Fines	65,934
305,554	Other Fees & Charges	273,389
5,393,003		5,738,118
	<b>Subsidies &amp; Grants</b>	
93,966	Land Transport NZ Govt Grants	91,627
118,152	Ministry Civil Defence & Emergency Mgmt	551,126
212,118		642,752
<b>3(a) Actual 2018</b>	<b>Employee Benefit Expenses</b>	<b>Actual 2019</b>
4,425,763	Salaries and wages	5,214,194
89,385	Increase in Annual Leave liability	18,703
1,966	Increase in Long Service Leave provision	2,155
4,904	Increase in Alternative Holidays Provision	3,340
6,688	Increase in Time in Lieu Liability	13,424
-	Increase in accrued payroll	10,745
(70,563)	(Decrease) in Accrued Bonus	(36,247)
4,458,143		5,226,314

**3 (b) Disclosures in accordance with NZ IAS 24 and Local Government Act 2002, schedule 10, clause 32 (1), (a), (b), ©**

		Salaries	Hearing Commissioner Fees	Superannuation	Vehicle	
<b>Councillors</b>						
75,868	Chairman Clr Robb	\$ 79,169	\$ 4,780		\$	83,949
38,831	Deputy Chairman Clr Clementson	\$ 42,536			\$	42,536
34,917	Councillor Birchfield	\$ 36,563			\$	36,563
34,917	Councillor Archer	\$ 36,563	\$ 8,780		\$	45,343
34,917	Councillor Challenger	\$ 36,563			\$	36,563
36,486	Councillor Ewen	\$ 36,563			\$	36,563
34,917	Councillor McDonnell	\$ 36,563			\$	36,563
290,853		\$ 304,520	\$ 13,560		\$	318,080
189,079	Chief Executive	\$ 228,896		\$ 11,445	16,940	\$ 257,281
633,331	8 Second Tier Managers	\$ 1,016,070		\$ 42,250	14,230	\$ 1,072,550
1,113,263		\$ 1,549,486	\$ 13,560	\$ 53,695	31,170	\$ 1,647,911

*The above remuneration comprises salaries and other short term benefits including hearing commissioner fees*

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

		@ 30/06/19
<\$60,000		21
>\$60,000	<\$80,000	19
>\$80,000	<\$100,000	13
>\$100,000	<\$140,000	8
>\$140,000	<\$240,000	6
>\$240,000	<\$260,000	1
		<b>68</b>
Full time		58.6
Part time (Full time equivalent)		4.70

		@ 30/06/18
>\$60,000		21
>\$60,000	<\$80,000	20
>\$80,000	<\$100,000	10
>\$100,000	<\$140,000	8
>\$140,000	<\$240,000	4
		<b>63</b>
Full time		51
Part time (Full time equivalent)		4.90



<b>4 Actual 2018</b>	<b>Other Expenses</b>	<b>Actual 2019</b>
272,549	Impairment on transfer held for sale	-
10,228	Minimum Lease payments Operating Leases	-
6,782,224	Other Operating expenses	7,810,931
<u>7,065,001</u>		<u>7,810,931</u>

<b>5 Actual 2018</b>	<b>Finance Costs</b>	<b>Actual 2019</b>
277,384	Interest on borrowings	328,612
(58,672)	Interest Rate Swap losses (gains)	(39,321)
<u>218,712</u>		<u>289,291</u>

<b>6 Actual 2018</b>	<b>Bank Overdraft</b>	<b>Actual 2019</b>
(1,162,210)	Cash at bank and in hand	(305,783)
<u>(1,162,210)</u>		<u>(305,783)</u>

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

<b>7 Actual 2018</b>	<b>Trade and Other Receivables</b>	<b>Actual 2019</b>
218,741	Rates Receivables	427,921
1,311,054	Other Receivables	832,855
427,331	Other Receivables accrued	2,259,984
161,700	Prepayments	212,061
124,998	Unbilled Revenue	39,283
<u>2,243,824</u>		<u>3,772,103</u>
(23,793)	Less provision for impairment of receivables	(22,814)
<u>2,220,031</u>		<u>3,749,289</u>
-	Non current	-
<u>2,220,031</u>	Current	<u>3,749,289</u>
<u>2,220,031</u>		<u>3,749,289</u>

199,948	Receivables from Non-Exchange Transactions - (This includes outstanding amounts on rates)	955,687
2,020,083	Receivables from Exchange Transactions - (This includes outstanding amounts for fees and charges that are not subsidised by rates)	2,793,602

**Movements in the provision for impairment of receivables are as follows:**

<b>Actual 2018</b>		<b>Actual 2019</b>
46,126	@ 1 July	23,793
(22,333)	Additional provision made during year.	(979)
-	Receivables written off during period.	-
<u>23,793</u>	@ 30 June	<u>22,814</u>

<b>8</b>	<b>Inventories</b>	<b>Actual 2019</b>
<b>Actual 2018</b>		
146,577	Poison and pest supplies	63,407
741,562	Rock in Quarries	220,448
15,994	Stationary and Office supplies	5,283
<u>904,133</u>		<u>289,137</u>

All these inventories are held for consumption in the provision of service and are carried at the lower cost and net realisable value

<b>9 Actual 2018</b>	<b>Other Financial Assets</b>	<b>Actual 2019</b>
	<b>Current</b>	
985,489	Financial Assets at fair value through profit or loss	1,149,429
	Financial Assets at fair value through equity	
	Held to maturity investments	
59,417	Loans and receivables	56,379
<u>1,044,906</u>		<u>1,205,808</u>
	<b>Non Current</b>	
10,998,142	Financial Assets at fair value through profit or loss	9,700,710
-	Financial Assets at fair value through equity	-
-	Held to maturity investments	-
305,778	Loans	217,092
<u>11,303,920</u>		<u>9,917,802</u>
<u>12,348,826</u>	<b>Total Current and Non Current</b>	<u>11,123,609</u>
	<b>By Asset Class</b>	
6,238,308	Fixed Interest	5,621,868
2,650,380	Australasian Equities	2,752,516
2,493,827	International Equities	2,331,665
365,195	Loans	273,471
	LGFA Borrower Notes	89,600
-	Property Equities	54,489
601,116	Alternative Asset Classes	-
<u>12,348,826</u>		<u>11,123,609</u>

There was no impairment provision for Other Financial Assets.

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

### Council Operational Assets

2019	Cost/revaln	Accumulated Depreciation/ Impairment	Carrying amount	Additions	Disposals	Impairment	Tsfr Depn on disposal	Depreciation	Revaluation Surplus	Cost/ Revaln	Accumulated Depn/Impairment	Carrying amount
	1 July 18	1 July 18	1 July 18							30 June 19	30 June 19	30 June 19
Land	1437080	0	1437080	0	-126080				-61000	1250000	0	1250000
Quarry Development	920957	-35120	885837	172540	0	0	0	-17112	0	1093497	-52232	1041265
Buildings	1538773	-502136	1036637	10455	-12000		12000	-30899		1537228	-521035	1016193
Plant & equipment	2747262	-2065736	681526	344552	-584434		568934	-188833		2507381	-1685635	821745
Vehicles	956707	-561740	394967	414820	-360251		263678	-154248		1011275	-452310	558965
	7600779	-3164732	4436047	942367	-1082765	0	844612	-391092	-61000	7399381	-2711212	4688168

Land with a carrying value of \$126,080 was held for sale @ 30 June 2019

### Council Infrastructure Assets

#### River, Drainage & Coastal Protection Assets

Canavans Knob	349549	0	349549	0	0	0	0	0	0	349549	0	349549
Coal Creek	2289269	0	2289269	0	0	0	0	0	578541	2867810	0	2867810
Franz Josef	3511520	0	3511520	0	0	0	0	0	-351825	3159695	0	3159695
Inchbonnie	2869200	0	2869200	83000	0	0	0	0	654617	3606817	0	3606817
Kaniere	539168	0	539168	26915	0	0	0	0	70179	636262	0	636262
Karamea	3696647	0	3696647	0	0	0	0	0	2472247	6168894	0	6168894
Kongahu Swamp	614317	0	614317	0	0	0	0	0	734456	1348773	0	1348773
Kowhitirangi	4196397	0	4196397	0	0	0	0	0	531839	4728236	0	4728236
Lower Waiho	2982847	0	2982847	1055741	0	0	0	0	-676922	3361666	0	3361666
Matainui Creek	52654	0	52654	0	0	0	0	0	11771	64425	0	64425
Nelson Creek	2373791	0	2373791	9928	0	0	0	0	1602734	3986453	0	3986453
Raft Creek	295593	0	295593	0	0	0	0	0	20157	315750	0	315750
Redjacks	553739	0	553739	0	0	0	0	0	406216	959955	0	959955
Taramakau Settlement	8672995	0	8672995	0	0	0	0	0	1683130	10356125	0	10356125
Vine Creek	1907347	0	1907347	0	0	0	0	0	275308	2182655	0	2182655
Waitangitaona	2327591	0	2327591	0	0	0	0	0	569245	2896836	0	2896836
Wanganui	15775318	0	15775318	71332	0	0	0	0	782181	16628831	0	16628831
Okuru	814790	0	814790	0	0	0	0	0	61057	875847	0	875847
Hokitika South Bank	967664	0	967664	0	0	0	0	0	-173942	793722	0	793722
Punakaiki	1945237	0	1945237	0	0	0	0	0	1566395	3511632	0	3511632
Hokitika Seawall	1903784	0	1903784	27672	0	0	0	0	600082	2531538	0	2531538
	58639417	0	58639417	1274588	0	0	0	0	11417466	71331471	0	71331471

<b>TOTAL</b>	<b>66240196</b>	<b>-3164732</b>	<b>63075464</b>	<b>2216955</b>	<b>-1082765</b>	<b>0</b>	<b>844612</b>	<b>-391092</b>	<b>11356466</b>	<b>78730852</b>	<b>-2711212</b>	<b>76019639</b>
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The impairment of the Lower Waiho infrastructure of \$1,605,638 following the 26 March 2019 flood event has been offset against the revaluation surplus of \$928,716

### Council Operational Assets

2018	Cost/revaln 1 July 2017	Accumulated Depreciation/ Impairment 1 July 17	Carrying amount 1 July 17	Additions	Disposals	Current year impairment	Tsfr Deprn on disposal	Depreciation	Revaluation Surplus	Cost/ Revaln 30 June 18	Accumulated Deprn/Impairment 30 June 18	Carrying amount 30 June 18
Land	1411000	0	1411000	26080						1437080	0	1437080
Quarry Development	522957	0	522957	398000				-35120		920957	-35120	885837
Buildings	1538773	-469569	1069204	0				-32567		1538773	-502136	1036637
Plant & equipment	2508161	-1906440	601721	239101				-159296		2747262	-2065736	681525
Vehicles	954285	-467171	487113	38189	-35766		35525	-130094		956708	-561740	394967
	6935176	-2843180	4091995	701370	-35766	0	35525	-357077	0	7600779	-3164733	4436046

### Council Infrastructure Assets

#### River, Drainage & Coastal Protection Assets

Canavans Knob	349549	0	349549	0	0	0	0	0	0	349549	0	349549
Coal Creek	2289269	0	2289269	0	0	0	0	0	0	2289269	0	2289269
Franz Josef	3511520	0	3511520	0	0	0	0	0	0	3511520	0	3511520
Inchbonnie	2869200	0	2869200	0	0	0	0	0	0	2869200	0	2869200
Kaniere	402056	0	402056	137112	0	0	0	0	0	539168	0	539168
Karamea	3696647	0	3696647	0	0	0	0	0	0	3696647	0	3696647
Kongahu Swamp	614317	0	614317	0	0	0	0	0	0	614317	0	614317
Kowhitirangi	4196397	0	4196397	0	0	0	0	0	0	4196397	0	4196397
Lower Waiho	2982847	0	2982847	0	0	0	0	0	0	2982847	0	2982847
Matainui Creek	52654	0	52654	0	0	0	0	0	0	52654	0	52654
Nelson Creek	2373791	0	2373791	0	0	0	0	0	0	2373791	0	2373791
Raft Creek	295593	0	295593	0	0	0	0	0	0	295593	0	295593
Redjacks	553739	0	553739	0	0	0	0	0	0	553739	0	553739
Taramakau Settlement	8672995	0	8672995	0	0	0	0	0	0	8672995	0	8672995
Vine Creek	1907347	0	1907347	0	0	0	0	0	0	1907347	0	1907347
Waitangitaona	2327591	0	2327591	0	0	0	0	0	0	2327591	0	2327591
Wanganui	15720446	0	15720446	54872	0	0	0	0	0	15775318	0	15775318
Okuru	814790	0	814790	0	0	0	0	0	0	814790	0	814790
Hokitika South Bank	967664	0	967664	0	0	0	0	0	0	967664	0	967664
Punakaiki	1631877	0	1631877	313360	0	0	0	0	0	1945237	0	1945237
Hokitika Seawall	1903784	0	1903784	0	0	0	0	0	0	1903784	0	1903784
	58134073	0	58134073	505344	0	0	0	0	0	58639417	0	58639417

<b>Total</b>	<b>65069249</b>	<b>-2843180</b>	<b>62226068</b>	<b>1206714</b>	<b>-35766</b>	<b>0</b>	<b>35525</b>	<b>-357077</b>	<b>0</b>	<b>66240196</b>	<b>-3164733</b>	<b>63075463</b>
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11 Intangible Assets 2019	Cost	Accumulated Amortisation/ Impairment	Carrying Amount	Current year additions	Current year disposals	Current year impairment	Tsfr on disposa	Current year amortisation	Revaluation Surplus	Cost/ Revaln	Accumulated Deprn/Impairment	Carrying amount
	1 July 18	1 July 18	1 July 18							30 June 19	30 June 19	30 June 19
Computer Software	369742	-223996	145746	0	-36218	0	36218	-33352		333524	-221130	112394
	<b>369742</b>	<b>-223996</b>	<b>145746</b>	<b>0</b>	<b>-36218</b>	<b>0</b>	<b>36218</b>	<b>-33352</b>	<b>0</b>	<b>333524</b>	<b>-221130</b>	<b>112394</b>

Intangible Assets 2018	Cost	Accumulated Amortisation/ Impairment	Carrying Amount	Current year additions	Current year disposals	Current year impairment	Tsfr on disposa	Amorti year amortisation	Cost/ Revaln	Accumulated Amortisation/ Impairment	Carrying amount	
	1 July 17	1 July 17	1 July 17						30 June 18	30 June 18	30 June 18	
Computer Software	369742	-190644	179098	0	0	0	0	-33352	369742	-223996	145746	
	<b>369742</b>	<b>-190644</b>	<b>179098</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-33352</b>	<b>0</b>	<b>369742</b>	<b>-223996</b>	<b>145746</b>

<b>12</b>	<b>Investment Property</b>	<b>Actual 2019</b>
	Balance @ 1 July	1,480,000
	Additions from acquisitions	-
	Additions from subsequent expenditure	-
	Disposals	-
	Transfer to inventory	-
	Fair value gains / -losses on valuation	120,000
	Closing Balance 30 June	<u>1,600,000</u>

<b>13</b>	<b>Actual 2018</b>	<b>Depreciation and Amortisation Expense by Groups of Activities</b>	<b>Actual 2019</b>
		Required by Local Government (Financial Reporting) Regulations 2011	
	8,931	Economic Development Office	5,033
	17,876	Resource Management	22,186
	-	Transport	-
	47,713	Hydrology and Floodwarning Services	50,614
	7,263	Emergency Management	22,590
	46,984	River, Drainage & Coastal Protection	29,602
	69,295	Vector Control Services Business Unit	79,354
	542	Other	542
	<u>198,604</u>		<u>209,921</u>
	191,826	Corporate (not directly related to Groups of Activities)	214,523
	<u>390,430</u>		<u>424,443</u>

**14 Statement of Significant Capital Acquisitions**

Actual 2018	Group of Activities	Type	Actual 2019	Budget 2019
\$ 48,888	Hydrology	Plant Improve level of service	\$ -	\$ 57,800
\$ 28,928	Hydrology	Plant Replacement existing	\$ 65,927	\$ 60,000
\$ -	Water Quality	Plant Replacement existing	\$ 21,079	\$ 20,000
\$ -	Air Quality	Plant Replacement existing	\$ 71,518	\$ 70,000
\$ -	Emergency Management	Vehicles Improve level of service	\$ 118,091	\$ 135,000
\$ -	VCS Business Unit	Plant Replacement existing	\$ 8,990	\$ -
\$ 65,209	VCS Business Unit	Plant Improve level of service	\$ -	\$ -
\$ 12,606	VCS Business Unit	Plant Replacement existing	\$ -	\$ -
\$ -	VCS Business Unit	Vehicles Replacement existing	\$ 241,518	\$ 160,000
\$ -	River, Drainage, Coastal	Plant Replacement existing	\$ 8,917	\$ -
\$ 505,344	River, Drainage, Coastal	Infrastructure Improve level of service	\$ 154,332	\$ -
\$ 26,080	River, Drainage, Coastal	Infrastructure Improve level of service	\$ -	\$ -
\$ -	River, Drainage, Coastal	Infrastructure Replacement existing	\$ 1,055,741	\$ -
\$ 398,000	River, Drainage, Coastal	Quarry Improve level of service	\$ 172,540	\$ -
<u>\$1,085,055</u>			<u>\$ 1,918,653</u>	<u>\$ 502,800</u>

**Not directly related to Groups of Activities**

\$ 54,699	Corporate	Plant Replacement existing	\$ 90,913	\$ 157,125
\$ 13,628	Corporate	Plant Improve level of service	\$ 8,411	\$ -
\$ -	Corporate	Land-Impts Improve level of service	\$ 10,455	\$ -
\$ -	Corporate	Bldg- Impts Improve level of service	\$ 64,896	\$ -
\$ 5,882	Corporate	F&F Replacement existing	\$ 3,902	\$ -
\$ 9,261	Corporate	Plant Replacement existing	\$ -	\$ -
\$ 38,189	Corporate	Vehicles Replacement existing	\$ 55,210	\$ -
\$ 121,659			<u>\$ 233,787</u>	<u>\$ 157,125</u>
<u>\$1,206,715</u>			<u>\$ 2,152,440</u>	<u>\$ 659,925</u>

**SUMMARY**

\$1,057,149	Improve level of service	\$ 356,185	\$ 192,800
\$ 149,566	Replace existing	\$ 1,796,255	\$ 467,125
<u>\$1,206,715</u>		<u>\$ 2,152,440</u>	<u>\$ 659,925</u>

**15 Actual 2018 Trade and Other Payables**

Actual 2018	Trade and Other Payables	Actual 2019
1,224,745	Trade Payables	1,685,847
931,025	Deposits and bonds	1,453,761
128,870	Accrued Expenses	72,000
79,098	Other Revenue in Advance	-
135,654	Rates in advance	112,694
-	Due to related parties	-
<u>2,499,392</u>		<u>3,324,302</u>

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

<b>16 Actual 2018</b>	<b>Employee Benefit Liabilities</b>	<b>Actual 2019</b>
137,940	Accrued payroll	148,685
-	Other	-
287,048	Annual Leave	305,751
24,658	Long Service Leave	26,813
20,554	Time in Lieu	33,978
11,113	Alternative Holidays	14,453
51,437	Accrued bonus provision	15,190
<u>532,750</u>		<u>544,870</u>
532,750	Current	544,870
-	Non Current	-
<u>532,750</u>		<u>544,870</u>

<b>17 Actual 2018</b>	<b>Borrowing</b>	<b>Actual 2019</b>
434,631	Current	2,909,996
<u>434,631</u>		<u>2,909,996</u>
5,291,745	Non Current	5,600,000
<u>5,291,745</u>		<u>5,600,000</u>
<u>5,726,376</u>	<b>Total Borrowings</b>	<u>8,509,996</u>

Security - All bank borrowing is secured to LGFA and secured over the DTD. Finance Lease Liabilities are Facility - The Multi option credit line is for a total of \$2,000,000 and expires on 1 July 2020.

<b>18 Actual 2018</b>	<b>Derivative Financial Instruments</b>	<b>Actual 2019</b>
	<b>Current Assets</b>	
-	Foreign Exchange hedge	-
-	<b>Non Current Assets</b>	-
<u>-</u>	Total Derivative Financial Instrument Assets	<u>-</u>
	<b>Current liabilities</b>	
	Foreign Exchange Hedges	-
	<b>Non Current Liabilities</b>	
73,939	Interest Rate swaps - Cash Flow Hedges	-
<u>73,939</u>	Total Derivative Financial Instrument	<u>-</u>

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

<b>19 Actual 2018</b>	<b>Investment in Associate @ 30 June (49%)</b>	<b>Actual 2019</b>
<u>1,027,811</u>	Investment in Pest Control Research LP	<u>943,174</u>

<b>20 Actual 2018</b>	<b>Investment in Council Controlled Organisation @ 30 June (4%)</b>	<b>Actual 2019</b>
<u>208,202</u>	Investment in Regional Software Holdings Ltd	<u>207,947</u>



## 22. Capital commitments and operating leases

21 Actual 2018 Equity		Actual 2019
<b>a</b>	<b>Ratepayers Equity</b>	
19,260,118	Balance 1 July	17,902,819
(859,635)	Surplus / (deficit) transferred	-
(384,415)	Transfers (to)/from Rating District Equity	349,655
(94,000)	Transfers (to)/from Investment growth reserve	234,000
(19,250)	Transfers (to)/from Catastrophe Fund	806,149
<u>17,902,818</u>	<u>Balance 30 June</u>	<u>19,292,624</u>
	<b>Rating District Equity (River, Drainage &amp; Coastal Protection Schemes)</b>	
<b>b</b>		
2,423,280	Balance 1 July	2,807,695
1,330,131	Revenue	2,063,990
(1,097,445)	Expenditure	(2,200,007)
	Prior Period Adjustment	
354,000	Loan Raised	-
(202,271)	Loan Principal repaid	(213,638)
<u>2,807,695</u>	<u>Balance 30 June</u>	<u>2,458,040</u>
<p>Rating District Equity represents the unspent credit balance with regard to the 26 River, Drainage &amp; Coastal Protection Rating Districts. These balances, originally raised by targeted rates, can only be spent within these Rating Districts</p>		
<b>Asset Revaluation Reserves</b>		
<b>c</b>	<b>Infrastructure Assets</b>	
38,339,289	Opening Balance	38,339,289
-	Revaluation gains / (losses)	11,417,466
<u>38,339,289</u>		<u>49,756,755</u>
	<b>Land</b>	
-	Opening Balance	-
-	Revaluation gains / (losses)	-
<u>-</u>		<u>-</u>
<u>38,339,289</u>	<b>Total Revaluation Reserve</b>	<u>49,756,755</u>
<b>d</b>	<b>Investment Growth Reserve</b>	
9,721,000	Balance 1 July	9,815,000
94,000	Transfer (to) / from Ratepayers Equity	(234,000)
<u>9,815,000</u>	<u>Balance 30 June</u>	<u>9,581,000</u>
<b>e</b>	<b>Catastrophe Fund</b>	
1,020,880	Balance 1 July	1,040,130
19,250	Transfer (to) / from Ratepayers Equity	(806,149)
<u>1,040,130</u>	<u>Balance 30 June</u>	<u>233,981</u>

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

Council was in the process of rebuilding the "Milton" stopbank on the south bank of the Waiho River following its destruction during the catastrophic rainfall event on 26 March 2019. As at 30 June 2019 Council had spent \$1.056 million. The final rebuild cost was expected to be in the region of \$2.4 - \$2.5 million. (2018 nil)

## 23. Contingencies and Significant Post Balance Date Events

### Contingent Liabilities @ 30 June 2019

Council is the subject of a claim for > \$30,000,000 by Scenic Circle Hotel Group Ltd.

The claim is denied and will be defended by Council with the backing of its public liability insurer.

(2018 Nil)

**Contingent Assets @ 30 June 2019**

1) \$157,025 as per note 24 (2018 \$157,025)

2) Council have a claim lodged with the it's insurer resulting from the flood event of 26 March 2019. The Insurer has yet to decide on the claim.

**Significant Post Balance Date Events**

Nil.

**24 Related Party Transaction**

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

VCS Business Unit will recover the costs of the resource consent and various marketing costs (\$157,025 @ 30

June 2019) + a % of the sale price if a sale agreement for the Dredge is secured. There can be no absolute certainty of recovery of these costs until a sale agreement for the Dredge is secured.

During 2018/19 no costs were incurred by VCS Business unit with regard to this consent.  
(2017/18 \$Nil)

**25 Severance Payments**

There was no severance payment made to 30 June 2019. (2018 \$nil)

**26 Future Quarry Restoration Liability at 30 June 2019**

Assessed liability as at 30 June 2019 \$576,540. This liability is calculated using a net present value approach to discounting future cash flows.

(2018 \$398,000)

**(a) Restoration Provision Note**

The Council holds Mining permits for eight quarry sites. The provision for restoration of quarries is provided to satisfy obligations relating to site restoration once mining is completed. The timing of expected cash outflow is between 14-50 years and is based on the remaining life to expiry of the permit. The permits may be renewed and this would likely extend the timeframes until the outflow of cash are required. The provision is calculated using a discounted cash flow model based on current expectations of costs to restore the sites. Please see note 27.

	<b>Actual 2019</b>
Opening Balance 1 July 2018	398,000
<i>Additions to the provision</i>	
Change to Discount Rate	172,540
Time Value Adjustment	6,000
<b>Closing Balance 30 June 2019</b>	<u>576,540</u>

**27 Critical Accounting estimates and judgements**

The provision for restoration requires estimates of the future costs of restoration of eight mining sites. Discounted cash flow analysis is used to assess the future liability and this is peer reviewed. The major assumption inputs into the estimate that could have a material impact on the provision amount in the next 12 months are outlined below:

**Discount rate:** The discount rate applied to the provision is 1.85% to 2.86% depending on the life of the quarry. This is the New Zealand Treasury risk free rate and is updated if required each year. Management consider it unlikely that the Treasury risk free rate will change materially in the next 12 months.

**Expected costs:** The expected costs of restoration are considered for each site and estimated based on current requirements and usage of the assets. This estimate is updated each year and management considers it highly unlikely that this assumption will materially change in the next 12 months. However, if the regulation of environment restoration changed during the year, this could have a material impact on the provision.

**Timing of outflow:** The estimates are based on cash outflows being required at the end of the remaining life of the permit. This is between 15-50 years depending on the site. It is highly unlikely that the timing of these cash outflows will change within the next 12 months. However, if the cash out flows were required significantly earlier (for example the remaining life of permits were shortened) this could have a material impact on the provision balance, due to the discounted cash flow model used.

**28 Council 2018/28 Long Term Plan (LTP) and Uniform Annual General Charge (UAGC)**

Council consulted in the 2018/28 LTP on implementing a new UAGC of \$50.00 + GST. In that same LTP Council also consulted on an increase in the Emergency Management targeted rate on Capital Value to fund an increase of \$450,000 in Emergency Management capability.

Following consideration of public submissions Council decided to fund the increase in Emergency Management capability by an addition to the UAGC of \$22.50 + GST rather than increasing the Emergency Management targeted rate in the \$ on Capital Value.

Although this was beyond the scope of the LTP Consultation Document, as it wasn't mentioned as an option, after considering matters raised in various submissions Council believed that the increase in the UAGC from \$50.00 + GST to \$72.50 + GST to be the fairest method of funding the increase in Emergency Management capability.

Council did not go back for further public consultation on the additional \$22.50 + GST because it felt that the actual net \$ impact (modelled on a \$200,000 Capital Value Dwelling) was minimal.

These impacts were modelled as follows;

<b>Impact of impact on a \$200,000 CV dwelling</b>		
Addition to new UAGC	+	\$25.88 GST inclusive
Roll back of originally suggested increase in Emergency Management Rate in \$ of CV	-	(\$14.14 GST inclusive)
<b>Net impact on a \$200,000 CV dwelling</b>	<b>+</b>	<b>\$11.74 GST inclusive</b>

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

(a)	The number of rating units within the West Coast region as at 30 June 2018	22,214
(b)	The total capital value of these rating units as at 30 June 2018	\$7,293,196,000
(c)	The total land value within the West Coast region as at 30 June 2018	\$3,769,562,000

**30 Information regarding Insurance of Assets as at 30 June 2019**

(a)	The total value of all assets of the West Coast Regional Council that are covered by insurance contracts.	
	Land & Buildings, Plant & equipment, Motor Vehicles, Commercial Property Values included in Statement of Financial Position.	\$5,252,983
	Buildings are insured for replacement values Plant & Equipment is insured for indemnity value Motor Vehicles are insured for market value Inventory is insured for indemnity value	\$7,620,000 \$800,000 \$818,000 \$200,000
(b)	Total value of assets that are covered by risk sharing arrangements	\$71,422,372
(c)	Total value of assets that are self-insured	nil

## Governance

Governance covers the costs of operating the democratic function of the Council. Elected Councillors determine policies, and monitor the achievement of these.

**Key Changes from the 2018/2028 Long Term Plan:** None.

Levels of Service	Measure	Performance Target	Achievement		
			Councillor	attendance	%
Maintain a Council of elected representatives in accordance with statutory requirements and in a manner that promotes effective decision-making, transparency, and accountability to the West Coast regional community.	Number of public meetings held and individual Councillor attendance.	Conduct eleven monthly meetings of Council and the Resource Management Committee, plus other scheduled meetings and scheduled workshops during the year with at least 80% attendance by all Councillors.	Clr Robb	18 out of 18	100%
			Clr Clementson	13 out of 18	72%
			Clr Birchfield	18 out of 18	100%
			Clr Ewen	18 out of 18	100%
			Clr Challenger	18 out of 18	100%
			Clr McDonnell	18 out of 18	100%
			Clr Archer	18 out of 18	100%
			Not Achieved		
	Compliance with statutory timeframes.	Prepare and notify the Council's Annual Plan or LTP Statement of Proposal by 31 May each year, and the Annual Report by 31 October, in accordance with the procedures outlined in the Local Government Act 2002.	Not Achieved. The audited Annual Report for the year to 30 June 2018 was adopted by Council at the Council meeting on 21 December 2018. The Annual Plan beginning 1 July 2019 was required to be adopted prior to 1 July 2018, it was adopted on 28 June 2019.		
	Timing and number of newsletters, and internet website based information related to public consultation processes.	Publish an informative Council newsletter twice a year to be circulated to all ratepayers, with their rate demand, in March and September and ensure required information is posted on the Council website when Council invites submissions on a new or revised policy document.	Achieved. The rates instalments, which were sent out in September 2018 and March 2019, contained the usual newsletters. Council website continues to be updated whenever submissions are invited on a new or revised policy document.		
Continue to support the contribution our two West Coast Runanga make to Council's decision-making processes; and continue to seek contributions from other Maori.	Attendance of Iwi appointees at Resource Management Committee meetings.	Continue to invite attendance of Makaawhio and Ngāti Waewae representatives as appointees to the Council's resource management committee, to enable Maori participation in resource management decision-making.	Achieved. Council has continued to invite both Makaawhio and Ngāti Waewae representatives to attend all Resource Management Committee meetings.		

## Resource Management Activities

### Background

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

The plans enable activities with no more than minor adverse effects to be carried out without needing resource consent, and also provide policy guidance on assessing activities with greater potential effects. The Council also has a Pest Plant Strategy to take a strategic and prioritised approach to managing pest plants in the region. All Plans are required to be reviewed within the ten year period by law, by inviting public submissions.

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

Council monitors the state of our environment to detect trends in environmental quality and to detect emerging issues. This information is fundamental for assessing the effectiveness of resource management policies and plans. It assists Council to make decisions based on sound factual and up to date information.

Resource consents allow activities that are otherwise restricted by the RMA. Our Consents team processes over 500 individual resource consents each year, on average. This level of demand is not expected to change significantly over the next ten year period.

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

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

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

**Key Changes from the Long Term Plan for 2018/28:** None

Levels of Service	Measure	Performance Target	Achievement																															
<p>To maintain or enhance water quality in the West Coast's rivers.</p>	<p><b>State of Environment Monitoring.</b> Ammoniacal nitrogen, periphyton, clarity, turbidity and faecal coliforms are measured quarterly at 38 river sites. These parameters characterise the water quality of West Coast rivers and have been measured since 1996.</p>	<p>Improvement of these parameters, when compared with a baseline of 1996 data on water quality.</p>	<table border="1" data-bbox="1361 165 2022 560"> <thead> <tr> <th data-bbox="1361 165 1574 240">Achieved</th> <th data-bbox="1574 165 1731 240"></th> <th data-bbox="1731 165 1868 240"></th> <th data-bbox="1868 165 2022 240"></th> </tr> <tr> <td></td> <th data-bbox="1574 240 1731 316">% sites improving</th> <th data-bbox="1731 240 1868 316">% sites declining</th> <th data-bbox="1868 240 2022 316">% sites no change</th> </tr> </thead> <tbody> <tr> <td data-bbox="1361 316 1574 347">Ammonia-N (2)</td> <td data-bbox="1574 316 1731 347">50</td> <td data-bbox="1731 316 1868 347">0</td> <td data-bbox="1868 316 2022 347">50</td> </tr> <tr> <td data-bbox="1361 347 1574 403">Faecal Coliforms (2)</td> <td data-bbox="1574 347 1731 403">8</td> <td data-bbox="1731 347 1868 403">24</td> <td data-bbox="1868 347 2022 403">68</td> </tr> <tr> <td data-bbox="1361 403 1574 459">Turbidity (2)</td> <td data-bbox="1574 403 1731 459">18</td> <td data-bbox="1731 403 1868 459">8</td> <td data-bbox="1868 403 2022 459">74</td> </tr> <tr> <td data-bbox="1361 459 1574 507">Water Clarity (2)</td> <td data-bbox="1574 459 1731 507">26</td> <td data-bbox="1731 459 1868 507">18</td> <td data-bbox="1868 459 2022 507">55</td> </tr> <tr> <td data-bbox="1361 507 1574 560">Periphyton (1)</td> <td data-bbox="1574 507 1731 560">93</td> <td data-bbox="1731 507 1868 560">7</td> <td data-bbox="1868 507 2022 560">0</td> </tr> </tbody> </table> <p data-bbox="1361 560 2022 938">           Note:            (1) Periphyton is assessed by comparing the current rolling 5 year mean with a baseline 2002 – 2006 mean.             (2) For ammoniacal nitrogen, clarity, turbidity, and faecal coliforms, trends are assessed using Seasonal Kendal trend testing (4 seasons beginning in March, no medians). Only sites with 20 or more data points will be considered for this assessment.            An important change is one that has: a P value of less than 0.05, and a percent annual change of the median of more than 1%. The whole data record is used for each site.         </p>				Achieved					% sites improving	% sites declining	% sites no change	Ammonia-N (2)	50	0	50	Faecal Coliforms (2)	8	24	68	Turbidity (2)	18	8	74	Water Clarity (2)	26	18	55	Periphyton (1)	93	7	0
	Achieved																																	
	% sites improving	% sites declining	% sites no change																															
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Water Clarity (2)	26	18	55																															
Periphyton (1)	93	7	0																															
<p><b>Compliance Monitoring for Discharges.</b> The number of compliant or non-compliant point source discharges to water, or discharges likely to enter water; and council's response to any non-compliance.</p>	<p>All significant consented discharges<sup>1</sup> are monitored at least annually, and all dairy sheds at least bi-annually depending on each individual compliance record. All non-compliance publicly reported to the Resource Management Committee and are responded to using Council's Enforcement policy.</p>	<p>Partially achieved. There were 238 visits across 84 active mine site visits during the period (most visited multiple times). Target was not achieved for dairy monitoring, with 78.7% of required dairy sheds being visited during the period. This was related to staff changes within the compliance team within the period.</p> <p>An audit of District Council and Regional Council held consents is also planned over the next 12 months to ensure complete monitoring of these consents.</p> <p>Not all non-compliances have been reported to the Resource Management Committee due to the above.</p>																																

Levels of Service	Measure	Performance Target	Achievement
To maintain or enhance the water quality in Lake Brunner.	The trophic state of Lake Brunner is measured by the Trophic Level Index (TLI) which combines clarity, nutrient and algal measures. The rolling 5-year mean is compared with a 2002-2006 baseline mean.	The annual (rolling 5-year mean) TLI of Lake Brunner is less than the 2002-2006 TLI baseline mean of 2.79.	Achieved: The Lake Brunner TLI score 5 year rolling mean from 20 March 2013 to 21 March 2018 (latest results) was 2.77 (2018: 2.72)
Complete current regional plans to operative stage, and review them to maintain their community acceptability.	Statutory requirements for review	Compliance with statutory requirements for the review of Council's plans and strategies.	Achieved: Workshop held with Councillors on responding to appeals on the proposed RPS through Environment Court mediation. Wetland site visits requested by the Hearing panel for the proposed Plan Change 1 to the Land & Water Plan completed. Staff recommendations on the site visit report recommendations circulated to submitters and Hearing Panel. Work continuing on draft S42A staff recommendations on submissions to the proposed Coastal Plan.
Advocate for the West Coast interests when external environmental policymaking may affect the West Coast	Number of submission made and number of successful advocacy outcomes.	Submit on all central or local government discussion documents, draft strategies, policies or Bills that may impact on West Coast interests, within required timeframes.	Achieved. Submissions made on the Conservation (Indigenous Freshwater Fish) Amendment, Draft Westland National Park Management Plan and DOC Conservation Management Strategy amendments to provide for helicopter landings and other activities on the Paparoa Great Walk. Feedback provided on matters that relate to Council's functions in the Draft Punakaiki Masterplan, and the Aotearoa NZ Resource Strategy for Petroleum and Minerals.



To Maintain or enhance the life supporting capacity and amenity value of the West coast's rivers	<p><b>Stream Ecosystem Health.</b> Instream macroinvertebrate community health (SQMCI) scores are measured at 29 river sites. The values for each site are calculated using five year rolling means and comparing them to baseline means calculated from data from 2005-2009.</p>	<p>Macroinvertebrate health index1 (SQMCI) mean is higher, or no more than 20% lower, than the baseline mean.</p>	<p>Not achieved.</p> <p>Five out of 29 sites in Autumn had a five yearly rolling mean that was more than 20% lower than the baseline mean. These sites were Baker ck @ Oparara Rd, Bradshaws Ck @ Bradshaw Rd, Burkes Ck @ SH69, Page Stm @ Chasm Ck Walkway, Sawyers Ck @ Dixon Park. (2018 = Six sites)</p> <p>Macroinvertebrate data is collected twice a year in spring and autumn.</p> <p>Macroinvertebrate are to an extent dynamic and respond to many environment factors such as climate variability, habitat and water quality. It is possible that are reduction in habitat and water quality has led to deterioration in stream health. The magnitude of change and the duration it occurs at will be informative.</p>
	<p><b>Bathing Beach Sampling.</b> 16 swimming sites are sampled, ten times per summer season (fortnightly) for E coli (moderate-high risk &gt; 550) or Enterococci (moderate-high risk &gt; 280).</p>	<p>Scheduled swimming sites do not exceed the moderate-high risk threshold more than once during the summer sampling season.</p>	<p>Not achieved.</p> <p>Two of the 18 sites did not meet the target.</p> <p>During the 2018-2019 season Kaniere River at Kaniere Kokatahi Rd and Hokitika Beach exceeded the moderate-high risk category more than 10% of the time.</p> <p>E coli comes from all land, whether urban, agricultural or forest. Urban and agricultural land use normally lead to higher concentrations.</p> <p>Higher E coli concentrations will always occur during we weather. The region, having high rainfall, is prone to E coli exceedances. Anthropogenic sources of E coli (eg livestock and urban stormwater) are the most likely sources of exceedances, however there are examples when water birds in large congregations have led E Coli spikes.</p> <p>Investigations are continuing.</p>

<p>To protect human health from adverse impacts of poor groundwater quality.</p>	<p>28 Wells are monitored at least twice annually, 24 of which are used for human consumption.</p> <p>The guideline of 11.3mg/L of nitrate is used to protect human health, particularly for babies. The data from the year is averaged before comparing against the 11.3mg guideline.</p>	<p>In wells used for human consumption, nitrate levels remain below the health guideline of 11.3 mg/L.</p>	<p>Achieved.</p> <p>In Summer and Winter 2019 (to date 26-7-19), all 24 wells used for human consumption were within guidelines (2018: 23 out of 23).</p>
<p>To protect human health from any adverse impacts of poor air quality in Reefton.</p>	<p>Reefton's air is monitored in accordance with the National Environmental Standard (NES) for air quality by measuring PM<sub>10</sub> (airborne particles smaller than ten micrometers, which affect human respiration).</p> <p>The threshold is a 24hr mean PM<sub>10</sub> of 50 micrograms/m<sup>3</sup>.</p>	<p>NES Requirement: 24hr PM<sub>10</sub> values do not exceed the NES threshold more than three times in one year, between 2016 &amp; 2020; whereas after 2020 only 1 exceedance per year is allowed.</p>	<p>Achieved.</p> <p>There have been no exceedances of the NES standard in winter 2019 to date (26-7-19).</p>

<b>Levels of Service</b>	<b>Measure</b>	<b>Performance Target</b>	<b>Achievement</b>
Compliance with the consent processing timeframes in the RMA and mining legislation.	Compliance with discounting regulations and mining timeframes.	Process all resource consent applications without incurring any cost to Council due to the RMA discounting regulations; and process at least 95% of mining work programmes <sup>1</sup> within 20 working days of receipt.	Achieved: All consents have been processed within the required time frames so no discounting has been required.  95% of mining work programmes submitted were processed during the period, although not all within the 20 day timeframe.  146 mining work programmes were received for approval by Council during the reporting period.
Respond to all genuine incident complaints received by the Council and take enforcement action where needed.	Number of complaints received and number of enforcement actions resulting from these.	Operate a 24-hour complaints service, assess and respond to all genuine complaints within 24 hours where necessary.	Achieved. All genuine complaints are responded to within 24 hours where necessary, and reported publicly to the Resource Management Committee each month.
Respond to marine oil spills in coastal waters in accordance with the Tier 2 Oil Spill Response Plan and maintain readiness for spill response.	Timing of responses & number of trained staff.	Respond within 4 hours to all spills, using Council or MNZ spill equipment to contain spills; plus ensure at least 25 staff are trained responders.	No major spills occurred during the reporting period.  Maritime NZ requirements now state that ten staff are required. Number of trained responders is well in exceedance of 10.

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

## Regional Transport Planning

### Background

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

Section 35 of the Land Transport Management Act 2003 requires that the needs of persons who are transport disadvantaged be considered in land transport programmes. To implement this function, Council administers subsidies for transport for those with limited mobility through the Total Mobility Programme. The Regional Council also participates on the Regional Road Safety Committee as an organisation with transport interests, and oversees the Road Safety Co-ordinator.

**Key Changes from the Long Term Plan for 2018/28:** None.

Levels of Service	Measure	Performance Target	Achievement
Maintain a Regional Land Transport Plan in compliance with relevant legislation and is acceptable to the West Coast community.	An operative Regional Land Transport Plan.	Compliance with statutory requirements for the preparation, review and implementation of the Regional Transport Plan and Passenger Transport Plan.	Achieved. The Regional Land Transport Policy was made operative in 2018. The Regional Passenger Transport Plan does not require a review to be undertaken until 2021.

## Hydrology and Flood Warning Services

### Background

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

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

**Key Changes from the Long Term Plan for 2018/28:** None.

Level of Service	Measure	Performance Targets	Achievement
Continue to provide flood warning to assist communities to assess risk of impending floods, for the five rivers (Karamea, Buller, Grey, Hokitika, and Waiho).	Staff response to high flow events.	Provide flood monitoring service for the six rivers monitored (Karamea, Buller, Grey, Hokitika, Waiho, Mokihinui) and respond in accordance with the floodwarning manual.	Not achieved. On 19 January 2019 a power outage meant that flood alarms were not generated for the Hokitika River.
	Availability of information about high flow events.	Ensure data on river levels (Karamea, Buller, Grey, Hokitika, Waiho, Mokihinui) is available on Council website (updated 12 hourly, or 3 hourly during flood events ) > 90% of the time.	Not achieved. The Waiho bridge was washed away during the 26 March 2019 flood event. This resulted in the loss of water level data for the Waiho River. Once the bridge was rebuilt the sensor was reinstated on 10 May 2019.

## Emergency Management

### Background

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

The functions of the CDEM Group include the co-ordination of civil defence emergency management planning, delivering CDEM programmes and CDEM activities across the region, and carrying out risk management.

The Regional Council is the administering authority for the West Coast CDEM Group. The West Coast CDEM Group Plan was prepared in 2017, was reviewed in 2010, and is due for another review in 2015.

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

**Key Changes from the Long Term Plan for 2018/28:** None.

Level of Service	Measure	Performance Targets	Achievement
Maintain a Civil Defence Plan that delivers efficient and effective management of the region's civil defence functions in compliance with the legislation and is acceptable to West Coast community desires.	Number of trained staff.	Ensure at least 30 Council staff are trained as Emergency Operations Centre (EOC) personnel so that we have three shifts of EOC staff trained and exercised in case of a regional emergency.	Almost achieved. 29 Council staff are trained.

## River, Drainage and Coastal Protection Works

### Background

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

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

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

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

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

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

**Key Changes from the Long Term Plan for 2018/28:** None.

Levels of Service for Quarries	Measure	Performance Targets	Achievement
Ensure efficient and effective management and safe operation of Council's quarries, delivering rock to any customers within ten working days with priority given to Council rating district customers.	Timing of delivering on rock requests.	Deliver on requests for rock within two weeks, and ensure sufficient stockpiled rock is available where practical.	Achieved. All requests for rock was delivered within the specified timeframe.
	Number of site inspections to monitor contractor health and safety and performance.	Visit each active quarry site at least twice a year, when contractors are working the quarry (where possible), to ensure Health and Safety standards and other permit requirements are being adhered to.	Achieved: Each quarry was visited twice a year while contractors were working and the necessary permits and health and safety standards required of the contractors were observed and deemed satisfactory.



Other Levels of Service	Measure	Performance Targets	Achievement
Meet or exceed the flood protection, drainage or erosion protection levels as described in the 'levels of service – background' section above.	Completion of rating district works and annual consultation meetings (where material works are proposed).	Complete all rating district meetings, and perform all repair and maintenance works as agreed at those meetings.	<p>All inspections were undertaken before the 2018 Rating District meetings, however there is no formal record of monitoring for the periods between rating district annual general meetings.</p> <p>Works have been carried out during the year in the following areas to return assets to agreed service levels;</p> <ul style="list-style-type: none"> <li>• Karamea</li> <li>• Coal Creek</li> <li>• Vine Creek</li> <li>• Nelson Creek</li> <li>• Kongahu</li> <li>• Inchbonnie</li> <li>• Taramakau</li> <li>• Raft Creek</li> <li>• Kowhitirangi</li> <li>• Franz Josef</li> <li>• Waitangitoana</li> <li>• Lower Waiho</li> <li>• Wanganui</li> <li>• Greymouth Floodwall</li> <li>• Kaniere</li> <li>• Punakaiki</li> <li>• Hokitika Seawall</li> </ul>
	Proportion of schemes performing to their agreed service level.	Monitor all rating district infrastructural assets to ensure they perform to the service level consistent with the Asset Management Plan of each Rating District, or whatever level the community has decided is an acceptable risk.	<p>Achieved.</p> <p>Infrastructure is re-inspected following heavy rainfall events to ensure it will perform to agreed service levels.</p>
	Meet timeframes for plan review	Review Rating District Asset Management Plans and update registers that were not reviewed or updated within the last 3 years.	Achieved

## Vector Control Services Business Unit

### Background

The VCS business unit was set up in December 2004. The Council has traditionally had a pest control operational unit and it was decided in 2004 to operate that unit using a business model. Operating a business unit enables Council's service delivery functions to be carried out efficiently and effectively in accordance with sound business practices.

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

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

### Key Changes from the Long Term Plan for 2018/28:

Levels of Service	Measure	Performance Targets	Achievement
To produce a financial surplus (to offset general rates) by tendering for, winning and delivering on vector control contracts.	Achieve or exceed budgeted financial return.	Tender for, and win, sufficient contracts to provide or exceed the annual budgeted return to Council.	Not Achieved. The late withdrawal of a ground control contract and an uncompleted aerial operation due to weather issues prevented the targets from being met. Council budgeted for a return of \$557,000 however the actual return was \$176,409 a difference of \$380,591
To provide marine oil spill and terrestrial hazardous substance spill support, and biosecurity response services for the MNZ, MPI and the Regional Council.	Availability of trained staff.	Have staff available as a response unit for marine and terrestrial pollution spill events as per the MOU dated 11 November 2005.	Achieved.
	Availability of trained staff.	Have 4 staff plus a vehicle available for biosecurity emergencies, as per the National Biosecurity Capability Network agreement 2011.	Achieved. Staff and a vehicle are available to assist with a national biosecurity emergency.

**Funding Impact Statements Pursuant to the Local Government  
(Financial Reporting) Regulations 2011**

Annual Plan Plan 2017/18	Annual Report Report 2017/18		Long Term Plan 2018/19	Annual Report 2018/19
<b>West Coast Regional Council</b>				
<b>Sources of Funding</b>				
2,390,000	2,378,200	General Rates	3,880,000	3,387,101
1,917,714	1,848,877	Targeted Rates	1,899,422	2,337,061
82,330	212,118	Subsidies & Grants	82,330	642,760
5,049,125	5,393,004	Fees & Charges	5,902,675	5,740,510
1,107,333	981,119	Income from Investments	846,183	688,882
		Fines, Infringement Fees & Other Receipts		0
<u>10,546,502</u>	<u>10,813,318</u>	<b>Total Operating Funding (A)</b>	<u>12,610,610</u>	<u>12,796,314</u>
<b>Applications of Operating Funding</b>				
9,438,958	10,822,081	Payments to staff and suppliers	12,552,913	12,485,356
265,562	256,796	Finance costs	241,515	313,452
		Other operating funding applications		0
<u>9,704,520</u>	<u>11,078,877</u>	<b>Total Applications of operating funding (B)</b>	<u>12,794,428</u>	<u>12,798,808</u>
841,982	-265,559	<b>Surplus (deficit) of Operating Funding (A) - (B)</b>	-183,818	-2,494
<b>Sources of Capital Funding</b>				
		Subsidies and Grants		0
		Development and Financial Contributions		0
		Other dedicated capital funding	62,718	85,388
18,665	2,188,527	Increase (decrease) in debt	142,900	624,902
20,752	10,796	Gross Proceeds Sale assets	39,432	147,043
		Lump sum contributions		0
<u>39,417</u>	<u>2,199,323</u>	<b>Total Sources of capital funding (C)</b>	<u>245,050</u>	<u>857,333</u>
<b>Applications of capital funding</b>				
		Capital expenditure-additional demand		0
477,800	554,232	Capital expenditure-improved levels of service	57,800	356,185
419,000	254,481	Capital expenditure-replace existing assets	582,124	1,623,715
57,000	1,046,843	Increase (decrease) in investments	-23,653	400,422
-72,401	78,208	Increase (decrease) in reserves	-555,040	-1,525,483
<u>881,399</u>	<u>1,933,764</u>	<b>Total applications of capital funding (D)</b>	<u>61,231</u>	<u>854,839</u>
-841,982	265,559	<b>Surplus (Deficit) of Capital Funding (C) - (D)</b>	183,818	2,494
0	0	Funding Balance (A - B) + (C - D)	0	0

Long Term Plan 2017/18		Long Term Plan 2018/19	Annual Report 2018/19
	<b>Governance</b>		
	<b>Sources of Funding</b>		
404,083	General Rates	333,484	282,170
	Rates Penalties		0
109,000	Targeted Rates		0
	Subsidies & Grants		0
	Fees & Charges		0
	Internal Charges & Overheads Recovered		
548,526	Fines, Infringement Fees & Other Receipts	82,271	57,389
<u>1,061,609</u>	<b>Total Operating Funding (A)</b>	<u>415,755</u>	<u>339,559</u>
	<b>Applications of Operating Funding</b>		
656,596	Payments to staff and suppliers	208,023	189,063
80,042	Finance costs	76,512	173,223
34,773	Internal charges and overheads applied	43,398	55,527
0	Other operating funding applications		
<u>771,411</u>	<b>Total Applications of operating funding (B)</b>	<u>327,933</u>	<u>417,813</u>
290,198	<b>Surplus (deficit) of Operating Funding (A) - (B)</b>	87,822	-78,254
	<b>Sources of Capital Funding</b>		
	Subsidies and Grants		0
	Development and Financial Contributions		0
-162,307	Increase (decrease) in debt	-136,527	954,371
14,419	Gross Proceeds Sale assets	39,432	147,043
	Lump sum contributions		
<u>-147,888</u>	<b>Total Sources of capital funding (C)</b>	<u>-97,095</u>	<u>1,101,414</u>
	<b>Applications of capital funding</b>		
	Capital expenditure-additional demand		
	Capital expenditure-improved levels of service		83,762
15,765	Capital expenditure-replace existing assets	157,124	150,025
-437,113	Increase (decrease) in reserves	-23,653	388,953
563,658	Increase (decrease) in investments	-142,744	400,420
<u>142,310</u>	<b>Total applications of capital funding (D)</b>	<u>-9,273</u>	<u>1,023,160</u>
-290,198	<b>Surplus (Deficit) of Capital Funding (C) - (D)</b>	-87,822	78,254
0	Funding Balance (A - B) + (C - D)	0	0

Long Term Plan 2017/18		Long Term Plan 2018/19	Annual Report 2017/18
	<b>Transport</b>		
	<b>Sources of Funding</b>		
54,785	General Rates	84,240	59,683
	Rates Penalties		0
	Targeted Rates		0
95,117	Subsidies & Grants	82,330	91,627
	Fees & Charges		0
	Internal Charges & Overheads Recovered		0
21,021	Fines, Infringement Fees & Other Receipts	20,782	12,139
<u>170,923</u>	<b>Total Operating Funding (A)</b>	<u>187,352</u>	<u>163,448</u>
	<b>Applications of Operating Funding</b>		
125,352	Payments to staff and suppliers	138,229	134,460
	Finance costs		0
45,571	Internal charges and overheads applied	65,362	60,589
	Other operating funding applications		0
<u>170,923</u>	<b>Total Applications of operating funding (B)</b>	<u>203,591</u>	<u>195,049</u>
0	<b>Surplus (deficit) of Operating Funding (A) - (B)</b>	-16,239	-31,601
	<b>Sources of Capital Funding</b>		
	Subsidies and Grants		
	Development and Financial Contributions		
	Increase (decrease) in debt		
	Gross Proceeds Sale assets		
	Lump sum contributions		
<u>0</u>	<b>Total Sources of capital funding (C)</b>	<u>0</u>	<u>0</u>
	<b>Applications of capital funding</b>		
	Capital expenditure-additional demand		
	Capital expenditure-improved levels of service		0
	Capital expenditure-replace existing assets		0
0	Increase (decrease) in reserves	-16,239	-31,601
<u>0</u>	<b>Total applications of capital funding (D)</b>	<u>-16,239</u>	<u>-31,601</u>
0	<b>Surplus (Deficit) of Capital Funding (C) - (D)</b>	16,239	31,601
<u>0</u>	<b>Funding Balance (A - B) + (C - D)</b>	<u>0</u>	<u>0</u>

Long Term Plan 2017/18	Resource Management Sources of Funding	Long Term Plan 2018/19	Annual Report 2017/18
1,186,639	General Rates	1,686,717	1,782,205
	Rates Penalties		0
	Targeted Rates		0
	Subsidies & Grants		0
1,490,910	Fees & Charges	1,333,384	829,208
	Internal Charges & Overheads Recovered		0
428,173	Fines, Infringement Fees & Other Receipts	416,114	362,472
<b>3,105,722</b>	<b>Total Operating Funding (A)</b>	<b>3,436,215</b>	<b>2,973,885</b>
	<b>Applications of Operating Funding</b>		
1,430,339	Payments to staff and suppliers	1,535,845	1,284,051
	Finance costs		0
1,675,383	Internal charges and overheads applied	2,197,423	2,611,285
	Other operating funding applications		0
<b>3,105,722</b>	<b>Total Applications of operating funding (B)</b>	<b>3,733,268</b>	<b>3,895,336</b>
0	<b>Surplus (deficit) of Operating Funding (A) - (B)</b>	-297,053	-921,451
	<b>Sources of Capital Funding</b>		
	Subsidies and Grants		0
	Development and Financial Contributions		0
	Increase (decrease) in debt		0
	Gross Proceeds Sale assets		0
	Lump sum contributions		0
0	<b>Total Sources of capital funding (C)</b>	0	0
	<b>Applications of capital funding</b>		
	Capital expenditure-additional demand		0
	Capital expenditure-improved levels of service		0
	Capital expenditure-replace existing assets	110,000	92,597
	Increase (decrease) in reserves	-407,053	-1,014,048
0	<b>Total applications of capital funding (D)</b>	-297,053	-921,451
0	<b>Surplus (Deficit) of Capital Funding (C) - (D)</b>	297,053	921,451
0	<b>Funding Balance (A - B) + (C - D)</b>	0	0

Long Term Plan 2017/18		Long Term Plan 2018/19	Annual Report 2017/18
	<b>Hydrology &amp; Floodwarning Services</b>		
	<b>Sources of Funding</b>		
358,824	General Rates	667,061	498,139
	Rates Penalties		0
	Targeted Rates		0
	Subsidies & Grants		0
	Fees & Charges		0
	Internal Charges & Overheads Recovered		0
97,483	Fines, Infringement Fees & Other Receipts	164,565	101,314
<u>456,307</u>	<b>Total Operating Funding (A)</b>	<u>831,626</u>	<u>599,453</u>
	<b>Applications of Operating Funding</b>		
216,916	Payments to staff and suppliers	410,815	271,871
	Finance costs		0
239,391	Internal charges and overheads applied	494,670	540,721
	Other operating funding applications		0
<u>456,307</u>	<b>Total Applications of operating funding (B)</b>	<u>905,485</u>	<u>812,592</u>
0	<b>Surplus (deficit) of Operating Funding (A) - (B)</b>	-73,859	-213,139
	<b>Sources of Capital Funding</b>		
	Subsidies and Grants		
	Development and Financial Contributions		
	Increase (decrease) in debt		
	Gross Proceeds Sale assets		
	Lump sum contributions		
<u>0</u>	<b>Total Sources of capital funding (C)</b>	<u>0</u>	<u>0</u>
	<b>Applications of capital funding</b>		
	Capital expenditure-additional demand		
	Capital expenditure-additional demand		
	Capital expenditure-improved levels of service	57800	0
61,501	Capital expenditure-replace existing assets	60,000	65,927
-61,501	Increase (decrease) in reserves	-191,659	-279,066
<u>0</u>	<b>Total applications of capital funding (D)</b>	<u>-73,859</u>	<u>-213,139</u>
0	<b>Surplus (Deficit) of Capital Funding (C) - (D)</b>	73,859	213,139
0	<b>Funding Balance (A - B) + (C - D)</b>	0	0

Long Term Plan		Long Term Plan	Annual Report
2017/18		2018/19	2017/18
	<b>Emergency Management Sources of Funding</b>		
4,425	General Rates	450,000	132,602
	Rates Penalties		0
235,344	Targeted Rates	700,000	1,139,433
	Subsidies & Grants		4,796
19,000	Fees & Charges		0
	Internal Charges & Overheads Recovered		0
	Fines, Infringement Fees & Other Receipts		26,969
<u>258,769</u>	<b>Total Operating Funding (A)</b>	<u>1,150,000</u>	<u>1,303,800</u>
	<b>Applications of Operating Funding</b>		
153,837	Payments to staff and suppliers	897,559	841,607
	Finance costs		0
86,347	Internal charges and overheads applied	287,231	509,813
	Other operating funding applications		0
<u>240,184</u>	<b>Total Applications of operating funding (B)</b>	<u>1,184,790</u>	<u>1,351,420</u>
18,585	<b>Surplus (deficit) of Operating Funding (A) - (B)</b>	-34,790	-47,620
	<b>Sources of Capital Funding</b>		
	Subsidies and Grants		
	Development and Financial Contributions		
	Increase (decrease) in debt		0
	Gross Proceeds Sale assets		0
	Lump sum contributions		
<u>0</u>	<b>Total Sources of capital funding (C)</b>	<u>0</u>	<u>0</u>
	<b>Applications of capital funding</b>		
	Capital expenditure-additional demand		
	Capital expenditure-improved levels of service		118,091
	Capital expenditure-replace existing assets	135,000	0
18,585	Increase (decrease) in reserves	-169,790	-165,711
<u>18,585</u>	<b>Total applications of capital funding (D)</b>	<u>-34,790</u>	<u>-47,620</u>
-18,585	<b>Surplus (Deficit) of Capital Funding (C) - (D)</b>	34,790	47,620
0	<b>Funding Balance (A - B) + (C - D)</b>	0	0



Long Term Plan		Long Term Plan	Annual Report
2017/18	<b>River, Drainage &amp; Coastal Protection</b>	2018/19	<b>2017/18</b>
	<b>Sources of Funding</b>		
305,544	General Rates	554,293	499,193
	Rates Penalties		0
1,115,954	Targeted Rates	1,199,422	1,197,628
	Subsidies & Grants		546,337
314,875	Fees & Charges	357,800	833,276
	Internal Charges & Overheads Recovered		0
	Fines, Infringement Fees & Other Receipts	136,744	101,528
<u>1,736,373</u>	<b>Total Operating Funding (A)</b>	<u>2,248,259</u>	<u>3,177,961</u>
	<b>Applications of Operating Funding</b>		
1,040,078	Payments to staff and suppliers	2,216,799	1,367,871
184,792	Finance costs	154,780	131,719
310,434	Internal charges and overheads applied	445,528	713,802
	Other operating funding applications		
<u>1,535,304</u>	<b>Total Applications of operating funding (B)</b>	<u>2,817,107</u>	<u>2,213,392</u>
201,069	<b>Surplus (deficit) of Operating Funding (A) - (B)</b>	-568,848	964,570
	<b>Sources of Capital Funding</b>		
	Subsidies and Grants		
	Development and Financial Contributions		
-187,284	Increase (decrease) in debt	339,427	-214,469
	Gross Proceeds Sale assets		
	Lump sum contributions		
<u>-187,284</u>	<b>Total Sources of capital funding (C)</b>	<u>339,427</u>	<u>-214,469</u>
	<b>Applications of capital funding</b>		
	Capital expenditure-additional demand		0
	Capital expenditure-improved levels of service		154,332
	Capital expenditure-replace existing assets		1,064,658
13,785	Increase (decrease) in reserves	-229,421	-468,890
<u>13,785</u>	<b>Total applications of capital funding (D)</b>	<u>-229,421</u>	<u>750,101</u>
-201,069	<b>Surplus (Deficit) of Capital Funding (C) - (D)</b>	568,848	-964,570
0	<b>Funding Balance (A - B) + (C - D)</b>	0	0

Long Term Plan 2017/18	<b>Vector Control Services Business Unit Sources of Funding</b>	Long Term Plan 2018/19	<b>Annual Report 2017/18</b>
	General Rates		
	Rates Penalties		
	Targeted Rates		
	Subsidies & Grants		
3,000,000	Fees & Charges	4,046,000	<b>4,026,095</b>
	Internal Charges & Overheads Recovered		
	Fines, Infringement Fees & Other Receipts		<b>0</b>
<u>3,000,000</u>	<b>Total Operating Funding (A)</b>	<u>4,046,000</u>	<u><b>4,026,095</b></u>
	<b>Applications of Operating Funding</b>		
2,266,427	Payments to staff and suppliers	3,220,974	<b>3,541,223</b>
	Finance costs		<b>0</b>
100,000	Internal charges and overheads applied	100,000	<b>100,000</b>
	Other operating funding applications		
<u>2,366,427</u>	<b>Total Applications of operating funding (B)</b>	<u>3,320,974</u>	<u><b>3,641,223</b></u>
633,573	<b>Surplus (deficit) of Operating Funding (A) - (B)</b>	725,026	<b>384,872</b>
	<b>Sources of Capital Funding</b>		
	Subsidies and Grants		
	Development and Financial Contributions		
	Increase (decrease) in debt		
	Gross Proceeds Sale assets		
	Lump sum contributions		
<u>0</u>	<b>Total Sources of capital funding (C)</b>	<u>0</u>	<u><b>0</b></u>
	<b>Applications of capital funding</b>		
	Capital expenditure-additional demand		<b>0</b>
	Capital expenditure-improved levels of service		
87,233	Capital expenditure-replace existing assets	120,000	<b>250,508</b>
	Increase in investments		
<u>546,340</u>	Increase (decrease) in reserves	<u>605,026</u>	<u><b>134,364</b></u>
<u>633,573</u>	<b>Total applications of capital funding (D)</b>	<u>725,026</u>	<u><b>384,872</b></u>
-633,573	<b>Surplus (Deficit) of Capital Funding (C) - (D)</b>	-725,026	<b>-384,872</b>
<u>0</u>	<b>Funding Balance (A - B) + (C - D)</b>	<u>0</u>	<u><b>0</b></u>

Long Term Plan 2017/18	Long Term Plan 2018/19	Annual Report 2018/19
<b>Economic Development</b>		
<b>Sources of Funding</b>		
0	104,205	133,109
		0
0		0
		0
	150,000	37,500
0	25,707	27,072
<b>0</b>	<b>279,912</b>	<b>197,681</b>
<b>Applications of Operating Funding</b>		
0	291,056	254,304
0	0	0
0	0	8,822
0		
<b>0</b>	<b>291,056</b>	<b>263,126</b>
<b>0</b>	<b>-11,144</b>	<b>-65,445</b>
<b>Sources of Capital Funding</b>		
		0
		0
0	0	0
0	0	0
<b>0</b>	<b>0</b>	<b>0</b>
<b>Applications of capital funding</b>		
		0
0	0	0
0	-11,144	-65,445
0	0	0
<b>0</b>	<b>-11,144</b>	<b>-65,445</b>
<b>0</b>	<b>11,144</b>	<b>65,445</b>
0	0	0

Long Term Plan 2017/18	Long Term Plan 2018/19	Annual Report 2018/19
<b>Warm West Coast</b>		
<b>Sources of Funding</b>		
0	0	0
		0
0		0
		0
	15,491	14,431
0	0	0
<b>0</b>	<b>15,491</b>	<b>14,431</b>
<b>Applications of Operating Funding</b>		
0	0	348
0	10,223	8,509
0	0	0
0		
<b>0</b>	<b>10,223</b>	<b>8,857</b>
<b>0</b>	<b>5,268</b>	<b>5,574</b>
<b>Sources of Capital Funding</b>		
		0
		0
0	-60,000	-115,000
	62,718	85,388
0	0	0
<b>0</b>	<b>2,718</b>	<b>-29,612</b>
<b>Applications of capital funding</b>		
		0
0	0	0
0	7,986	-24,038
0	0	0
<b>0</b>	<b>7,986</b>	<b>-24,038</b>
<b>0</b>	<b>-5,268</b>	<b>-5,574</b>
0	0	0

## Local Government (Financial Reporting and Prudence) Regulations 2014

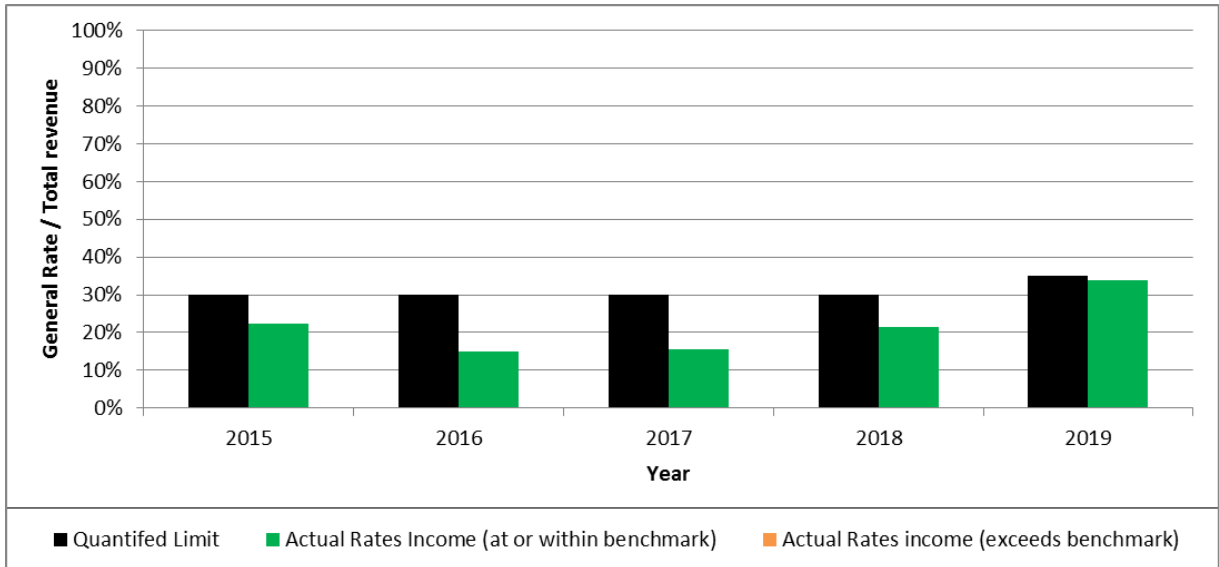
Council is required to include these statements in its Annual Report in accordance with these regulations.

### **RATES AFFORDABILITY BENCHMARKS**

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

1. The first benchmark, (included by Council in the Financial Strategy contained in the 2018/28 Long Term Plan).

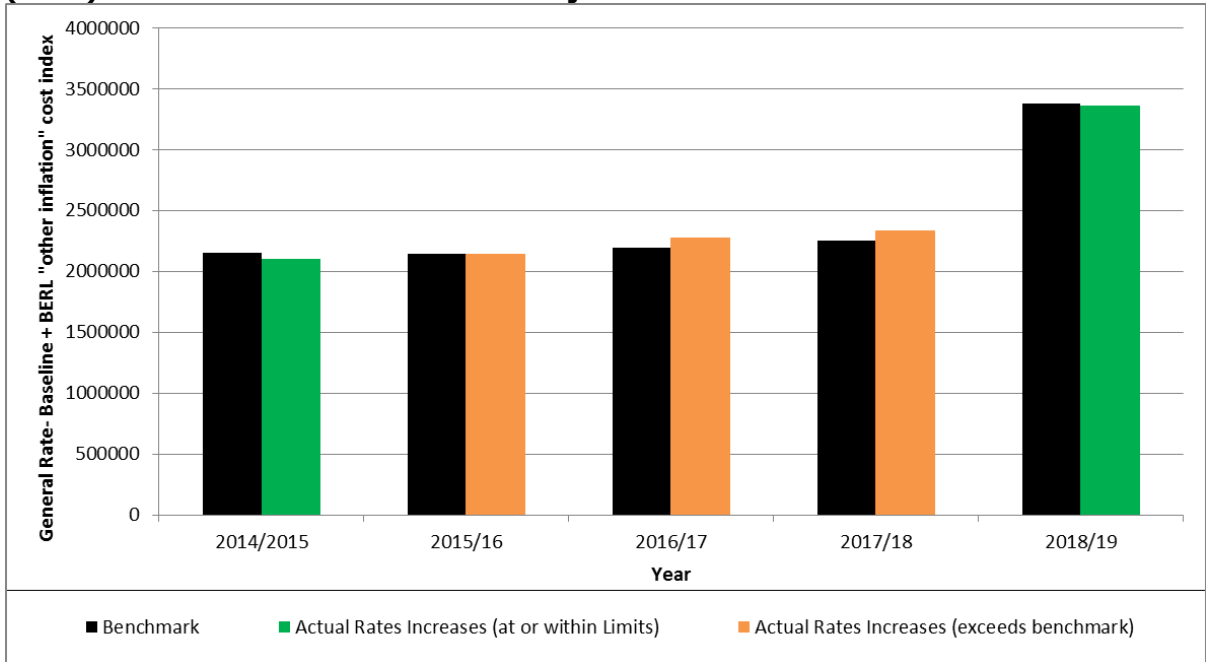
#### **General Rates will not exceed 35% of Total Income**



**Rates (Increases) Affordability**

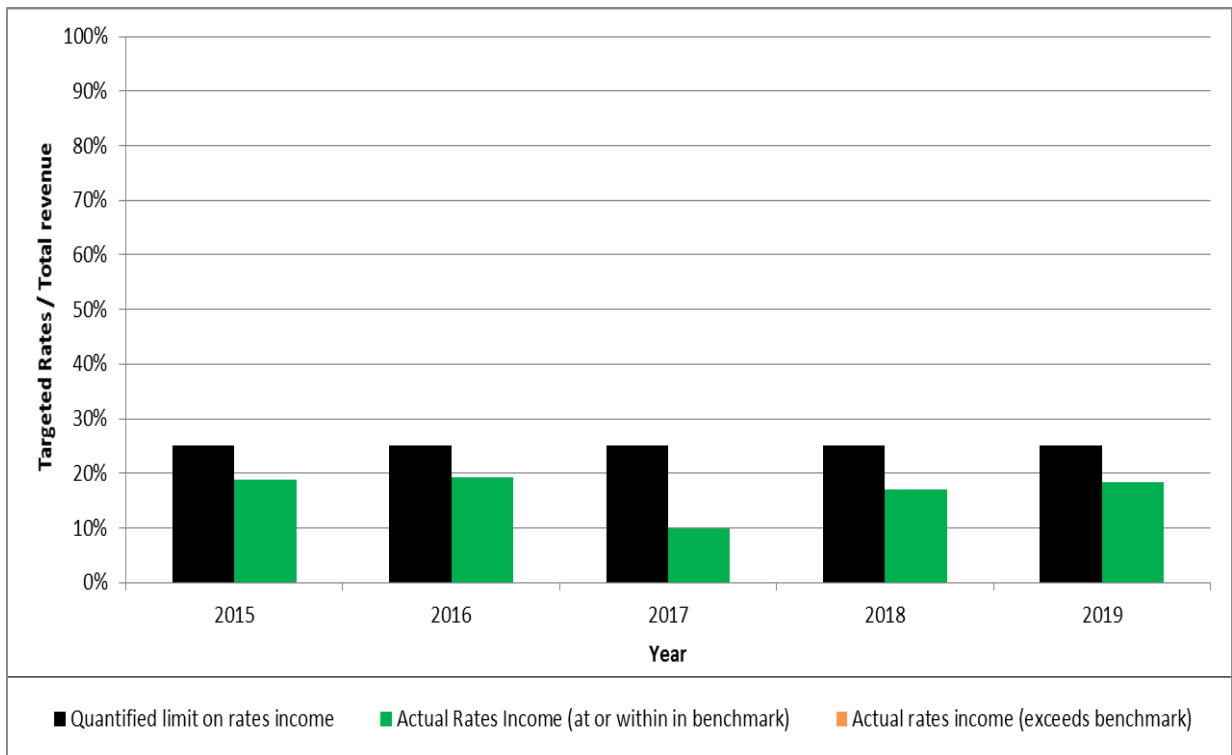
2. The second benchmark, (included by Council in the Financial Strategy contained in the 2018/28 Long Term Plan).

**The General Rate will not exceed the estimated Business and Economic Research Ltd (BERL) "Local Government Cost Index" adjustments.**



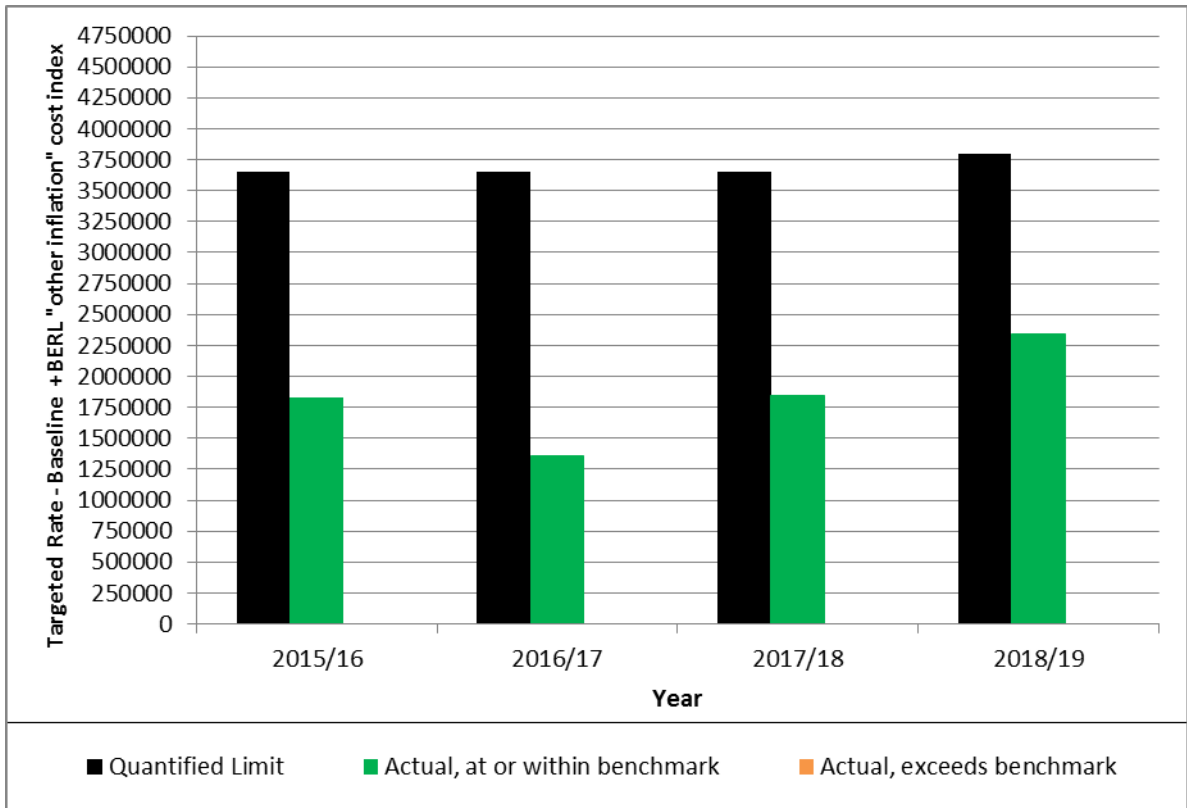
3. The third benchmark, (included by Council in the Financial Strategy contained in the 2018/228 Long Term Plan).

**Targeted Rates will not exceed 25% of Total Income.**



4. The fourth benchmark, (included by Council in the Financial Strategy contained in the 2018/28 Long Term Plan)

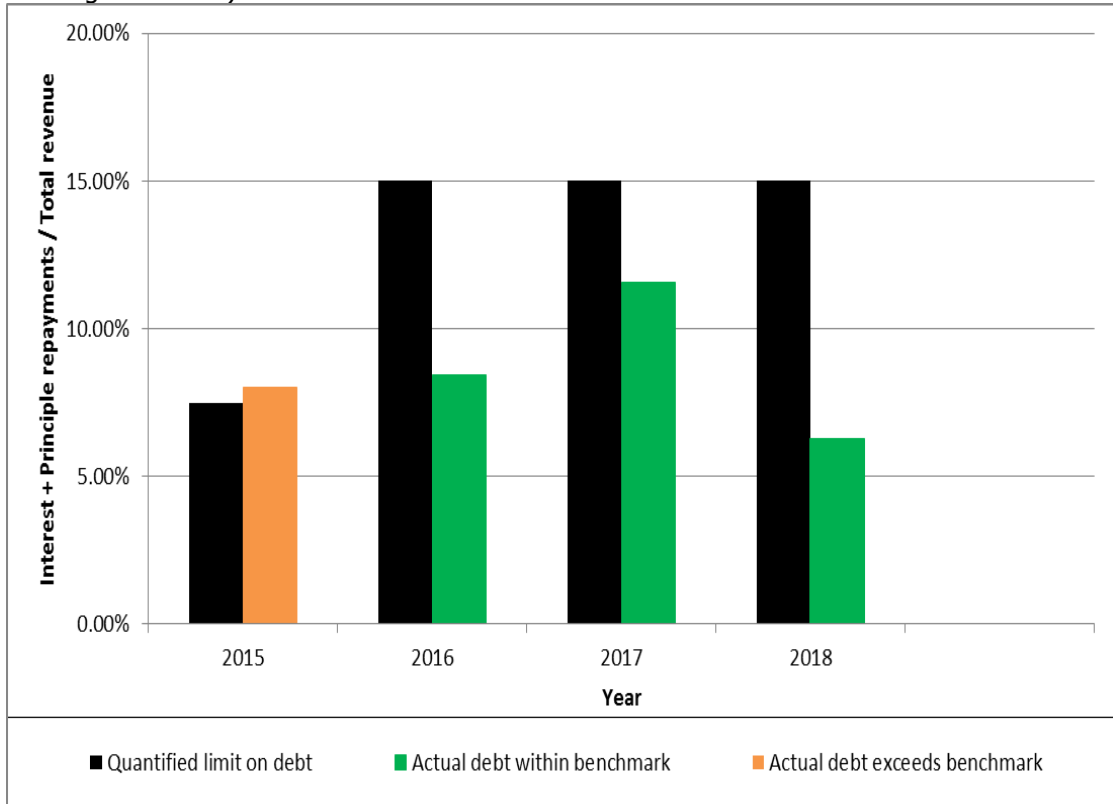
**Targeted Rates will not exceed the 2018/19 baseline (\$1,899,422) + 100% over the 10 year term of the LTP**



**5. Debt Affordability Benchmarks**

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

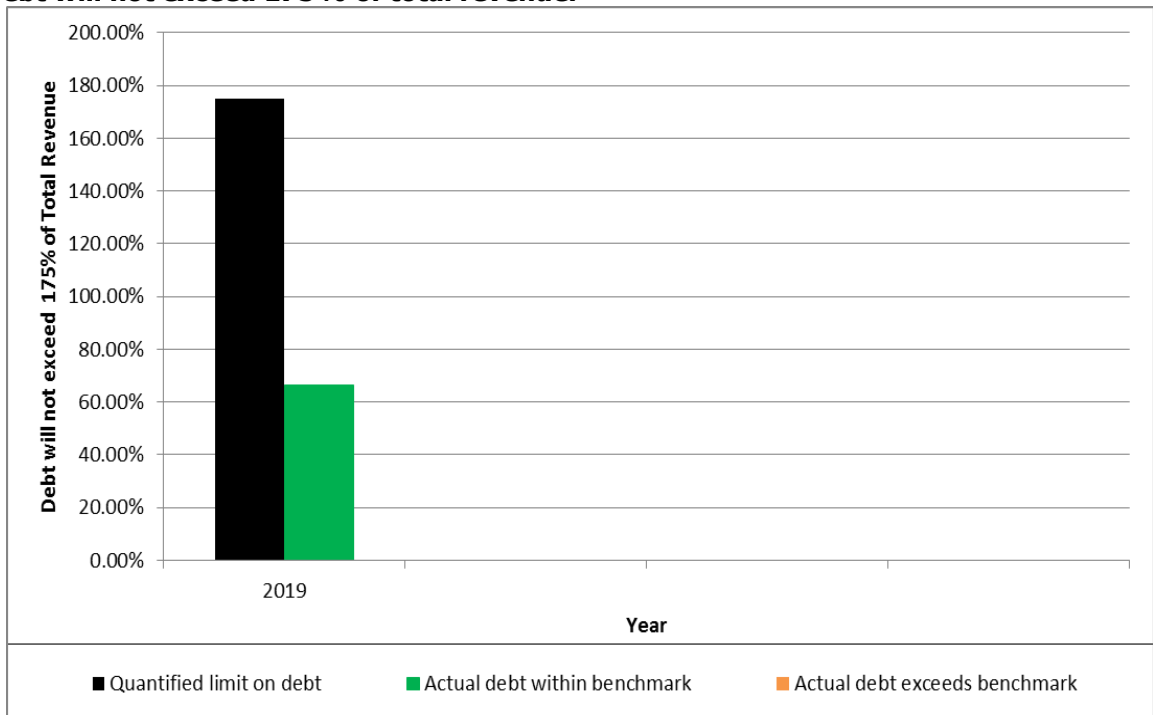
- (a) The first benchmark, (included by Council in the Financial Strategy contained in the 2015/25 Long Term Plan).



**Interest + Principle repayments do not exceed 15.00% of Total Revenue**

- (b) The sixth benchmark, (included by Council in the Financial Strategy contained in the 2018/28 Long Term Plan).

**Debt will not exceed 175% of total revenue.**

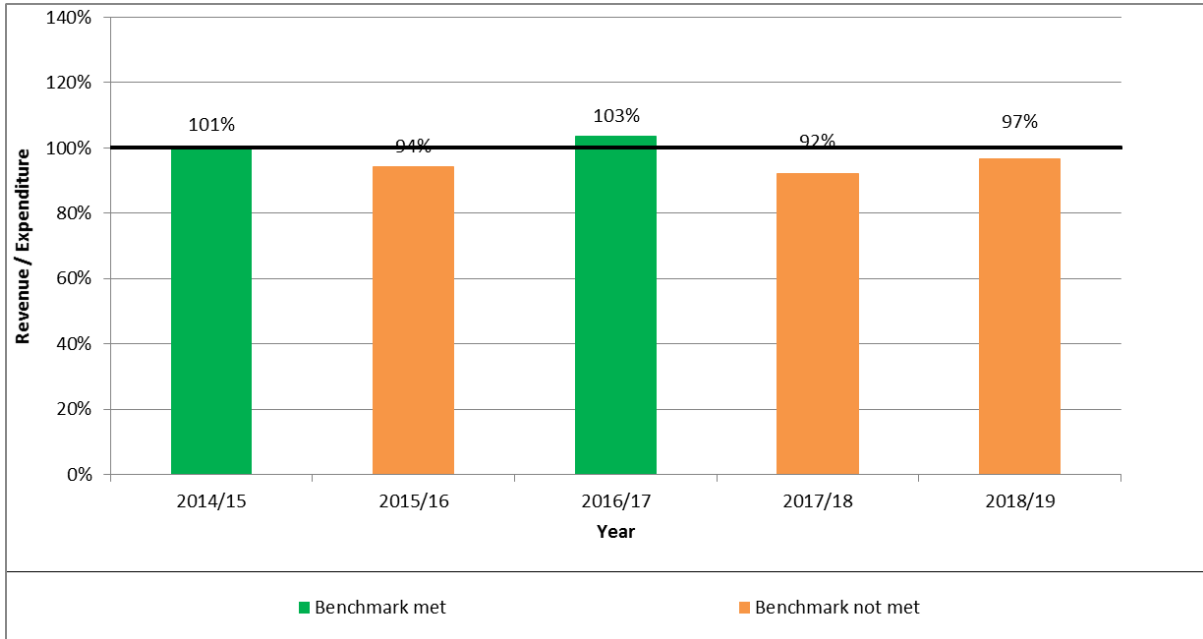




## Mandatory Benchmarks as prescribed by the Regulations

### 6. Balanced Budget Benchmark

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



### 7. 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 sewage;
- Stormwater drainage;
- Flood protection and control works; or
- Provision of roads and footpaths.

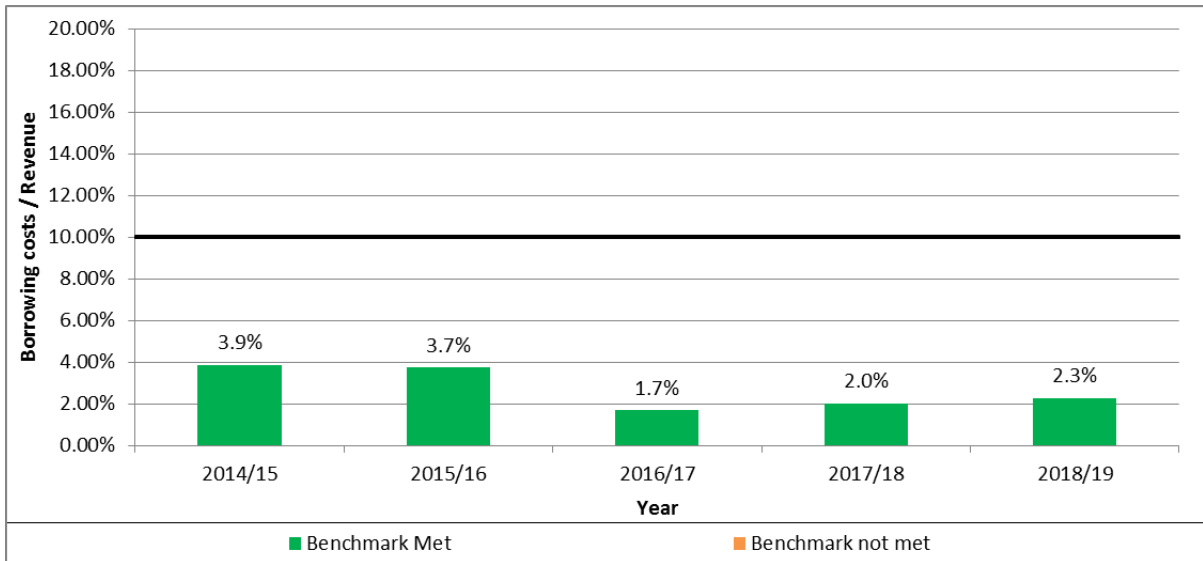
Council's only network services relate to flood protection and control works. Council does not provide any other network services. These network services are in the form of assets such as rock protection, stopbanks, seawalls etc. These assets are not subject to depreciation. Council's capital expenditure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

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

## 8. Debt Servicing Benchmark

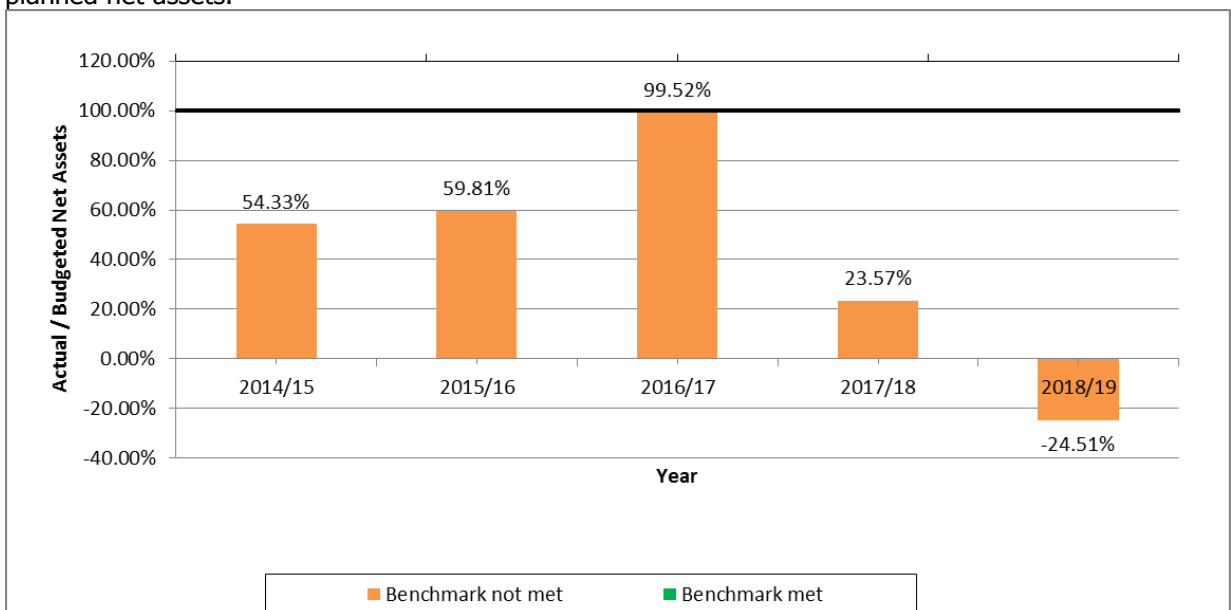
The following graph displays the council's borrowing costs as a proportion of planned revenue (excluding development and financial contribution, vested assets, derivative financial instruments and revaluations of property plant or equipment).

Because Statistics NZ projects council's population will grow more slowly than the national population is projected to grow it meets the debt servicing benchmark if its planned borrowing costs are equal to or less than 10% of its planned revenue.



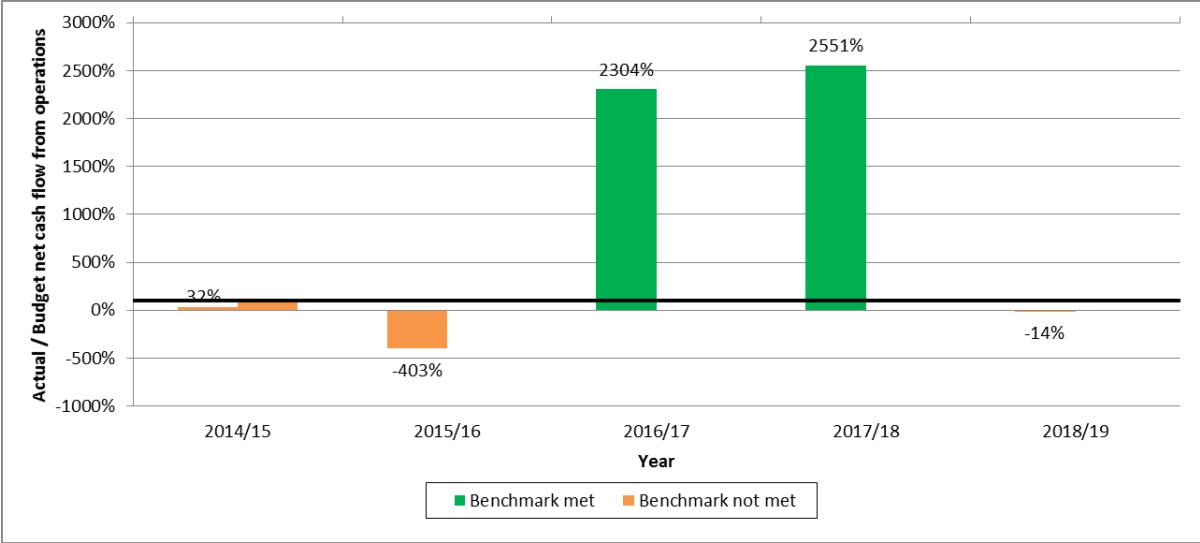
## Debt Control Benchmark

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



**Operations Control Benchmark**

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



## Major Budget Variations

	2019 Actual	2019 Budget	Variance	Note
<b>Cost of Services</b>				
Governance	488,962	480,042	\$ 8,920	2%
Economic Development	268,159	300,000	\$ (31,841)	-11% <b>1</b>
Resource Management	3,917,522	3,761,372	\$ 156,150	4% <b>2</b>
Transport	195,049	203,591	\$ (8,542)	-4%
Hydrology & Floodwarning Services	863,206	960,219	\$ (97,013)	-10% <b>3</b>
Emergency Management	1,374,010	1,202,395	\$ 171,615	14% <b>4</b>
River, Drainage & Coastal Protection	2,331,087	2,829,019	\$ (497,932)	-18% <b>5</b>
Vector Control services Business Unit	3,735,767	3,389,000	\$ 346,767	10% <b>6</b>
Other	143,916	62,037	\$ 81,879	132% <b>7</b>
Warm West coast Scheme	8,858	10,223	\$ (1,365)	-13%
	<u>13,326,536</u>	<u>13,197,898</u>	<u>\$ 128,638</u>	
<b>Less Income</b>				
Rates	5,724,162	5,779,422	\$ (55,260)	-1% <b>8</b>
Subsidies and Grants	642,752	82,330	\$ 560,422	681% <b>9</b>
Commerical Property Rental	96,182	96,183	\$ (1)	0%
Gains/Losses disposal of Assets	34,969	0	\$ 34,969	<b>10</b>
Commerical Property Revaluation	120,000	35,526	\$ 84,474	238% <b>11</b>
Investment Income	603,307	750,000	\$ (146,693)	-20% <b>12</b>
Income from Associates	(45,574)	0	\$ (45,574)	
User Fees & Charges	5,738,118	5,902,675	\$ (164,557)	-3% <b>13</b>
	<u>12,913,916</u>	<u>12,646,136</u>	<u>\$ 267,780</u>	2%
Net Surplus / (Deficit) for year	<u>(412,620)</u>	<u>(551,762)</u>		
<b>Statement Of Financial Position @ 30 June 2019</b>	<b>Actual 2019</b>	<b>Budget 2019</b>		
<b>Current Assets</b>				
Total Current Assets	<u>5,370,313</u>	<u>3,870,000</u>	\$ 1,500,313	38.8% <b>14</b>
<b>Non-Current Assets</b>				
Property, Plant & Equipment	76,019,639	66,415,927	\$ 9,603,712	14.5% <b>15</b>
Intangible Assets	112,393	112,393	\$ -	0.0%
Investment Property	1,600,000	1,555,526	\$ 44,474	2.9% <b>16</b>
Loan Advances	217,092	250,000	\$ (32,908)	-13.2% <b>17</b>
Investment in Associate	943,174	1,056,000	\$ (112,826)	-10.7% <b>18</b>
Investment in CCO	207,947	212,300	\$ (4,353)	
Other Financial Assets	9,700,710	9,826,154	\$ (125,444)	-1.3% <b>19</b>
Total Non-Current Assets	<u>88,800,955</u>	<u>79,428,300</u>	<u>\$ 9,372,655</u>	11.80%
<b>Total Assets</b>	<u>94,171,268</u>	<u>83,298,300</u>		
<b>Liabilities</b>				
<b>Current Liabilities</b>	<u>7,084,951</u>	<u>2,873,100</u>	\$ (4,211,851)	-146.6% <b>20</b>
<b>Non-Current Liabilities</b>	<u>6,176,540</u>	<u>5,978,537</u>	\$ (198,003)	-3.3%
<b>Total Liabilities</b>	<u>13,261,491</u>	<u>8,851,637</u>		
<b>Equity</b>	<u>80,909,776</u>	<u>74,446,663</u>	\$ (6,463,113)	-8.7% <b>21</b>
<b>Total Liabilities and Equity</b>	<u>94,171,268</u>	<u>83,298,300</u>		

1	Economic Development was \$31k under budget. Development West Coast took over the role in September 2018.
2	Resource Management exceeded budget by \$156,150 mainly due to allocated overhead costs being higher than budgeted
3	Hydrology was under budget by \$97k due to staff turnover and aircraft hire expenses were less than anticipated.
4	Emergency management exceeded budget by \$171k due to a) The March 2019 emergency which caused mass flooding was an unbudgeted cost to council of \$79k b) Increased overhead costs for emergency management being \$75k higher than budget
5	River, Drainage and Coastal Protection were under budget by \$(570)k due to Greymouth Floodwall expenses being under budget by \$428k as the significant fix to the floodwall joins was not carried out in 18/19 as had been expected and budgeted for .Franz Josef was also under budget by \$107k due to work not be carried out. The reason for the schedule maintenance work not be carried out was that the March 2019 emergency caused extensive damage in Westland requiring the majority of resources.
6	Vector Control services was \$331k over budget due to ground control expenditure being higher than anticipated.
7	Other costs exceeded budget by \$81k. This was mainly due to a) Some 'one-off' costs of \$30k relating to council investment in PRCLP b) An unbudgeted expense of \$35k for Riskpool. c) An unbudgeted expense of \$10k for contribution to the Punakaiki Community plan.
8	Rates revenue is \$(55)k less than budgeted mainly due to a) rates penalty income being \$20k below budget. b) the Uniform Annual General Charge revenue was \$23k less than anticipated
9	Subsidies and Grants are \$560k over budget due to Council receiving \$546k of crown payments due to the March 2019 Emergency for stop bank rebuilds
10	Gains/Losses was \$34k of unanticipated revenue was was the result of profit on the sale of vehicles.
11	Commercial Property revaluation revenue was \$84k higher than anticipated.
12	The Investment Income was \$192k less than budget as the portfolio did not perform as well as council had expected in the 18/19 financial year which was mainly due to the global economic outlook during this period. This particularly impacted the December 2019 quarter.
13	Other Income was \$50k under budget which was due to the following: b) This was offset by Resource management revenue being less than expected. This was mainly due to staff turnover and a reduction in demand for consents.
14	Current Assets were \$1.496m more than budget due to Receivables being higher than budgeted specifically the Accrued income at 30 June 2019 which consisted of: a) crown payments received of \$546k for the rebuild of the Milton Stop bank. b) VCS income accrual of \$800k. c) Wanganui stop bank accrued income of \$118k
15	Property Plant and equipment was \$9m more than budget as the revaluation of these resulted in higher values
16	Investment Property is \$44k higher than budget due to budget underestimating the value of the property.

<b>17</b>	Loan advances were \$32k lower than budget as repayments on Warm West Coast Loans were made.
<b>18</b>	PCR LP delivered a loss in this financial year resulting in a reduction of this asset.
<b>19</b>	Other Financial assets were \$125k less than budget which was mainly due to withdrawals from the Catastrophe fund due to the March 2019 Emergency Lower Waiho rebuild.
<b>20</b>	Current Liabilities are \$4.1m higher than budgeted due to (a) Short term Borrowings being \$2.4m higher as council changed its loan structure. (b) Payables being 1.32m higher than anticipated as expenditure on the stop bank rebuild are incurred.
<b>21</b>	The increase in equity by \$6.4m is due to the increase in valuation of Property Plant and Equipment.