

Report to: Council/Committee	Meeting Date: 9 June 2021
Title of Item: Adoption of Audited Annual Report 2020	
Report by: Robert Mallinson, LTP Project Manager	
Reviewed by: Heather Mabin, Acting Chief Executive Officer	
Public excluded? No	

Report Purpose

Council is required pursuant to Section 98 of the Local Government Act 2002 (LGA) to prepare and adopt an audited Annual Report for the year to 30 June 2020, before or on 31 December 2020.

Report Summary

This report provides an update on the significant activity within the Corporate Services directorate over the past period and advises that the Annual Report 2020 will be presented to Council for adoption on 9 June 2020.

Draft Recommendations

It is recommended that Council resolve to:

1. *Receive the Audit NZ Audit Report pursuant to Section 99, Local Government Act 2002.*
2. *Adopt the 2020 Annual Report pursuant to Section 98 of the Local Government Act 2002.*
3. *Receive a printer's proof in the 28 June 2021 Special Council Meeting papers.*

Issues and Discussion

Background

Councillors will be aware that the statutory 31 December 2020 deadline was not achieved for the following reasons:

- The PCR LP audit report (for their reporting year to 31 March 2020), was not issued until mid-January 2021. The audit result, issued by BDO Christchurch, was a "Total Disclaimer due to Going Concern".
- Working with Audit NZ timetables for completion of their remaining audit work, and staff changes within Audit NZ.
- Essential LTP work being required.

Indications are that Council auditors, Audit NZ, have now cleared all outstanding issues and will be tabling the audit report at the meeting on 9 June 2021.

Comments

1. The Chair and Chief Executive are required to provide to our auditors;
 - a. Statement of Compliance & Responsibility.
 - b. A Letter of Representation.
2. The audit certificate to be issued by Audit NZ will contain audit qualifications regarding our investment in PCR LP @ 31 March 2020, plus our loan of \$374,783 made in June 2020 for specialised lease improvements.
3. Section 98 of the LGA requires Council to formally adopt the Annual Report.
4. Section 99 of the LGA requires the Auditor General's Report on the Annual Report (i.e. an Audit Report) to be included in the document.

Significance and Engagement Policy Assessment

There are no issues within this report which trigger matters in this policy.

Tangata whenua views

Representatives of Poutini Ngāi Tahu will receive this report.

Financial implications

Nil.

Legal implications

Council will not meet its regulatory obligations under the Local Government Act 2002 to have completed and adopted the Annual Report within four months after the end of the financial year to which it relates. This has previously been advised to Council.



THE WEST COAST
REGIONAL COUNCIL

West Coast Regional Council

2019/2020 Annual Report

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Chairman's Report

It is my pleasure to present the West Coast Regional Council's 2019/2020 Annual Report.

Local government elections resulted in several changes around the Council table in October 2019. I would like to welcome our new Councillors, John Hill, Laura Coll McLaughlin, Debra Magner and Brett Cummings, and look forward to their contributions and leadership for the West Coast in the coming years. A change in Councillors meant that we had to farewell Terry Archer, Neal Clementson, Peter McDonnell and Andrew Robb. I would like to take this opportunity to thank them for their service to our community and wish them well for the future.

At the end of the financial year, Council realised a surplus of \$1.657 million compared to the \$444,000 that had been budgeted for. This surplus was primarily as a result of the insurance and National Emergency Management Agency (NEMA) recoveries relating to the 26 March 2019 flood event for the rebuild of the "Milton" stop-bank on the Waiho River. The rebuild of this asset, and the repairs to other infrastructure damaged in the same event, was achieved with minimal cost to the communities affected. This was due to the infrastructure insurance we had in place, support from NEMA and the excellent work of the contractors involved. I would also like to acknowledge the significant amount of work undertaken by Council's engineering team, under the management of Randal Beal our Operations Director, and their dedication to our community.

Our river, drainage and coastal protection infrastructure remains our biggest, and arguably most important, asset. Spread across 27 rating districts, these assets are worth approximately \$88 million which includes approximately 70km of stop-banks. In addition Council maintains the Greymouth Floodwall which has a value of approximately \$15 million and which is still owned by Grey District Council as at 30 June 2020. The choices we have made in the past on where we live and do business have made us susceptible to natural hazards. These assets protect our communities as well as providing for our economic, social and cultural wellbeing so can get on and live our lives.

The events of 2020 were unprecedented. Like many other businesses and public entities in New Zealand, and globally, we also had to work through the disruptions Covid-19 threw at us. Our staff carried on, working remotely and adopting new practices to ensure that essential services such as flood warning and emergency management continued. Like many, we learnt a lot through this time which will stand us in good stead in the future. I appreciate the efforts and achievements of all of our staff to ensure that we continued to deliver on our levels of service.

Council Chief Executive Mike Meehan departed in July 2020 having been with the organisation in various roles since 2004. Under his leadership, Council made significant progress, particularly in the provision of civil defence emergency management and the partnership with Poutini Ngāi Tahu, and with key projects including Predator Free Te Kinga and the securing of Covid-19 stimulus funding for infrastructure resilience projects. I wish him all the best for the future.

Allan Birchfield
Chairperson

Directory & Councillors

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The Council has seven Councillors, representing the following constituencies:

Buller Constituency

Laura Coll McLaughlin - Councillor
John Hill - Councillor

Grey Constituency

Peter Ewen - Councillor
Allan Birchfield – Councillor, Council Chairman
Brett Cummings - Councillor

Westland Constituency

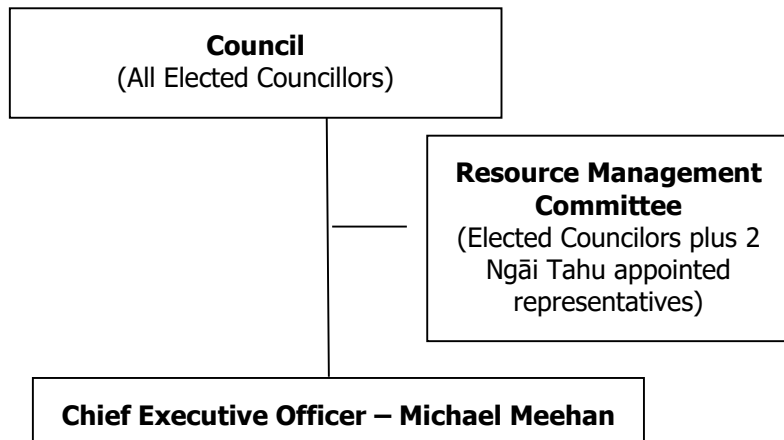
Debra Magner – Councillor
Stuart Challenger – Councillor, Deputy Chairperson



*Back row: Cllr Brett Cummings, Cllr Stuart Challenger, Cllr John Hill, Cllr Peter Ewen
Front row: Cllr Debra Magner, Cllr Allan Birchfield (Chairman), Cllr Laura Coll McLaughlin*

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	Claire Brown	Civil Defence & Emergency Management
People & Capability Manager	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 not 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 2020 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 2019/2020 have been complied with except the adoption of the Annual Report.

Council adopted this Annual Report on 9 June 2021 and therefore did not meet the statutory deadline for adoption.

A Birchfield
Chairperson

Heather Mabin
Acting Chief Executive

Dated: 9 June 2021

Report by Audit New Zealand

Hold for Audit NZ Report

Pages 7 - 11

Statement of Accounting Policies for year ended 30 June 2020

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 2020. The financial statements were authorised for issue by Council on 9 June 2021.

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 an Associate in terms of PBE IPSAS 36 Investments in Associates and Joint Ventures.

Revenue

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

Revenue from exchange and non-exchange transactions

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

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

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

classified as transfers, which are non-exchange transactions other than taxes.

Rates revenue

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

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. JBWere valuations use the redemption unit price to value unit trust products. The value of a unit is based on the net value of the relevant fund.

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.

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

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

Operational land:

This is revalued on a cyclical 3-year basis at fair value as determined from the most recent market based rating valuations. Valuations are as at 1 September 2018 (Grey District area land), 1 September 2020 (Westland District area land), and 1 September 2019 (Buller District area land).

Infrastructural asset classes: River, Drainage and Coastal Protection Assets

These assets are now valued at fair value determined on a replacement cost basis by AON Valuation Services. The most recent valuation was prepared by AON Valuation Services as at 30 June 2020.

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

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

Statement of Comprehensive Revenue and Expense for Year ended 30 June 2020

2019		Notes	2020	2020
Actual	Cost of Services		Actual	Budget
488,962	Governance		634,965	593,976
268,159	Economic Development		16,580	-
3,917,522	Resource Management		4,495,784	4,310,207
195,049	Transport		196,639	190,790
863,206	Hydrology & Floodwarning Services		778,807	912,644
1,374,010	Emergency Management		1,559,389	1,222,441
2,331,087	River, Drainage & Coastal Protection		3,025,791	2,487,833
3,735,767	Vector Control Services Business Unit		6,004,850	3,526,000
-	Impairment of Associate		696,611	-
	Loss on Investment in Other Entities		14,462	-
143,916	Other		46,670	36,540
8,858	Warm West Coast Scheme		4,104	8,270
13,326,536		3(a),4,5	17,474,652	13,288,701
	<i>* Finance Costs included \$176,840</i>			
	Less Revenue			
5,724,162	Rates		6,129,088	6,113,421
642,752	Subsidies & Grants		1,877,597	83,000
-	Insurance Recoveries		947,994	-
96,182	Commerical Property Rental		96,183	96,183
34,969	Gains/-Losses disposal of Assets		16,707	-
120,000	Commercial Property Revaluation		106,000	30,000
(45,574)	Share of Associate's Surplus		124,490	573,300
603,307	Investment Income		497,074	797,497
5,738,118	User Fees & Charges		9,337,312	6,040,294
12,913,916		1,2	19,132,445	13,733,695
(412,620)	Net Surplus / (Deficit) for year		1,657,793	444,994
	Other Comprehensive Revenue and Expense			
11,417,464	Revaluation Reserve Movement		13,625,074	-
11,417,464	Total Other Comprehensive Revenue and Expense		13,625,074	-
11,004,844	Total Comprehensive Revenue & Expense		15,282,867	444,994

(Refer Page 73 for explanation of major variances)

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

Statement of Changes in Equity for Year Ended 30 June 2020

Actual 2019	Notes	Actual 2020	Budget 2020
69,904,932	Balance 1 July	80,909,776	72,226,622
(412,620)	Net Surplus / (Deficit) for the year	1,657,793	444,994
<u>11,417,464</u>	Revaluation Reserve movement	<u>13,625,074</u>	-
<u>80,909,776</u>	Balance 30 June	<u>96,192,643</u>	<u>72,671,616</u>

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

Statement of Financial Position as at 30 June 2020

Actual 2019	Assets	Notes	Actual 2020	Budget 2020
Current Assets				
-	Cash	6	-	153,608
3,749,289	Receivables	7	3,854,046	1,600,000
289,137	Inventories	8	224,802	700,000
126,080	Land Held for Sale		-	-
-	Contracted Inventory held for sale	9	126,000	-
-	Quarry Development Asset Held for Sale	9,11	220,546	-
56,379	Loan Advances	10	73,524	70,000
<u>1,149,428</u>	Other Financial Assets	10	<u>757,526</u>	<u>1,500,000</u>
5,370,313	Total Current Assets		5,256,444	4,023,608
Non-Current Assets				
76,019,639	Property, Plant & Equipment	11	92,525,282	66,012,288
-	Receivables	7	263,880	-
112,393	Intangible Assets	12	78,950	112,393
1,600,000	Investment Property	13	1,706,000	1,520,000
217,092	Loan Advances	10	471,118	250,000
943,175	Investment in Associate	19	414,248	1,000,000
207,947	Investment in Other Entities	20	193,486	215,000
<u>9,700,710</u>	Other Financial Assets	10	<u>9,613,858</u>	<u>9,520,000</u>
88,800,956	Total Non-Current Assets		105,266,822	78,629,681
<u>94,171,269</u>	Total Assets		<u>110,523,266</u>	<u>82,653,289</u>
Liabilities				
Current Liabilities				
305,783	Bank Overdraft	6	135,489	-
2,909,996	Borrowings	18	2,890,000	485,314
3,324,302	Payables	16	3,661,649	2,000,000
-	Future Quarry Restoration Held for Sale		140,881	-
<u>544,870</u>	Employee Benefit Liabilities	17	<u>459,802</u>	<u>300,000</u>
7,084,951	Total Current Liabilities		7,287,821	2,785,314
Non-Current Liabilities				
-	Employee Benefit Liabilities	17	-	-
5,600,000	Borrowings	18	6,600,000	6,798,359
<u>576,540</u>	Future Quarry Restoration	29	<u>442,802</u>	<u>398,000</u>
6,176,540	Total Non-Current Liabilities		7,042,802	7,196,359
<u>13,261,491</u>	Total Liabilities		<u>14,330,623</u>	<u>9,981,673</u>
Equity				
18,880,001	Ratepayers Equity	21 (a)	20,519,395	19,594,642
2,458,040	Rating Districts	21 (b)	2,476,438	2,857,102
49,756,755	Revaluation Reserve	21 (c)	63,381,828	40,699,872
9,581,000	Investment Growth Reserve	21 (d)	9,581,000	8,770,000
233,981	Catastrophe Fund	21 (e)	233,982	750,000
<u>80,909,777</u>	Total Equity		<u>96,192,643</u>	<u>72,671,616</u>
<u>94,171,269</u>	Total Liabilities and Equity		<u>110,523,266</u>	<u>82,653,289</u>

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

Statement of Cash Flows for the Year Ended 30 June 2020

2019		Notes	2020	2020
Actual			Actual	Budget
\$			\$	\$
	Cashflow from Operating Activities			
	<u>Cash was provided from:</u>			
5,542,266	Rates		6,205,220	6,103,421
5,262,068	Other Income		12,779,757	6,234,474
<u>557,733</u>	Other Investment Income		<u>447,814</u>	<u>-</u>
11,362,067			19,432,791	12,337,895
	<u>Cash was Disbursed to:</u>			
11,546,227	Payments to Suppliers & Employees		17,020,041	12,607,315
283,291	Interest Paid		176,840	239,880
<u>(323,443)</u>	Net GST Movement		<u>(146,967)</u>	<u>-</u>
11,506,075			17,049,914	12,847,195
<u>(144,008)</u>	NET CASH FLOW FROM OPERATIONS		<u>2,382,877</u>	<u>(509,300)</u>
	Cashflow from Investing Activities			
	<u>Cash was provided from:</u>			
2,194,902	Redemption of Investments		582,366	1,625,800
<u>273,122</u>	Sale Fixed Assets		<u>146,599</u>	<u>-</u>
2,468,024			728,965	1,625,800
	<u>Cash was Disbursed to:</u>			
2,109,493	Purchase of Fixed assets		3,546,771	1,075,000
-	Investment Property Capital Expenditure		-	-
-	Loan Advance to Associate		374,781	-
<u>-</u>	Investments Purchased		<u>-</u>	<u>-</u>
2,109,493			3,921,552	1,075,000
<u>358,531</u>	NET CASH FLOW FROM INVESTING		<u>(3,192,587)</u>	<u>550,800</u>
	Cashflow from Financing Activities			
	<u>Cash was provided from:</u>			
8,135,172	Loans repaid by borrowers		-	-
<u>8,135,172</u>	Loan Raised		<u>3,690,000</u>	<u>400,000</u>
			3,690,000	400,000
	<u>Cash was Disbursed To:</u>			
7,493,268	Loans Advanced		-	-
<u>7,493,268</u>	Loan Principal Repaid		<u>2,709,996</u>	<u>437,892</u>
			2,709,996	437,892
<u>641,904</u>	NET CASH FLOW FROM FINANCING		<u>980,004</u>	<u>(37,892)</u>
856,427	TOTAL INCREASE IN CASH HELD		170,294	3,608
(1,162,210)	OPENING BALANCE OF CASH RESOURCES		(305,783)	150,000
<u>(305,783)</u>	CLOSING BALANCE OF CASH RESOURCES		<u>(135,489)</u>	<u>153,608</u>

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

Notes to the Financial Statements

1 Actual 2019	Rates Revenue	Actual 2020
3,387,101	General Rates	3,486,621
	Targeted Rates attributable to activities	
1,197,628	River, Drainage & Coastal Erosion	1,213,349
-	One District Plan	254,618
<u>1,139,433</u>	Regional Emergency Management	<u>1,174,500</u>
5,724,162	Total Rates Revenue	6,129,088
-	Rates Remissions	-
<u>5,724,162</u>	Rates Revenue net of remissions	<u>6,129,088</u>
2 Actual 2019	Revenues	Actual 2020
	Other Revenues	
550,739	Net gains/-losses on investment portfolio	497,074
52,822	Sundry Interest Income	-
-	Insurance Recoveries	947,994
(45,574)	Investment in Other Entities - Loss on Investment	-
(255)	Investment in Othe Entities	124,490
120,000	Commercial Property Revaluation	106,000
96,183	Income from investment property	96,183
<u>34,969</u>	Gains / -Losses on disposal property, plant, equipment	<u>16,707</u>
<u>808,884</u>		<u>1,788,448</u>
	Fees and Charges	
763,274	Resource Consents & Compliance Monitoring	817,163
3,912,175	Rendering of services (Business Unit income)	7,359,959
723,347	Sale of goods (Quarry rock)	442,120
65,934	Infringements & Fines	26,563
<u>273,388</u>	Other Fees & Charges	<u>691,507</u>
<u>5,738,118</u>		<u>9,337,312</u>
	Subsidies & Grants	
91,627	Land Transport NZ Govt Grants	111,215
-	Ministry of Business Innovation & Employment	162,132
	National Emergency Management Agency	1,183,675
551,125	Ministry Civil Defence & Emergency Mgmt	220,575
-	Local Government Commission	200,000
<u>642,752</u>		<u>1,877,597</u>
3(a) Actual 2019	Employee Benefit Expenses	Actual 2020
5,214,194	Salaries and wages	5,823,503
18,703	Increase in Annual Leave liability	109,812
2,155	Increase in Long Service Leave provision	7,451
3,340	Increase in Alternative Holidays Provision	1,655
13,424	Increase in Time in Lieu Liability	(2,396)
10,745	Increase in accrued payroll	(109,433)
<u>(36,247)</u>	(Decrease) in Accrued Bonus	<u>(15,190)</u>
<u>5,226,314</u>		<u>5,815,402</u>

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	
Councillors						
36,563	Chairman Councillor Birchfield	\$ 66,934				\$ 66,934
36,563	Councillor Ewen	\$ 44,026			\$ 308	\$ 44,334
36,563	Deputy Chairman Councillor Challenger	\$ 51,949			\$ 221	\$ 52,170
-	Councillor Cummings	\$ 35,961			\$ 237	\$ 36,198
-	Councillor Hill	\$ 35,961			\$ 2,662	\$ 38,623
-	Councillor Magner	\$ 35,961			\$ 427	\$ 36,387
-	Councillor McLaughlin	\$ 35,961			\$ 1,264	\$ 37,225
83,949	Chairman Clr Robb	\$ 23,267	\$ 320		\$ 867	\$ 24,455
42,536	Deputy Chairman Clr Clementson	\$ 12,569				\$ 12,569
45,343	Councillor Archer	\$ 9,966	\$ 1,600		\$ 1,146	\$ 12,712
36,563	Councillor McDonnell	\$ 11,112				\$ 11,112
318,080		\$ 363,667	\$ 1,920		\$ 7,132	\$ 372,719
257,281	Chief Executive	\$ 232,590		\$ 11,630	11,509	\$ 255,729
	7 Second Tier Managers	\$ 1,064,698		\$ 38,015	15,600	\$ 1,118,314
1,072,550	8 Second Tier Managers	\$ -				
1,647,911		\$ 1,660,955	\$ 1,920	\$ 49,645	34,242	\$ 1,746,762

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

		@ 30/06/20
<\$60,000		30
>\$60,000	<\$80,000	18
>\$80,000	<\$100,000	10
>\$100,000	<\$140,000	10
>\$140,000	<\$260,000	6
>\$260,000	<\$280,000	1
		75
Full time		59
Part time (Full time equivalent)		5
		@ 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
		68
Full time		58.6
Part time (Full time equivalent)		4.7

4 Actual 2019	Other Expenses	Actual 2020
-	Minimum Lease payments Operating Leases	6,164
-	Impairment of Associate	696,611
<u>7,810,931</u>	Other Operating expenses	<u>10,779,635</u>
<u>7,810,931</u>		<u>11,482,410</u>

5 Actual 2019	Finance Costs	Actual 2020
328,612	Interest on borrowings	176,840
<u>(39,321)</u>	Interest Rate Swap losses (gains)	<u>-</u>
<u>289,291</u>		<u>176,840</u>

6 Actual 2019 Cash at bank and in hand/(Overdraft)	Actual 2020
<u>(305,783) Cash at bank and in hand</u>	<u>(135,489)</u>
<u>(305,783)</u>	<u>(135,489)</u>

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

7 Actual 2019 Trade and Other Receivables	Actual 2020
427,921 Rates Receivables	611,819
832,855 Other Receivables	910,074
2,259,984 Other Receivables accrued	2,162,844
212,061 Prepayments	150,450
39,283 Unbilled Revenue	60,004
<u>3,772,104</u>	<u>3,895,192</u>
<u>(22,814) Less provision for impairment of receivables</u>	<u>(41,146)</u>
<u>3,749,290</u>	<u>3,854,046</u>
- Non current	263,880
3,749,290 Current	3,854,046
<u>3,749,290</u>	<u>4,117,926</u>
955,687 Receivables from Non-Exchange Transactions - (This includes outstanding amounts on rates)	1,754,905
2,793,602 Receivables from Exchange Transactions - (This includes outstanding amounts for fees and charges that are not subsidised by rates)	2,363,020

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

Actual 2019	Actual 2020
23,793 @ 1 July	22,814
(979) Additional provision made during year.	18,332
- Receivables written off during period.	-
<u>22,814 @ 30 June</u>	<u>41,146</u>

8 Inventories	Actual 2020
Actual 2019	
63,407 Poison and pest supplies	59,246
220,448 Rock in Quarries	152,530
5,284 Stationary and Office supplies	13,026
<u>289,139</u>	<u>224,802</u>

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

9 Non Current assets held for sale	Actual 2020
Quarry Development Capitalised Costs	79,665
Inventory	126,000
Mining Rights	140,881
	<u>346,546</u>

The Whataroa Quarry was held for sale at 30 June 2020 with a sale on the 20th July 2020. There is a Future Quarry Restoration liability of \$140,881 held for sale.

10 Actual 2019	Other Financial Assets	Actual 2020
	Current	
1,149,429	Financial Assets at fair value through profit or loss	757,526
-	Financial Assets at fair value through equity	-
-	Held to maturity investments	-
-	Loans PCR LP	27,516
56,379	Loans - Warm West Coast	46,008
1,205,808		831,050
	Non Current	
9,700,710	Financial Assets at fair value through profit or loss	9,613,858
-	Financial Assets at fair value through equity	-
-	Held to maturity investments	-
217,092	Loans - Warm West Coast	123,851
-	Loans - PCR LP	347,267
9,917,802		10,084,976
11,123,610	Total Current and Non Current	10,916,025
	By Asset Class	
5,621,868	Fixed Interest	5,192,180
2,752,516	Australasian Equities	2,702,550
2,331,665	International Equities	2,315,422
273,471	Loans	544,642
89,600	LGFA Borrower Notes	105,600
54,490	Property Equities	55,633
-	Alternative Asset Classes	-
11,123,610		10,916,027

Council lent \$374,783 to its Associate Pest Control Research Limited Partnership (the tenant of 8 Centrum land, Rolleston) to fund specialised lease improvements carried out at 8 Centrum Land Rolleston. The Loan is repayable over 10 years from 30 June 2020 at 6.5% and Council received a monthly specialised lease improvement rental to fund the repayments.

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.

11 Property, Plant and equipment

2020	Cost/revaln	Accumulated	Carrying	Additions	Disposals	Impairment	Tsfr	Deprn	Depreciation	Revaluatio	Cost/	Accumulated	Carrying
	1 July 19	Depreciation/	amount								Revaln	Deprn/Impairment	amount
	1 July 19	Impairment	1 July 19				on disposal		Surplus		30 June 20	30 June 20	30 June 20
Land	1250000	0	1250000	0	0	0	0	0	0	0	1250000	0	1250000
Quarry Development	1093497	-52232	1041265	7143	-230436	0	9890	-25583	0	0	870204	-67925	802279
Buildings	1537228	-521035	1016193				315	-31749			1537228	-552469	984759
Plant & equipment	2507380	-1685635	821745	468817	-8010	0	1185	-219453			2968188	-1903903	1064284
Vehicles	1011275	-452310	558965	205806	-139956		125947	-148350			1077124	-474713	602411
	7399380	-2711212	4688168	681766	-378402	0	137337	-425135	0	0	7702744	-2999010	4703733

Land with a carrying value of \$220,546 was held for sale @ 30 June 2020

Council Infrastructure Assets

River, Drainage & Coastal Protection Assets

Canavans Knob	349549	0	349549	0	0	0	0	0	0	0	349549	0	349549
Coal Creek	2867810	0	2867810	0	0	0	0	0	386190	0	3254000	0	3254000
Franz Josef	3159695	0	3159695	108974	0	0	0	0	1047331	0	4316000	0	4316000
Inchbonnie	3606817	0	3606817	35150	0	0	0	0	459033	0	4101000	0	4101000
Kaniere	636262	0	636262	57938	0	0	0	0	77801	0	772001	0	772001
Karamea	6168894	0	6168894	114722	0	0	0	0	2646384	0	8930000	0	8930000
Kongahu Swamp	1348773	0	1348773	0	0	0	0	0	62227	0	1411000	0	1411000
Kowhitirangi	4728236	0	4728236	0	0	0	0	0	797764	0	5526000	0	5526000
Lower Waiho	3361666	0	3361666	1878418	0	0	0	0	3483916	0	8724000	0	8724000
Matainui Creek	64425	0	64425	0	0	0	0	0	26575	0	91000	0	91000
Nelson Creek	3986453	0	3986453	0	0	0	0	0	-16453	0	3970000	0	3970000
Raft Creek	315750	0	315750	0	0	0	0	0	22250	0	338000	0	338000
Redjacks	959955	0	959955	0	0	0	0	0	35045	0	995000	0	995000
Taramakau Settlement	10356125	0	10356125	0	0	0	0	0	257875	0	10614000	0	10614000
Vine Creek	2182655	0	2182655	0	0	0	0	0	462345	0	2645000	0	2645000
Waitangitaona	2896836	0	2896836	110490	0	0	0	0	789674	0	3797000	0	3797000
Wanganui	16628831	0	16628831	361962	0	0	0	0	1616207	0	18607000	0	18607000
Okuru	875847	0	875847	0	0	0	0	0	121153	0	997000	0	997000
Hokitika South Bank	793722	0	793722	0	0	0	0	0	134278	0	928000	0	928000
Punakaiki	3511632	0	3511632	0	0	0	0	0	621368	0	4133000	0	4133000
Hokitika Seawall	2531538	0	2531538	197350	0	0	0	0	594111	0	3322999	0	3322999
	71331471	0	71331471	2865004	0	0	0	0	13625074	0	87821549	0	87821549
TOTAL	78730851	-2711212	76019639	3546770	-378402	0	137337	-425135	13625074	0	95524293	-2999010	92525282

Council Operational Assets

2019	Cost/revaln 1 July 2018	Accumulated Depreciation/ Impairment 1 July 18	Carrying amount 1 July 18	Additions	Disposals	Current year impairment	Tsfr Deprn on disposal	Depreciation	Revaluatio Surplus	Cost/ Revaln 30 June 19	Accumulated Deprn/Impairment 30 June 19	Carrying amount 30 June 19
Land	1437080	0	1437080	0	-126080				-61000	1250000	0	1250000
Quarry Development	920957	-35120	885837	172540				-17112		1093497	-52232	1041265
Buildings	1538773	-502136	1036637	10455	-12000		12000	-30899		1537228	-521035	1016193
Plant & equipment	2747262	-2065736	681526	344552	-584434		568934	-188833		2507380	-1685635	821745
Vehicles	956707	-561740	394967	414820	-360251		263678	-154248		1011276	-452310	558965
	7600779	-3164732	4436047	942367	-1082765	0	844612	-391092	-61000	7399381	-2711212	4688168

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 Settler	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

Total	66240196	-3164732	63075464	2216955	-1082765	0	844612	-391092	11356466	78730852	-2711212	76019639
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12 Intangible Assets

2020	Cost	Accumulated Amortisation/ Impairment	Carrying Amount	Current year additions	Current year disposals	Current year impairment	Tsfr Deprn on disposa	Current year amortisation	Revaluation Surplus	Cost/ Revaln	Accumulated Deprn/Impairment	Carrying amount
	1 July 19	1 July 19	1 July 19							30 June 20	30 June 20	30 June 20
Computer Software	333524	-221130	112394	0	0	0	0	-33444		333524	-254574	78950
	333524	-221130	112394	0	0	0	0	-33444	0	333524	-254574	78950

Intangible Assets

2019	Cost	Accumulated Amortisation/ Impairment	Carrying Amount	Current year additions	Current year disposals	Current year impairment	Tsfr Amorti on disposa	Current year amortisation		Cost/ Revaln	Accumulated Amortisation/ 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
	369742	-223996	145746	0	-36218	0	36218	-33352	0	333524	-221130	112394

13	Investment Property	Actual 2020
	Balance @ 1 July	1,600,000
	Additions from acquisitions	-
	Additions from subsequent expenditure	-
	Disposals	-
	Transfer to inventory	-
	Fair value gains / -losses on valuation	106,000
	Closing Balance 30 June	<u>1,706,000</u>

Investment properties are valued annually effective at 30 June to fair value in accordance with PBE IPSAS 16. Gary Sellars FNZIV, FPINZ, an independent registered valuer from Colliers International Valuation (ChCh) Limited, performed the most recent valuation. Colliers International Valuation (ChCh) Limited is an experienced valuer with extensive market knowledge in the type and location of investment property owned by the West Coast Regional Council. The valuer has highlighted there is currently material valuation uncertainty caused by the Covid-19 pandemic.

14	Actual 2019	Depreciation and Amortisation Expense by Groups of Activities	Actual 2020
		Required by Local Government (Financial Reporting) Regulations 2011	
	5,033	Economic Development Office	-
	22,186	Resource Management	31,556
	-	Transport	-
	50,614	Hydrology and Floodwarning Services	49,246
	22,590	Emergency Management	26,039
	29,602	River, Drainage & Coastal Protection	13,352
	79,354	Vector Control Services Business Unit	72,871
	-	Quarries	25,583
	541	Other	543
	<u>209,921</u>		<u>219,190</u>
	214,523	Corporate (not directly related to Groups of Activities)	239,389
	<u>424,443</u>		<u>458,579</u>

15 Statement of Significant Capital Acquisitions

Actual 2019	Group of Activities	Type	Actual 2020	Budget 2020
\$ -	Hydrology	Plant	Improve level of service	\$ 10,917 \$ 40,000
\$ 65,927	Hydrology	Plant	Replacement existing	\$ 59,321 \$ 120,000
\$ 21,079	Water Quality	Plant	Replacement existing	\$ - \$ -
	Water Quality	Plant	Improve level of service	\$ 51,214 \$ -
\$ 71,518	Air Quality	Plant	Replacement existing	\$ - \$ 10,000
\$ 118,091	Emergency Management	Plant	Improve level of service	\$ 145,107 \$ -
\$ -	Emergency Management	Vehicles	Replacement existing	\$ 37,096 \$ 45,000
\$ 8,990	VCS Business Unit	Plant	Replacement existing	\$ - \$ -
\$ -	VCS Business Unit	Infrastructure	Replacement existing	\$ - \$ 150,000
\$ -	VCS Business Unit	Plant	Replacement existing	\$ - \$ 30,000
\$ 241,518	VCS Business Unit	Vehicles	Replacement existing	\$ 48,175 \$ 60,000
\$ -	VCS Business Unit	Vehicles	Improve level of service	\$ 1,935 \$ -
\$ 8,917	River, Drainage, Coastal	Plant	Replacement existing	\$ - \$ -
\$ 218,847	River, Drainage, Coastal	Infrastructure	Improve level of service	\$ - \$ 400,000
\$ -	River, Drainage, Coastal	Infrastructure	Improve level of service	\$ - \$ -
\$1,055,741	River, Drainage, Coastal	Infrastructure	Replacement existing	\$ 2,865,494 \$ -
\$ 172,540	River, Drainage, Coastal	Quarry	Improve level of service	\$ 7,143 \$ -
<u>\$1,983,168</u>				<u>\$ 3,226,402 \$ 855,000</u>
Not directly related to Groups of Activities				
\$ 90,912	Corporate	Plant	Replacement existing	\$ 97,246 \$ 100,000
\$ 8,411	Corporate	Plant	Improve level of service	\$ 72,597 \$ -
\$ 10,455	Corporate	Land-Impts	Improve level of service	\$ 19,111 \$ -
\$ 64,896	Corporate	Plant	Improve level of service	\$ 12,814 \$ -
\$ 3,902	Corporate	F&F	Replacement existing	\$ - \$ -
\$ -	Corporate	Plant	Replacement existing	\$ - \$ -
\$ 55,210	Corporate	Vehicles	Replacement existing	\$ 118,600 \$ 120,000
<u>\$ 233,787</u>				<u>\$ 320,368 \$ 220,000</u>
<u>\$2,216,955</u>				<u>\$ 3,546,770 \$ 1,075,000</u>
SUMMARY				
\$ 420,700		Improve level of service	\$ 320,838	\$ 440,000
<u>\$1,796,255</u>		Replace existing	<u>\$ 3,225,932</u>	<u>\$ 635,000</u>
<u>\$2,216,955</u>			<u>\$ 3,546,770</u>	<u>\$ 1,075,000</u>

16 Actual 2019 Trade and Other Payables	Actual 2020
1,685,847 Trade Payables	1,219,371
1,453,761 Deposits and bonds	1,805,684
72,000 Accrued Expenses	207,633
- Other Revenue in Advance	290,756
112,694 Rates in advance	138,205
- Due to related parties	-
<u>3,324,302</u>	<u>3,661,649</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 values.

17 Actual 2019 Employee Benefit Liabilities	Actual 2020
148,685 Accrued payroll	39,252
- Other	-
305,751 Annual Leave	255,368
26,813 Long Service Leave	34,264
33,978 Time in Lieu	31,582
14,453 Alternative Holidays	16,109
15,190 Accrued bonus provision	83,227
<u>544,870</u>	<u>459,802</u>
544,870 Current	459,802
- Non Current	-
<u>544,870</u>	<u>459,802</u>

18 Actual 2019 Borrowing	Actual 2020
<u>2,909,996</u> Current	<u>2,890,000</u>
2,909,996	2,890,000
<u>5,600,000</u> Non Current	<u>6,600,000</u>
5,600,000	6,600,000
<u>8,509,996</u> Total Borrowings	<u>9,490,000</u>

Security - All bank borrowing is secured to LGFA and secured over the DTD. Finance Lease Liabilities are effectively secured as the rights to the leased asset revert to the Lessor in the event of default.

Facility - The Multi option credit line is for a total of \$2,000,000 and expires on 1 July 2021.

19 Actual 2019 Investment in Associate @ 30 June (49%)	Actual 2020
<u>943,174</u> Investment in Pest Control Research LP	<u>414,248</u>

20 Actual 2019 Investment in Other Entities @ 30 June (4%)	Actual 2020
<u>207,947</u> Investment in Regional Software Holdings Ltd	<u>193,486</u>

21 Actual 2019 Equity**Actual 2020**

a	Ratepayers Equity		
	17,902,816	Balance 1 July	18,880,001
	(412,620)	Surplus / (deficit) transferred	1,657,793
	349,656	Transfers (to)/from Rating District Equity	(18,399)
	234,000	Transfers (to)/from Investment growth reserve	-
	806,149	Transfers (to)/from Catastrophe Fund	-
	<u>18,880,001</u>	Balance 30 June	<u>20,519,395</u>
		Rating District Equity (River, Drainage & Coastal Protection Schemes)	
b	2,807,695	Balance 1 July	2,458,040
	2,063,980	Revenue	4,125,917
	(2,200,007)	Expenditure	(4,501,405)
	-	Insurance Claim excess credited	187,834
	-	Loan Raised	460,000
	(213,628)	Loan Principal repaid	(253,948)
	<u>2,458,040</u>	Balance 30 June	<u>2,476,438</u>

Rating District Equity represents the unspent credit balance with regard to the 26 River, Drainage & Coastal

Asset Revaluation Reserves

c	Infrastructure Assets		
	38,339,289	Opening Balance	49,756,755
	11,417,466	Revaluation gains / (losses)	13,625,074
	<u>49,756,755</u>		<u>63,381,829</u>
		Land	
	-	Opening Balance	-
	-	Revaluation gains / (losses)	-
	<u>-</u>		<u>-</u>
	<u>49,756,755</u>	Total Revaluation Reserve	<u>63,381,829</u>
d	Investment Growth Reserve		
	9,815,000	Balance 1 July	9,581,000
	(234,000)	Transfer (to) / from Ratepayers Equity	-
	<u>9,581,000</u>	Balance 30 June	<u>9,581,000</u>
e	Catastrophe Fund		
	1,040,130	Balance 1 July	233,981
	(806,149)	Transfer (to) / from Ratepayers Equity	-
	<u>233,981</u>	Balance 30 June	<u>233,981</u>

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

22. COVID

On 31 December 2019 China alerted the World Health Organisation to the outbreak of a virus, now commonly referred to as Covid-19. The outbreak was declared a pandemic on 11 March 2020. The New Zealand Government declared a State of National Emergency on 25 March 2020. The next day the country was put into Alert Level 4 and effectively lockdown. On 28 April 2020, the Alert Level was reduced to Level 3, and then further reduced to Level 2 on 14 May 2020. The country moved to Level 1 on 9 June 2020.

Overall, the Council assessed that Covid-19 has had minimal impact on the financial and operational results for the year ended 30 June 2020. Lock down slowed down the Capital project delivery programme for a short period of time. Performance in some individual activity areas was also impacted.

Council activities in Engineering Consents and Compliance were considered essential services and remained in operation with strict health and safety protocols following the guidance provided by Central Government's Covid-19 Taskforce. For full details of the impact on activity performance and the work Council undertook, refer to the statement of service performance on pages 38 – 55. While the lockdown and potential future impacts of Covid-19 may negatively impact residents' ability to pay rates in the future, as at 30 June 2020 this was not the case.

23. Significant Post Balance Date Events

The Council's investment property portfolio was revalued as at 30 June 2020. The valuer has highlighted there is currently a material valuation uncertainty caused by the Covid-19 pandemic. Refer to Note 13 of this report.

Provincial Growth Fund

Post 30 June 2020 Council has received approval for \$6,075,000 in funding for capital projects from the Provincial Growth Fund (PGF) outside what has been planned for 2020/2021. Funding agreements were signed during November for the below projects:

- \$3,750,000 for Hokitika Flood and Coastal Erosion Protection with co-funding from West Coast Regional Council of \$3,200,000. This work is expected to be completed no later than July 2022.
- \$1,950,000 for Mawhera Quay Flood Protection wall upgrade with co-funding from West Coast Regional Council of \$650,000. This work is expected to be completed no later than January 2022.
- \$375,000 for Westport (Buller River) Flood Warning System with co-funding from West Coast Regional Council of \$155,000. This work is expected to be completed no later than November 2021.

Investment in other Entities

On 4 December 2020 Council sold its 49% interest in Pest Control research Limited Partnership to the 51% majority shareholder for \$1. As the subscribed capital sold had a value of \$696,612 this resulted in a loss of \$696,611. This loss is included in the Statement of Comprehensive Revenue and Expense for the year to 30 June 2020 on page 19.

Council share of retained profits at 31 March 2020 less share of loss 1 April to 31 October 2020 were paid out to Council on 4 December 2020.

The total payment received on 4 December 2020 amounted to \$379,237

24. Contingent Liabilities @ 30 June 2020

Council is the subject of a claim for >\$30,000,000 by Scenic Circle Hotel Group Limited. The claim is denied and will be defended by Council with the backing of its public liability insurer. (2019 \$30,000,000)

25. Contingent Assets @ 30 June 2020

Contingent assets were valued at \$157,025 as per note 26 Related Part Transaction (2019 \$157,025).

26. Related Party Transaction

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

VCS Business Unit will recover the costs of the resource consent and various marketing costs (\$157,025 @ 30 June 2020) + 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 2019/20 no costs were incurred by VCS Business unit with regard to this consent.
(2018/19 \$Nil)

27. Severance Payments

There were no severance payments made to 30 June 2020. (2019 \$nil)

28. Future Quarry Restoration Liability at 30 June 2020

Assessed liability as at 30 June 2020 \$442,802. This liability is calculated using a net present value approach to discounting future cash flows. (2019 \$576,540)

(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 13-48 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 29

Actual 2019		Actual 2020
398,000	Opening Balance 1 July 2019	576,540
	<i>Additions to the provision</i>	
172,540	Change to Discount Rate	-
	Disposal of Permit	(140,881)
6,000	Time Value Adjustment	7,143
<u>576,540</u>	Closing Balance 30 June 2020	<u>442,802</u>

30. 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 1.10% to 2.28% 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 13-48 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.

31. 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 was not 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;

Impact of impact on a \$200,000 CV dwelling		
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)
Net impact on a \$200,000 CV dwelling	+	\$11.74 GST inclusive

32. 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 2019	22,319
(b)	The total capital value of these rating units as at 30 June 2019	\$7,329,860,425
(c)	The total land value within the West Coast region as at 30 June 2019	\$3,727,821,500

33. Information regarding Insurance of Assets as at 30 June 2020

(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.	\$5,581,474
	Buildings are insured for replacement values	\$8,261,600
	Plant & Equipment is insured for indemnity value	\$800,000
	Motor Vehicles are insured for market value	\$884,900
	Inventory is insured for indemnity value	\$200,000
(b)	Total value of assets that are covered by risk sharing arrangements	\$87,821,549
(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	Progress Achieved		
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.	<u>Councillor</u>	<u>Attendance</u>	<u>%</u>
			Robb	4 out of 5	80%
			Clementson	3 out of 5	60%
			Archer	3 out of 5	60%
			McDonnell	5 out of 5	100%
			Birchfield	17 out of 17	100%
			Ewen	17 out of 17	100%
			Challenger	16 out of 17	94%
			Cummings	12 out of 12	100%
			Magner	12 out of 12	100%
			Hill	12 out of 12	100%
			Coll McLaughlin	12 out of 12	100%
	Compliance with statutory timeframes	Prepare and notify the Council's Annual Plan Statement of Proposal by 31 May each year, and the Annual Report by 31 October, in accordance with the procedures outlined in the Local Government Act 2002.	Achieved. The audited Annual Report for the year to 30 June 2019 was adopted by Council at a Special Council meeting on 31 October 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 2019 and were again in March 2020, contained the usual newsletters. Council's website/social media continues to be updated whenever submissions are invited on new or revised policy documents.		

<p>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</p>	<p>Attendance of Iwi appointees at Resource Management Committee meetings</p>	<p>Continue to invite attendance of Te Rūnanga o Makaawhio and Te Rūnanga o Ngāti Waewae representatives as appointees to the Council's resource management committee, to enable Maori participation in resource management decision-making.</p>	<p>Achieved. Council has continued to invite both Te Rūnanga o Makaawhio and Te Rūnanga o Ngāti Waewae representatives to attend all Resource Management Committee meetings.</p>
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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	Progress Achieved			
To maintain or enhance water quality in the West Coast's rivers	<p>State of the Environment Monitoring: 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>Maintaining or improving trends for these parameters.</p> <p>Improvements of these parameters, when compared with a baseline of 1996 data on water quality.</p>		% improving	% declining	% no change
			Ammonia	54	0	46
			FC's	8	21	72
			Turbidity	21	8	72
			Clarity	21	15	64
			Periphyton	93	7	0
			<p>These are the results from Winter 2020 Data for the end of March 2020 was unable to be processed by the Laboratory due to the Covid-19 Lockdown.</p>			
			<p>Note:</p>			
			<p>(1) Periphyton is assessed by comparing the current rolling 5 year mean with a baseline 2002 – 2006 mean.</p>			
			<p>(2) For ammoniacal nitrogen, clarity, turbidity, and faecal coliforms, trends are assessed using Seasonal Kendal trend testing (4 seasons beginning in March, no medians). Only sites with 20 or more data points will be considered for this assessment.</p>			
			<p>An important change is one that has: a P value of less than 0.05, and a percent annual change of the median of more than 1%. The whole data record is used for each site.</p>			

Levels of Service	Measure	Performance Target	Progress Achieved
To maintain or enhance water quality in the West Coast's rivers	Compliance Monitoring for Discharges: 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.	All significant consented discharges ¹ are monitored at least annually, and all dairy sheds at least every second year depending on individual compliance record. All non-compliances publicly reported to the Resource Management Committee and responded to using Council's Compliance & Enforcement Policy.	Partially achieved. All active mining operations have been inspected throughout the reporting period. This amounts to 275 mining inspections. Alluvial mines are inspected 6 monthly and coal mines 3 monthly. A total of 206 dairy inspections were undertaken a percentage of 55%. The target for dairy monitoring was not met due to staff turnover requiring the training of a new compliance officer and the Covid -19 lockdown. All non-compliances have been reported to RMC. The Council issued 78 formal enforcement actions relating to non-compliances.
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 TLI for Jan 2015 – December 2019 (latest results) is 2.78. Data for the end of March 2020 was unable to be processed by the Laboratory due to the Covid-19 lockdown.
Complete current regional plans to operative stage, and review them to maintain their community acceptability.	Statutory requirements for review	Compliance with statutory requirements for the review of Council's plans and strategies.	Achieved: The Regional Policy Statement became operative on 24 July 2020. Plan Change 1 to the Regional Land and Water Plan became operative on 22 October 2020, excluding the appeal on the Lake Kiri Schedule 2 wetland boundaries.

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

Levels of Service	Measure	Performance Target	Progress Achieved
Advocate for the West Coast interests when external environmental policymaking may affect the West Coast.	Number of submissions 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.	<p>On track, noting the significant amount of government consultation occurring at the moment.</p> <ul style="list-style-type: none"> • Aotearoa New Zealand Resource Strategy for Petroleum and Minerals 2019-2029 • Climate Change Response (Zero Carbon) Amendment Bill 2019 • Discussion Document on Proposals for a Biodiversity Strategy for Aotearoa New Zealand August 2019 • NPS Highly Productive Land • Action for Healthy Waterways Package • Draft Strategy - Aotearoa New Zealand Resource Strategy for Petroleum and Minerals 2019-2029 • Resource Management Amendment Bill • Resource Mgmt Reform: Opportunities for Change – Issues and Options Paper • Review of the Crown Minerals Act • Proposed National Policy Statement for Indigenous Biodiversity – joint subm with DC’s • RMA review – Issues and Options Paper • Proposed National Policy Statement for Indigenous Biodiversity • Improving Whitebait Management Te Whakapai ake I te whakahaere inanga Discussion Document • NES for Air Quality

Levels of Service	Measure	Performance Target	Progress Achieved
To maintain or enhance the life supporting capacity and amenity value of the West Coast's rivers	Stream ecosystem health: Instream macroinvertebrate community health (SQMCI) scores are measured at 29 river sites. The values for each site are calculated using five year rolling means and comparing them to baseline means calculated from data from 2005-2009.	Macroinvertebrate health index ² (SQMCI) mean is higher, or no more than 20% lower, than the baseline mean.	Not achieved. Three out of 29 sites have not met the criteria and have declined. (2019: five) Macroinvertebrate data is collected twice a year in spring and autumn. Macroinvertebrate are to an extent dynamic and respond to many environment factors such as climate variability, habitat and water quality. It is possible that a 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.
	Bathing beach sampling: 18 swimming sites are sampled, ten times per summer season (fortnightly) for E coli (moderate-high risk > 550) or Enterococci (moderate-high risk > 280). <i>[note – two more sites are added this term] (the sites were temporally increased to monitor additional areas that could potentially cause concern).</i>	Schedule swimming sites do not exceed the moderate-high risk threshold more than once during the summer sampling season.	Not achieved – Four out of 18 sites have not met the target. (2019:2) During the 2019-2020 season Hokitika Beach, Seven Mile Creek@SH6 Rapahoe, Grey River @ Taylorville swimming hole and Marrs Beach, exceeded the moderate-high risk category more than 10% of the time. E coli comes from all land, whether urban, agricultural or forest. Urban and agricultural land use normally lead to higher concentrations. 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. Investigations are continuing.

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

Levels of Service	Measure	Performance Target	Progress Achieved
To protect human health from adverse impacts of poor groundwater quality.	28 Wells are monitored at least twice annually, 24 of which are used for human consumption. The guideline of 11.3mg/L of nitrate is used to protect human health, particularly for babies. The data from the year is averaged before comparing against the 11.3mg guideline.	In wells used for human consumption, nitrate levels remain below the health guideline of 11.3 mg/L.	Achieved Averaged over Winter 2019 and Summer 2020 (Council was unable to gather samples for the winter period 2020 as the Covid-19 lockdown resulted in a backlog for external laboratory testing), all of 24 wells used for human consumption were within guidelines. (2019:24)
To protect human health from any adverse impacts of poor air quality in Reefton.	Reefton's air is monitored in accordance with the National Environmental Standard (NES) for air quality by measuring PM ₁₀ (airborne particles smaller than ten micrometers, which affect human respiration). The threshold is a 24hr mean PM ₁₀ of 50 micrograms/m ³ .	NES Requirement: 24hr PM ₁₀ values do not exceed the NES threshold more than three times in one year, between 2016 & 2020; whereas after 2020 only 1 exceedance per year is allowed.	Not achieved. There have been two 24 hr PM ₁₀ averages over 50 ug/m ³ to date (23/7/20). This is an exceedance of the National Environmental Standard for Air Quality in Winter 2020.
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 and non-urgent complaints within 5 working days in accordance with Council's Compliance & Enforcement Policy.	Achieved. The 24 hour complaints service is operational with compliance staff rostered for on call. There were 212 complaints/incidents received which resulted in 133 site visits.

Levels of Service	Measure	Performance Target	Progress Achieved
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 ³ within 20 working days of receipt.	99% Achieved All resource consent applications except one were processed within the RMA timeframes. One consent was outside of timeframes and discounting applied. There were 101 work programmes received, all of the work programmes were processed within 20 days.
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 10 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. Five incidents were attended over the year.

³ 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) to access funding from the national land Transport fund

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	Progress Achieved
Maintain a Regional Land Transport Plan in compliance with relevant legislation and is acceptable to our 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 RLTP was made operative in 2018. Variations to this document are made as required to ensure that transport activities can be undertaken in a timely manner.

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	Progress Achieved
Continue to provide flood warning to assist communities to assess risk of impending floods, for the six rivers (Karamea, Mokihinui, Buller, Grey, Hokitika, and Waiho).	Staff response to high flow events.	Provide flood monitoring service for the six rivers monitored (Karamea, Buller, Mokihinui, Grey, Hokitika, Waiho) and respond in accordance with the floodwarning manual.	Achieved. Calls were made alerting necessary parties as required by the Flood Warning Manual. Provide flood monitoring service for rivers monitored (Karamea, Buller, Mokihinui, Grey, Hokitika and Waiho) and respond by attempting to contact identified relevant parties for each river as necessary.
	Availability of information about high flow events.	Ensure data on river levels (Karamea, Buller, Grey, Hokitika, Waiho, Mokihinui) is available on the Council website (updated 12 hourly, or 3-hourly during flood events) > 90% of the time.	Achieved. As part of the hydrology monitoring system data is automatically updated on the Council website for the Karamea, Buller, Mokihinui, Grey, Hokitika and Waiho key flood warning sites at intervals more frequent than 12 hourly or 3-hourly during flood events.

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 current West Coast CDEM Group Plan dated November 2015, replaced the earlier 2010 version. A review of the current plan must commence before October 2021.

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.

Levels of Service	Measure	Performance Targets	Progress Achieved
<p>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.</p>	<p>Civil Defence Plan always operative.</p>	<p>Compliance with statutory requirements for the preparation, review and implementation of the Group CDEM Plan.</p>	<p>This was not achieved in 2020. We will have commenced work on the project plan to review the Group plan. The first iteration of changes that don't require public consultation will take place in 2020. This includes a number of minor updates and roles changes that have occurred in the last 12 months. In 2021 a full work programme to substantially review plan will take place. This falls well within the required timeframes to have commenced work on the review by October 2021.</p>

Levels of Service	Measure	Performance Targets	Progress Achieved
<p>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.</p>	<p>Number of trained staff</p>	<p>Ensure at least 30 Council staff are trained as Emergency Coordination Centre (ECC) personnel so that we have three shifts of ECC staff trained and exercised in case of a regional emergency.</p>	<p>We were unable to ensure 30 council staff are trained as Emergency Coordination Centre personnel for this financial year. There were 25 staff in total trained in the 2020 year. We have held EOC, Welfare Function, and CIMS 4 course in the first six months with good participation from Regional Council staff.</p> <p>Our training programme for 2020 was interrupted by the Covid-19 response activation. However, the activation for the December flooding and road closures, in addition to the large contingent deployed for the Covid-19 response, saw WCRC staff support the response efforts and get valuable experience.</p> <p>We would be challenged to have three shifts of ECC staff utilizing only WCRC staff. For recent events we have been able to join up with staff from either Grey or Westland Districts to ensure we have sufficient resourcing. A more strategic approach is required to ensure more widespread availability of trained staff.</p>

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	Progress Achieved
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 were 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.

Levels of Service	Measure	Performance Targets	Progress Achieved
<p>Meet or exceed the flood protection, drainage or erosion protection levels as described in the levels of service described in the Long Term Plan.</p>	<p>Completion of rating district inspections, works reports and consultation meetings (where material works are proposed).</p>	<p>Complete all asset inspections, works reports, and rating district meetings. Perform all capital and maintenance works as agreed at those meetings.</p>	<p>Achieved</p> <p>All inspections were undertaken before the 2019 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"> • Karamea • Coal Creek • Vine Creek • Nelson Creek • Kongahu • Inchbonnie • Taramakau • Raft Creek • Kowhitirangi • Franz Josef • Waitangitoana • Lower Waiho • Wanganui • Greymouth Floodwall • Kaniere • Punakaiki • Hokitika Seawall

Levels of Service	Measure	Performance Targets	Progress Achieved
Meet or exceed the flood protection, drainage or erosion protection levels as described in the levels of service described in the Long Term Plan.	Proportion of schemes performing to their agreed service level.	Monitor all rating district infrastructural assets to ensure they perform to the service level consistent with the Asset Management Plan of each Rating District, or whatever level the community has decided is an acceptable risk.	Achieved. Infrastructure is re-inspected following heavy rainfall events to ensure it will perform to agreed service levels.
	Meet timeframes for plan review	Review Rating District Asset Management Plans every third year, or earlier where information indicates a significant change from what is stated in the Plan.	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: None

Levels of Service	Measure	Performance Targets	Progress Achieved
To produce a financial surplus (to offset general rates) by tendering for & delivering on vector control contracts and other contracts.	Achieve or exceed budgeted financial return	Tender for, and win, sufficient contracts to provide or exceed the annual budgeted return to Council.	Achieved. The budgeted Financial Return was \$520,000 (\$4,046,000 Income less \$3,526,000 expenditure). The actual return was \$1,514,085 (Income \$7,435,710 less expenditure of \$5,921,625)
To provide marine oil spill and terrestrial hazardous substance spill support, and biosecurity response services for the MNZ, MAF 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. All staff available for spill events have received the necessary training.
	Availability of trained staff	Have 4 staff plus a vehicle available for biosecurity emergencies, as per the National Biosecurity Capability Network agreement 2011.	Achieved. All staff available for biosecurity emergencies have received the necessary training.

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

Long Term Plan 2018/19	Annual Report 2018/19		Annual Plan 2019/20	Annual Report 2019/20
West Coast Regional Council				
Sources of Funding				
3,880,000	3,387,101	General Rates	3,930,000	3,932,278
1,899,422	2,337,061	Targeted Rates	2,173,421	2,196,810
82,330	642,760	Subsidies & Grants	83,000	531,790
5,902,675	5,740,510	Fees & Charges	6,050,294	9,050,311
846,183	688,882	Income from Investments	1,466,980	717,747
		Fines, Infringement Fees & Other Receipts		0
12,610,610	12,796,314	Total Operating Funding (A)	13,703,695	16,428,936
Applications of Operating Funding				
12,552,913	12,485,356	Payments to staff and suppliers	12,607,315	16,142,622
241,515	313,452	Finance costs	239,880	176,840
		Other operating funding applications		0
12,794,428	12,798,808	Total Applications of operating funding (B)	12,847,195	16,319,462
-183,818	-2,494	Surplus (deficit) of Operating Funding (A) - (B)	856,500	109,474
Sources of Capital Funding				
		Subsidies and Grants		1,345,807
		Development and Financial Contributions		0
62718	85388	Other dedicated capital funding		1,327,626
142,900	624,902	Increase (decrease) in debt	-37,892	980,000
39,432	147,043	Gross Proceeds Sale assets		0
		Lump sum contributions		0
245,050	857,333	Total Sources of capital funding (C)	-37,892	3,653,433
Applications of capital funding				
		Capital expenditure-additional demand		0
57,800	356,185	Capital expenditure-improved levels of service	0	321,237
582,124	1,623,715	Capital expenditure-replace existing assets	1,075,000	3,225,442
-23,653	400,422	Increase (decrease) in investments	-230,000	-528,971
-555,040	-1,525,483	Increase (decrease) in reserves	-26,392	745,198
61,231	854,839	Total applications of capital funding (D)	818,608	3,762,907
183,818	2,494	Surplus (Deficit) of Capital Funding (C) - (D)	-856,500	-109,474
0	0	Funding Balance (A - B) + (C - D)	0	0

Long Term Plan 2018/19		Long Term Plan 2019/20	Annual Report 2019/20
Governance			
Sources of Funding			
333,484	General Rates	357,314	375,111
	Rates Penalties		0
	Targeted Rates		0
	Subsidies & Grants		0
	Fees & Charges		16,707
	Internal Charges & Overheads Recovered		
82,271	Fines, Infringement Fees & Other Receipts	139,127	77,219
415,755	Total Operating Funding (A)	496,441	469,037
Applications of Operating Funding			
208,023	Payments to staff and suppliers	256,157	291,140
76,512	Finance costs	72,900	113,642
43,398	Internal charges and overheads applied	43,471	67,964
	Other operating funding applications		
327,933	Total Applications of operating funding (B)	372,528	472,745
87,822	Surplus (deficit) of Operating Funding (A) - (B)	123,913	-3,708
Sources of Capital Funding			
	Subsidies and Grants		0
	Development and Financial Contributions		0
-136,527	Increase (decrease) in debt	-138,593	0
39,432	Gross Proceeds Sale assets	16,510	0
	Lump sum contributions		
-97,095	Total Sources of capital funding (C)	-122,083	0
Applications of capital funding			
	Capital expenditure-additional demand		
	Capital expenditure-improved levels of service	0	105,012
157,124	Capital expenditure-replace existing assets	70,640	215,846
-23,653	Increase (decrease) in reserves	-477,435	204,405
-142,744	Increase (decrease) in investments	408,625	-528,971
-9,273	Total applications of capital funding (D)	1,830	-3,708
-87,822	Surplus (Deficit) of Capital Funding (C) - (D)	-123,913	3,708
	0 Funding Balance (A - B) + (C - D)	0	0

Long Term Plan 2018/19	Transport	Long Term Plan 2019/20	Annual Report 2019/20
Sources of Funding			
84,240	General Rates	84,278	116,166
	Rates Penalties		0
	Targeted Rates		0
82,330	Subsidies & Grants	84,073	111,216
	Fees & Charges		0
	Internal Charges & Overheads Recovered		0
20,782	Fines, Infringement Fees & Other Receipts	32,815	23,914
187,352	Total Operating Funding (A)	201,166	251,296
Applications of Operating Funding			
138,229	Payments to staff and suppliers	141,156	148,933
	Finance costs		0
65,362	Internal charges and overheads applied	66,770	47,706
	Other operating funding applications		0
203,591	Total Applications of operating funding (B)	207,926	196,639
-16,239	Surplus (deficit) of Operating Funding (A) - (B)	-6,760	54,657
Sources of Capital Funding			
	Subsidies and Grants		
	Development and Financial Contributions		
	Increase (decrease) in debt		
	Gross Proceeds Sale assets		
	Lump sum contributions		
0	Total Sources of capital funding (C)	0	0
Applications of capital funding			
	Capital expenditure-additional demand		
	Capital expenditure-improved levels of service		0
	Capital expenditure-replace existing assets		0
-16,239	Increase (decrease) in reserves	-6,760	54,657
-16,239	Total applications of capital funding (D)	-6,760	54,657
16,239	Surplus (Deficit) of Capital Funding (C) - (D)	6,760	-54,657
0	Funding Balance (A - B) + (C - D)	0	0

Long Term Plan 2018/19	Resource Management	Long Term Plan 2019/20	Annual Report 2019/20
Sources of Funding			
1,686,717	General Rates	1,660,330	1,909,332
	Rates Penalties		0
	Targeted Rates		254,618
	Subsidies & Grants		200,000
1,333,384	Fees & Charges	1,361,617	842,163
	Internal Charges & Overheads Recovered		0
416,114	Fines, Infringement Fees & Other Receipts	646,480	393,050
<u>3,436,215</u>	Total Operating Funding (A)	<u>3,668,427</u>	<u>3,599,164</u>
Applications of Operating Funding			
1,535,845	Payments to staff and suppliers	1,517,760	1,669,643
	Finance costs		0
2,197,423	Internal charges and overheads applied	2,243,780	2,794,585
	Other operating funding applications		0
<u>3,733,268</u>	Total Applications of operating funding (B)	<u>3,761,540</u>	<u>4,464,228</u>
-297,053	Surplus (deficit) of Operating Funding (A) - (B)	-93,113	-865,065
Sources of Capital Funding			
	Subsidies and Grants		0
	Development and Financial Contributions		0
	Increase (decrease) in debt		0
	Gross Proceeds Sale assets		0
	Lump sum contributions		0
<u>0</u>	Total Sources of capital funding (C)	<u>0</u>	<u>0</u>
Applications of capital funding			
	Capital expenditure-additional demand		0
	Capital expenditure-improved levels of service		51,214
110,000	Capital expenditure-replace existing assets	61,270	0
-407,053	Increase (decrease) in reserves	-154,383	-916,278
<u>-297,053</u>	Total applications of capital funding (D)	<u>-93,113</u>	<u>-865,064</u>
297,053	Surplus (Deficit) of Capital Funding (C) - (D)	93,113	865,064
0	Funding Balance (A - B) + (C - D)	0	0

Long Term Plan 2018/19		Long Term Plan 2019/20	Annual Report 2019/20
Hydrology & Floodwarning Services			
Sources of Funding			
667,061	General Rates	683,739	450,044
	Rates Penalties		0
	Targeted Rates		0
	Subsidies & Grants		0
	Fees & Charges		17000
	Internal Charges & Overheads Recovered		0
164,565	Fines, Infringement Fees & Other Receipts	266,225	92,645
<u>831,626</u>	Total Operating Funding (A)	<u>949,964</u>	<u>559,689</u>
Applications of Operating Funding			
410,815	Payments to staff and suppliers	435,342	297,037
	Finance costs		0
494,670	Internal charges and overheads applied	505,323	432,525
	Other operating funding applications		0
<u>905,485</u>	Total Applications of operating funding (B)	<u>940,665</u>	<u>729,561</u>
-73,859	Surplus (deficit) of Operating Funding (A) - (B)	9,299	-169,873
Sources of Capital Funding			
	Subsidies and Grants		
	Development and Financial Contributions		
	Increase (decrease) in debt		
	Gross Proceeds Sale assets		
	Lump sum contributions		
<u>0</u>	Total Sources of capital funding (C)	<u>0</u>	<u>0</u>
Applications of capital funding			
	Capital expenditure-additional demand		
	Capital expenditure-additional demand		
57800	Capital expenditure-improved levels of service	42072	10,827
60,000	Capital expenditure-replace existing assets	61,270	59,321
-191,659	Increase (decrease) in reserves	-94,043	-240,020
<u>-73,859</u>	Total applications of capital funding (D)	<u>9,299</u>	<u>-169,872</u>
73,859	Surplus (Deficit) of Capital Funding (C) - (D)	-9,299	169,872
<u>0</u>	Funding Balance (A - B) + (C - D)	<u>0</u>	<u>0</u>

Long Term Plan		Long Term Plan	Annual Report
2018/19	Emergency Management	2019/20	2019/20
Sources of Funding			
450,000	General Rates	459,540	477,531
	Rates Penalties		0
700,000	Targeted Rates	714,822	728,843
	Subsidies & Grants		220,574
	Fees & Charges		110,360
	Internal Charges & Overheads Recovered		0
	Fines, Infringement Fees & Other Receipts		6,562
<u>1,150,000</u>	Total Operating Funding (A)	<u>1,174,362</u>	<u>1,543,870</u>
Applications of Operating Funding			
897,559	Payments to staff and suppliers	916,605	994,656
	Finance costs		0
287,231	Internal charges and overheads applied	287,714	538,694
	Other operating funding applications		0
<u>1,184,790</u>	Total Applications of operating funding (B)	<u>1,204,319</u>	<u>1,533,350</u>
-34,790	Surplus (deficit) of Operating Funding (A) - (B)	-29,957	10,520
Sources of Capital Funding			
	Subsidies and Grants		
	Development and Financial Contributions		
	Increase (decrease) in debt		0
	Gross Proceeds Sale assets		0
	Lump sum contributions		
<u>0</u>	Total Sources of capital funding (C)	<u>0</u>	<u>0</u>
Applications of capital funding			
	Capital expenditure-additional demand		
	Capital expenditure-improved levels of service		145,107
135,000	Capital expenditure-replace existing assets		37,096
-169,790	Increase (decrease) in reserves	-29,957	-171,683
<u>-34,790</u>	Total applications of capital funding (D)	<u>-29,957</u>	<u>10,520</u>
34,790	Surplus (Deficit) of Capital Funding (C) - (D)	29,957	-10,520
0	Funding Balance (A - B) + (C - D)	0	0

Long Term Plan 2018/19		Long Term Plan 2019/20	Annual Report 2019/20
River, Drainage & Coastal Protection			
Sources of Funding			
554,293	General Rates	612,851	604,093
	Rates Penalties		0
1,199,422	Targeted Rates	1,222,266	1,213,349
	Subsidies & Grants		0
357,800	Fees & Charges	421,541	694,299
	Internal Charges & Overheads Recovered		0
136,744	Fines, Infringement Fees & Other Receipts	238,625	124,357
<u>2,248,259</u>	Total Operating Funding (A)	<u>2,495,283</u>	<u>2,636,099</u>
Applications of Operating Funding			
2,216,799	Payments to staff and suppliers	1,456,702	2,122,192
154,780	Finance costs	121,789	59,617
445,528	Internal charges and overheads applied	554,614	805,051
	Other operating funding applications		
<u>2,817,107</u>	Total Applications of operating funding (B)	<u>2,133,105</u>	<u>2,986,859</u>
-568,848	Surplus (deficit) of Operating Funding (A) - (B)	362,178	-350,760
Sources of Capital Funding			
	Subsidies and Grants		1,345,807
	Development and Financial Contributions		
	Other dedicated capital funding		125,170
339,427	Increase (decrease) in debt	-266,942	980,000
	Gross Proceeds Sale assets		
	Lump sum contributions		
<u>339,427</u>	Total Sources of capital funding (C)	<u>-266,942</u>	<u>3,577,509</u>
Applications of capital funding			
	Capital expenditure-additional demand		0
	Capital expenditure-improved levels of service		7,143
	Capital expenditure-replace existing assets		2,865,004
-229,421	Increase (decrease) in reserves	95,236	354,602
<u>-229,421</u>	Total applications of capital funding (D)	<u>95,236</u>	<u>3,226,749</u>
568,848	Surplus (Deficit) of Capital Funding (C) - (D)	-362,178	350,760
0	Funding Balance (A - B) + (C - D)	0	0

Long Term Plan 2018/19	Vector Control Services Business Unit Sources of Funding	Long Term Plan 2019/20	Annual Report 2019/20
	General Rates		
	Rates Penalties		
	Targeted Rates		
	Subsidies & Grants		
4,046,000	Fees & Charges	3,971,346	7,359,958
	Internal Charges & Overheads Recovered		
	Fines, Infringement Fees & Other Receipts		0
4,046,000	Total Operating Funding (A)	3,971,346	7,359,958
	Applications of Operating Funding		
3,220,974	Payments to staff and suppliers	3,305,077	5,674,076
	Finance costs		0
100,000	Internal charges and overheads applied	100,000	257,904
	Other operating funding applications		
3,320,974	Total Applications of operating funding (B)	3,405,077	5,931,980
725,026	Surplus (deficit) of Operating Funding (A) - (B)	566,269	1,427,978
	Sources of Capital Funding		
	Subsidies and Grants		
	Development and Financial Contributions		
	Increase (decrease) in debt		
	Gross Proceeds Sale assets		
	Lump sum contributions		
0	Total Sources of capital funding (C)	0	0
	Applications of capital funding		
	Capital expenditure-additional demand		1934.97
	Capital expenditure-improved levels of service		
120,000	Capital expenditure-replace existing assets	30,635	48,175
	Increase in investments		
605,026	Increase (decrease) in reserves	535,634	1,377,868
725,026	Total applications of capital funding (D)	566,269	1,427,978
-725,026	Surplus (Deficit) of Capital Funding (C) - (D)	-566,269	-1,427,978
0	Funding Balance (A - B) + (C - D)	0	0

Long Term Plan 2018/19	Long Term Plan 2019/20	Annual Report 2019/20
Economic Development		
Sources of Funding		
104,205	104,102	0
		0
0		0
		0
150,000	153,176	0
		0
25,707	40,534	0
279,912	297,812	0
Applications of Operating Funding		
291,056	297,219	0
0		0
0		0
0		0
291,056	297,219	0
-11,144	593	0
Sources of Capital Funding		
		0
		0
0	0	0
0	0	0
0		0
0	0	0
Applications of capital funding		
		0
		0
0		0
-11,144	593	0
0		0
-11,144	593	0
11,144	-593	0
0	0	0

Long Term Plan 2018/19		Long Term Plan 2019/20	Annual Report 2019/20
Warm West Coast			
Sources of Funding			
0	General Rates		0
	Rates Penalties		0
0	Targeted Rates		0
	Subsidies & Grants		0
15,491	Fees & Charges	13,068	9,824
	Internal Charges & Overheads Recovered		
0	Fines, Infringement Fees & Other Receipts		0
<u>15,491</u>	Total Operating Funding (A)	<u>13,068</u>	<u>9,824</u>
Applications of Operating Funding			
0	Payments to staff and suppliers		519
10,223	Finance costs	8,482	3,582
0	Internal charges and overheads applied		0
0	Other operating funding applications		
<u>10,223</u>	Total Applications of operating funding (B)	<u>8,482</u>	<u>4,101</u>
5,268	Surplus (deficit) of Operating Funding (A) - (B)	4,586	5,723
Sources of Capital Funding			
	Subsidies and Grants		0
	Development and Financial Contributions		0
-60,000	Increase (decrease) in debt	-70,000	0
62,718	Other dedicated capital funding	65,412	75,924
0	Gross Proceeds Sale assets		0
	Lump sum contributions		
<u>2,718</u>	Total Sources of capital funding (C)	<u>-4,588</u>	<u>75,924</u>
Applications of capital funding			
	Capital expenditure-additional demand		
	Capital expenditure-improved levels of service		0
0	Capital expenditure-replace existing assets		0
7,986	Increase (decrease) in reserves		81,647
0	Increase (decrease) in investments	-2	0
<u>7,986</u>	Total applications of capital funding (D)	<u>-2</u>	<u>81,647</u>
-5,268	Surplus (Deficit) of Capital Funding (C) - (D)	-4,586	-5,723
0	Funding Balance (A - B) + (C - D)	0	0

Local Government (Financial Reporting and Prudence) Regulations 2014

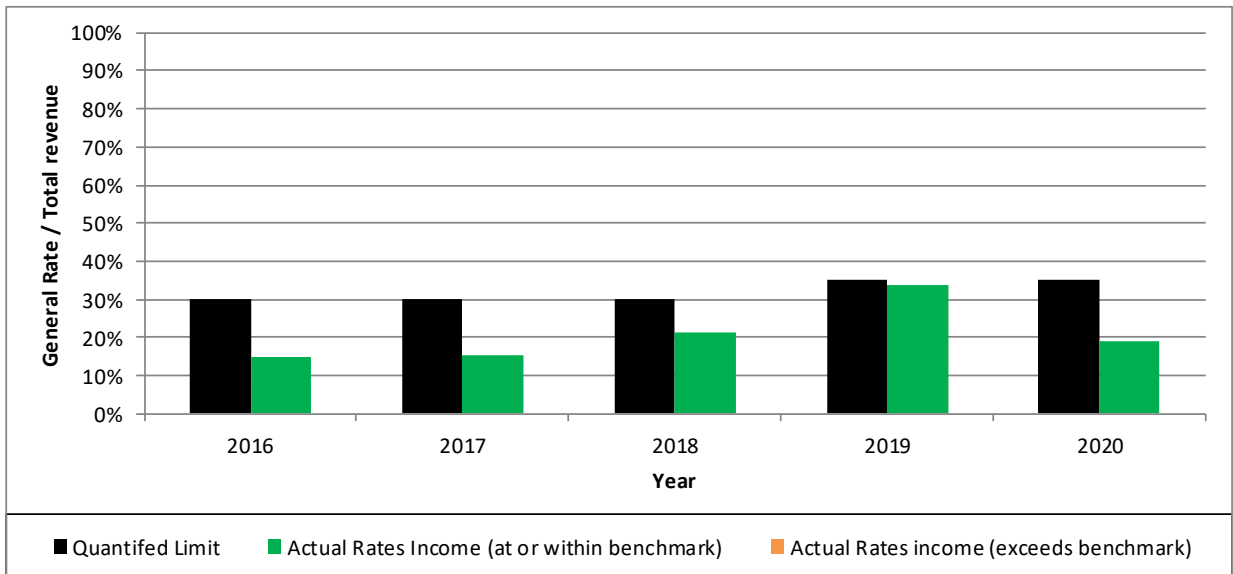
Council is required to include these statements in its Annual Report in accordance with these regulations.

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).

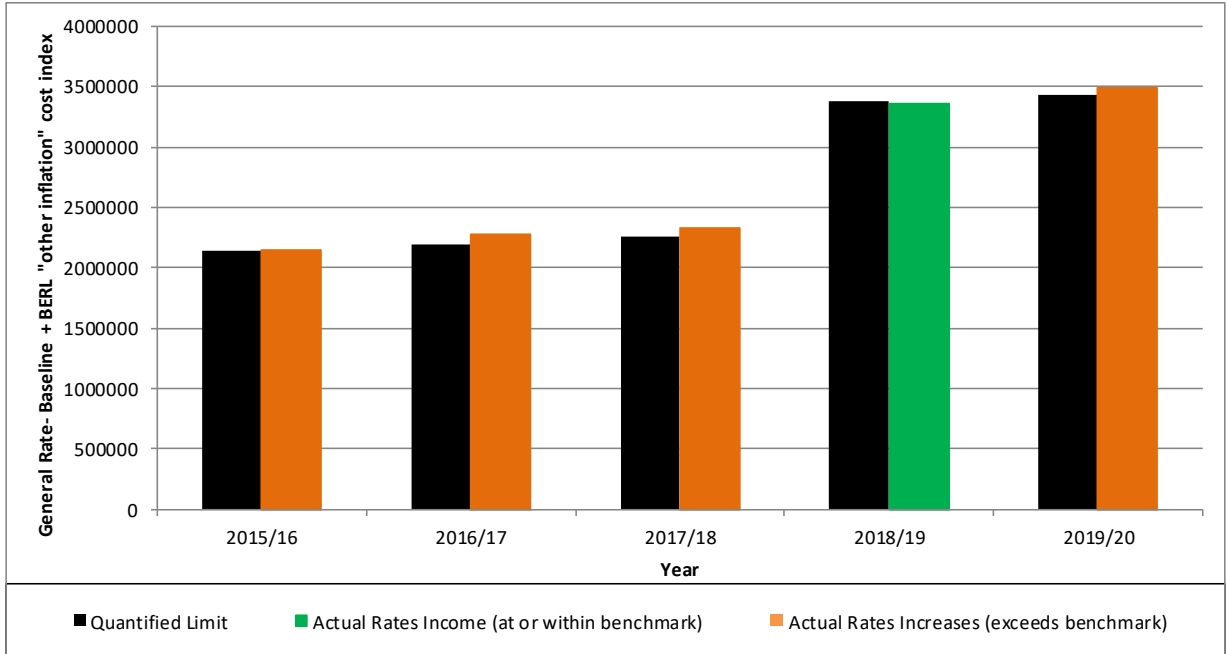
General Rates will not exceed 35% of Total Income



Rates (Increases) Affordability

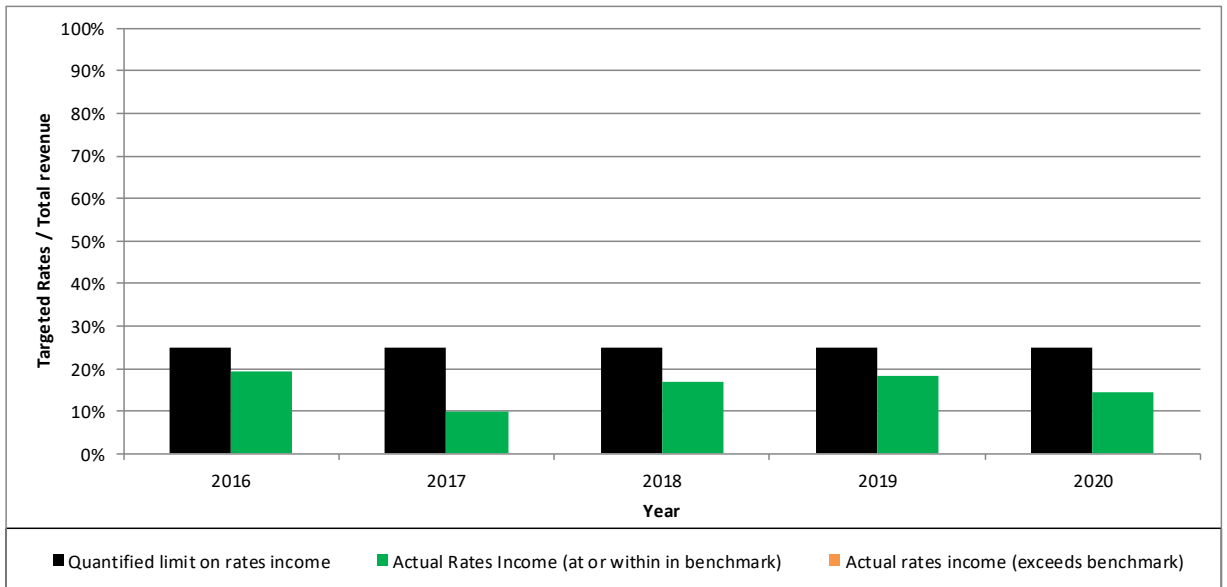
2. The second benchmark, (included by Council in the Financial Strategy contained in the 2018/28 Long Term Plan).

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



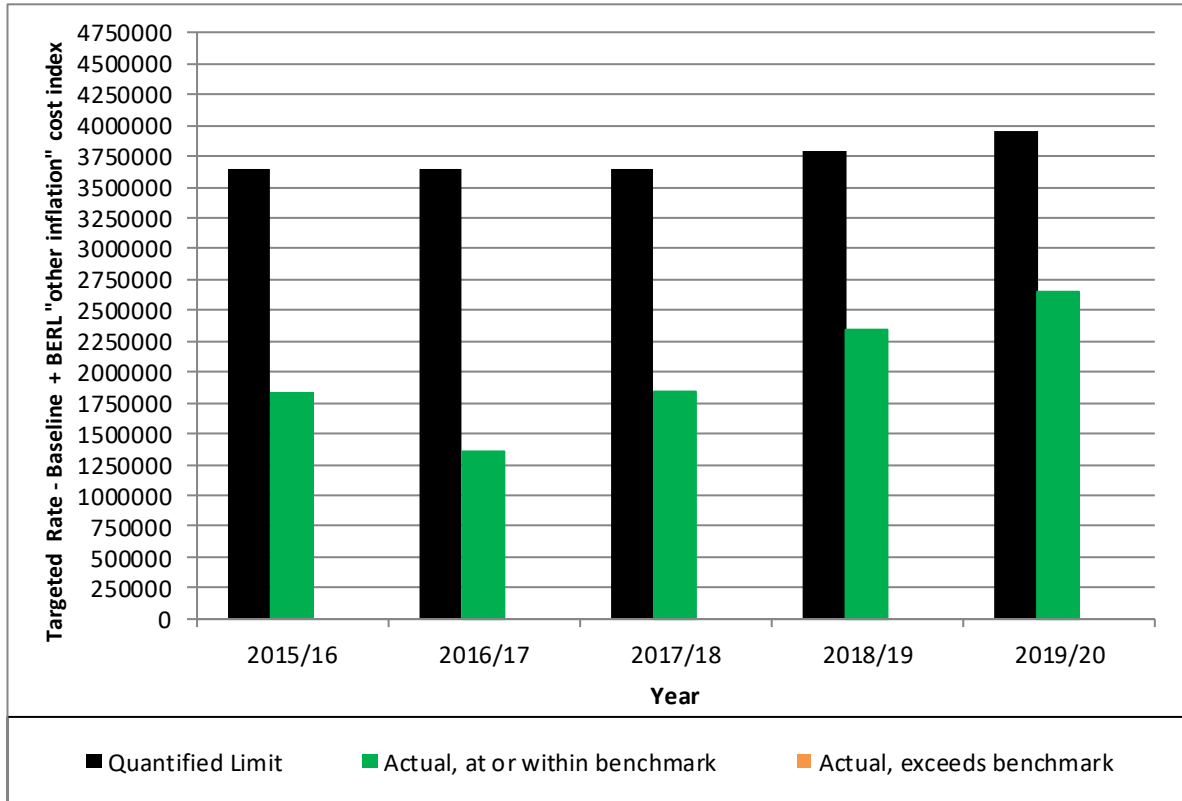
3. The third benchmark, (included by Council in the Financial Strategy contained in the 2018/28 Long Term Plan).

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

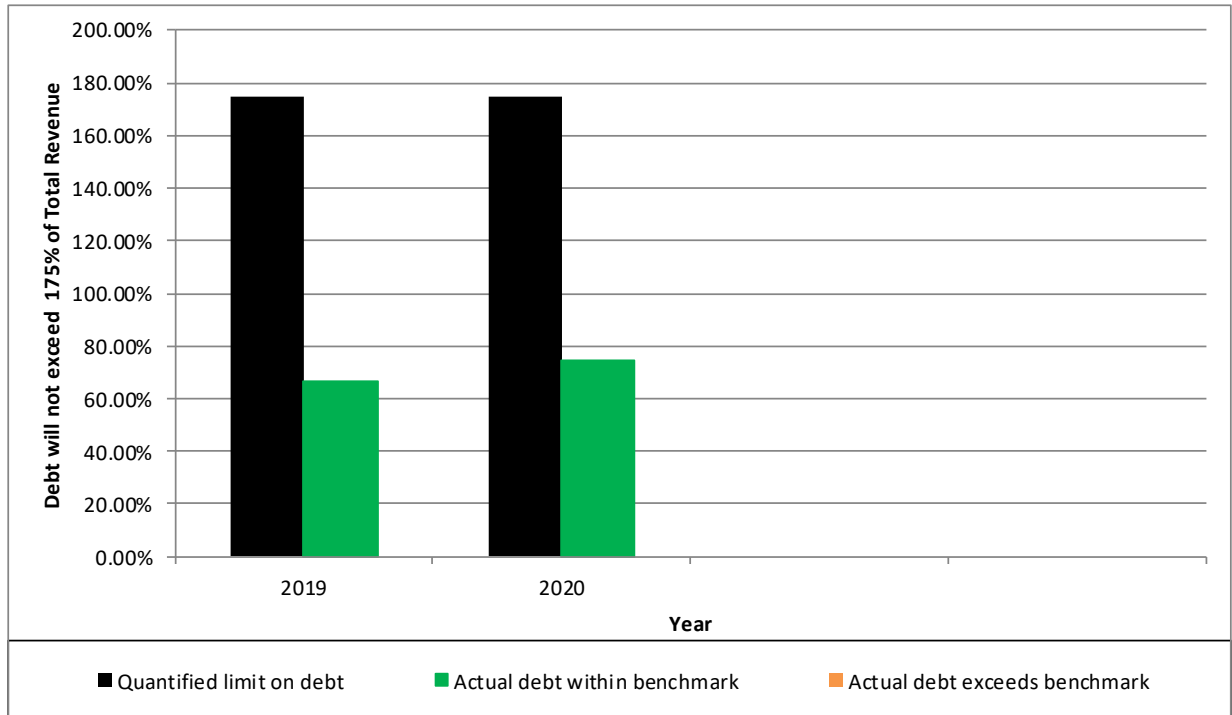


5. Debt Affordability Benchmark

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

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

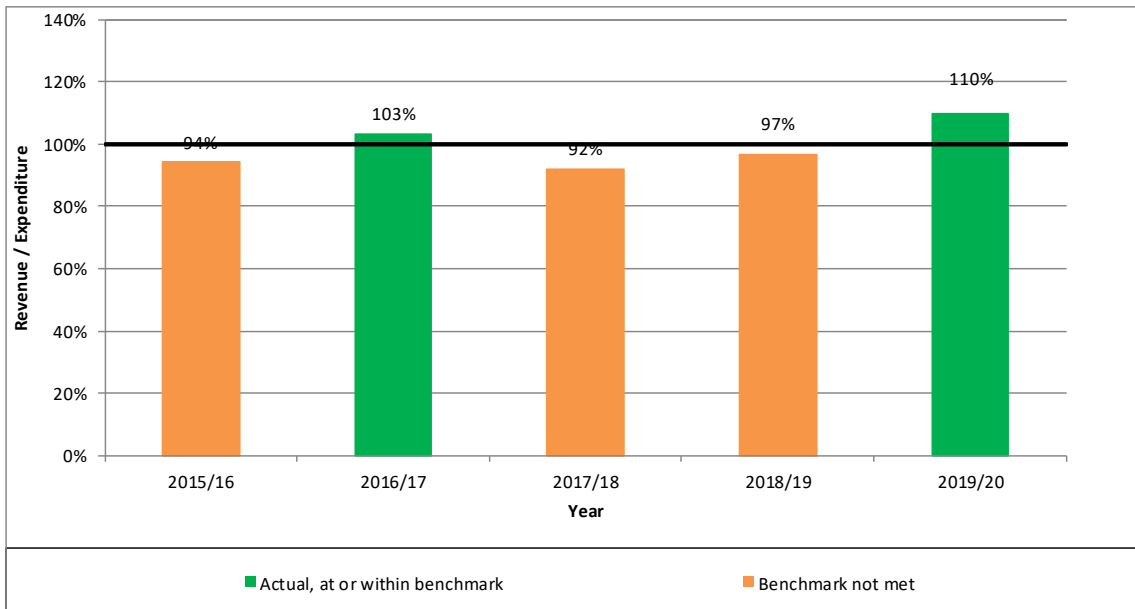
Debt will not exceed 175% of total revenue.



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.

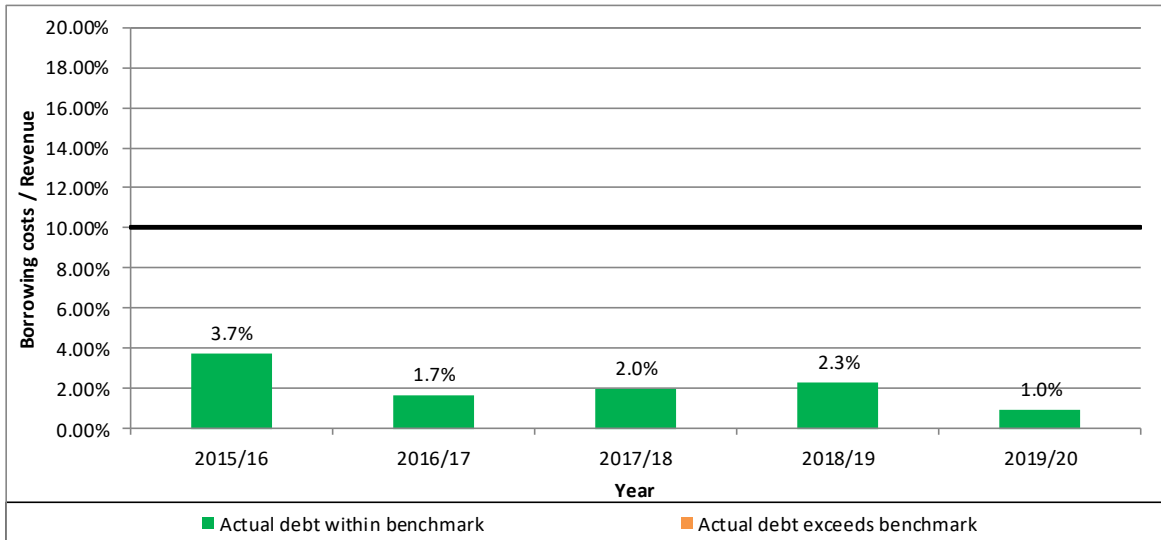
Council's only network services relate to flood protection and control works. Council does not provide any other network services. These network services are in the form of assets such as rock protection, stopbanks, seawalls etc. These assets are not subject to depreciation. Council's capital expenditure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

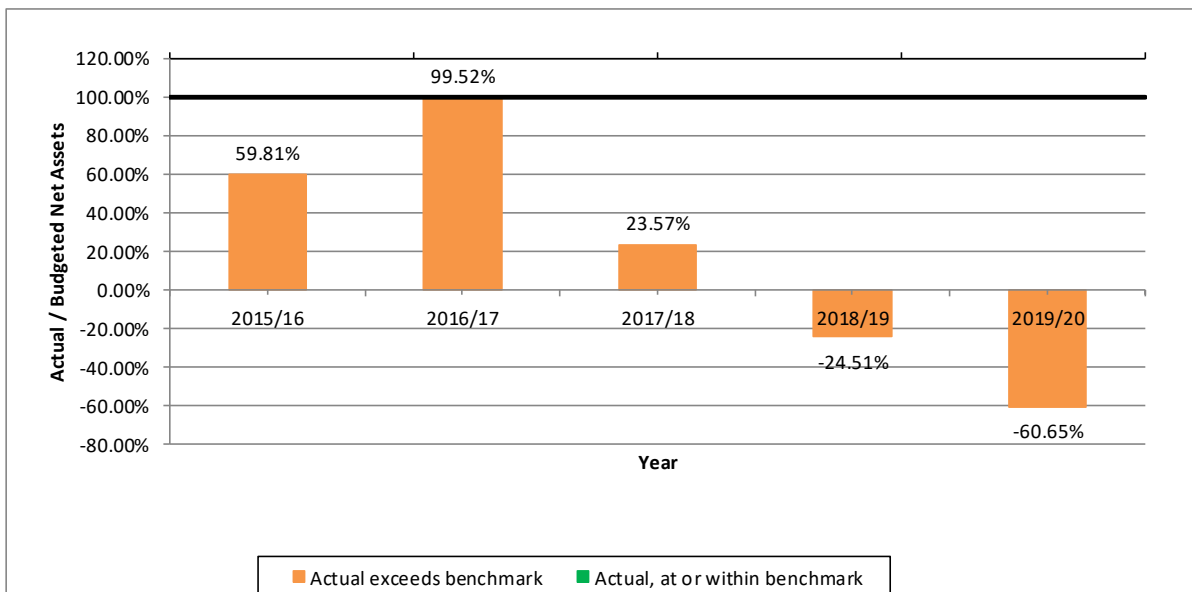
The following graph displays the council's borrowing costs as a proportion of planned revenue (excluding development and financial contribution, vested assets, derivative financial instruments and revaluations of property plant or equipment).

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.



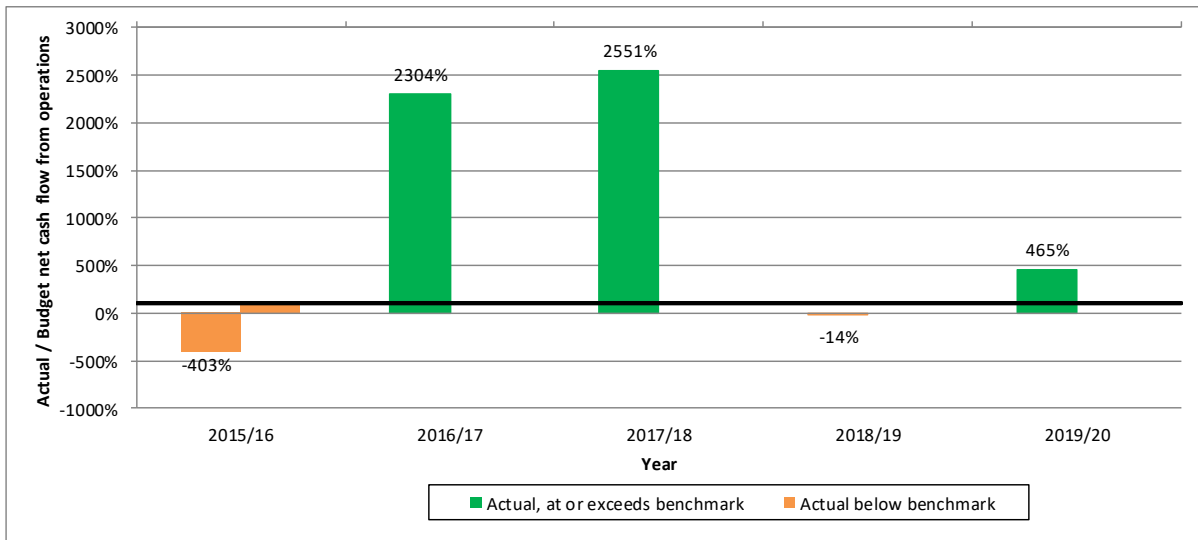
Debt Control Benchmark

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

Major Budget Variations

	2020 Actual	2020 Budget	Variance		Note
Cost of Services					
Governance	634,965	593,976	40,989	7%	1
Economic Development	16,580	-	16,580	100%	
Resource Management	4,495,784	4,310,207	185,577	4%	2
Transport	196,639	190,790	5,849	3%	
Hydrology & Floodwarning Services	778,807	912,644	(133,837)	-15%	3
Emergency Management	1,559,389	1,222,441	336,948	28%	4
River, Drainage & Coastal Protection	3,025,791	2,487,833	537,958	22%	5
Vector Control services Business Unit	6,004,850	3,526,000	2,478,850	70%	6
Other	46,670	36,540	10,130	28%	
Impairment of Associate	696,611	-	696,611	100%	7
Loss on Investment in Other Entities	14,462	-	14,462	100%	
Warm West coast Scheme	4,104	8,270	(4,166)	-50%	
	<u>17,474,651</u>	<u>13,288,701</u>	<u>4,185,950</u>	<u>32%</u>	
Less Income					
Rates	6,129,088	6,113,421	15,667	0%	
Subsidies and Grants	1,877,597	83,000	1,794,597	2162%	8
Commerical Property Rental	96,183	96,183	-	0%	
Insurance Recoveries	947,994	-	947,994	100%	9
Gains/Losses disposal of Assets	16,707	-	16,707	100%	
Commerical Property Revaluation	106,000	30,000	76,000	253%	10
Investment Income	497,074	797,497	(300,423)	-38%	11
Income from Associates	124,490	573,300	(448,810)	-78%	12
User Fees & Charges	9,337,312	6,040,294	3,297,018	55%	13
	<u>19,132,445</u>	<u>13,733,695</u>	<u>5,398,750</u>	<u>39%</u>	
Net Surplus / (Deficit) for year	<u>1,657,794</u>	<u>444,994</u>			
Statement Of Financial Position					
@ 30 June 2020					
	Actual 2020	Budget 2020			
Current Assets					
Total Current Assets	<u>5,256,444</u>	<u>4,023,608</u>	1,232,836	31%	14
Non-Current Assets					
Property, Plant & Equipment	92,525,282	66,012,288	26,512,994	40%	15
Receivables	263,880	0	263,880	100%	
Intangible Assets	78,950	112,393	-33,443	-30%	16
Investment Property	1,706,000	1,520,000	186,000	12%	17
Loan Advances	471,118	250,000	221,118	88%	18
Investment in Associate	414,248	1,000,000	-585,752	-59%	19
Investment in CCO	193,486	215,000	-21,514	-10%	20
Other Financial Assets	9,613,858	9,520,000	93,858	1%	21
Total Non-Current Assets	<u>105,266,821</u>	<u>78,629,681</u>	<u>26,637,140</u>	<u>34%</u>	
Total Assets	<u>110,523,266</u>	<u>82,653,289</u>			
Liabilities					
Current Liabilities					
	<u>7,287,821</u>	<u>2,785,314</u>	<u>4,502,507</u>	<u>162%</u>	<u>22</u>
Non-Current Liabilities					
	<u>7,042,802</u>	<u>7,196,359</u>	<u>153,557</u>	<u>2%</u>	<u>23</u>
Total Liabilities	<u>14,330,623</u>	<u>9,981,673</u>			
Equity	<u>96,192,643</u>	<u>72,671,616</u>	<u>23,521,027</u>	<u>32%</u>	<u>24</u>
Total Liabilities and Equity	<u>110,523,267</u>	<u>82,653,289</u>			

Explanations

1	Governance was \$40k over budget due to higher than anticipated overhead of \$20k and course and conference being \$17k higher than budget. This was mainly due to so many new councillors being elected.
2	Resource Management was \$185k over budget mainly due to overheads being higher than budgeted.
3	Hydrology was (\$133k) under budget due to the following: a) A number of positions remained vacant during the year resulting in salaries being (\$60k) under budget b) Consultants were not used at all in the 2019/2020 year so an unused budget of (\$420k) remained at the end of the year c) Other sundry expenses were under budget by (\$17k) d) Depreciation was under budget by (\$27k) as some old assets had been written off and some capital works had not been carried out.
4	Emergency Management was \$336k over budget due to the following: a) Chargeable work for Ministry of Emergency Management had unbudgeted expenditure of \$65k however this was reimbursed by them. b) The December 2019 rain event resulted in unbudgeted expenditure of \$88k. Council did receive a subsidy for this however. c) Covid-19 resulted in an unbudgeted expenditure of \$73k. d) Overheads actuals were \$111 higher than budgeted.
5	River, Drainage and Coastal Protection was \$537k over budget due to the following: a) Rebuild of the River Protection for a number of Rating Districts due to the rain event of March 2019 which were at Lower Waiho \$303k, Inchbonnie \$60k, Taramakau \$28k, Vine Creek \$171k, Waitangitoana \$77k and Wanganui \$208k. Some of these were offset by work not completed in the likes of Franz Josef as there was not enough council resource. b) Inchbonnie was \$60k over budget due to urgent flood protection works, which was also related to the March 2019 rain event.
6	Vector Control Services \$2.4 million over budget due to Aerial expenditure being higher than anticipated, however this was offset by additional income received.
7	Council interest in Pest Control Research LP was treated as impaired @ 30 June 2020 as Council sold its subscribed capital of \$696,612 for \$1 in December 2020.
8	Subsidies and Grants were \$1.7m over budget due to the following: a) Rating Districts receiving \$923k in subsidies from the Ministry of Civil Defence and Emergency Management for damage in the 2019 March Flood event. b) Emergency Management received an additional \$200k for the March 2019 rain event and Covid-19. c) One District Plan received an unbudgeted \$200k grant from Local Government as a contribution to the ongoing work in this area.
9	Insurance Recoveries of \$974k relates insurance payment for the Lower Waiho rebuild.
10	Commercial Property Revaluation was \$76k higher than anticipated due to the prolonged impact Covid-19 and worldwide lockdowns had on the financial market.
11	Investment Income was (\$300k) lower than anticipated due to the prolonged impact Covid-19 and worldwide lockdowns had on the financial market.
12	Income from Associates was \$448k under budget due to Council's Associate's income did not produce the budgeted profits anticipated.
13	User Fees and Charges was \$3.2m over budget due to the following: a) Vector Control Services income being \$3.409m more than anticipated. b) Rating Districts were \$500k more than anticipated due to additional insurance recoveries for the March 2019 Rain Event.

14	Current Assets were \$1.2m more than budget due to: a) Receivables being higher than budgeted specifically accrued income at 30 June 2020 which consisted of: a) VCS income accrual of \$782K b) Insurance Recoveries of \$833K
15	Property Plant and Equipment was \$26m higher than budgeted due to a comprehensive valuation completed in the 2020 financial year.
16	Intangible Assets reduced by \$33k compared to budget due to amortization of the intangible assets
17	Investment property was \$186k over budget due to the revaluation of councils commercial property.
18	Loan Advances were \$221k higher than budgeted because: a) Non-current Warm West Coast Loan were \$126,000 lower than expected due to higher than expected repayments by borrowers. b) There were non-current advances of \$347k not originally budgeted for to PCR LP to fund specialised lease improvements.
19	Investments in associates was \$585k lower than anticipated in the budget due to impairment of Council interest @ 30 June 2020.
20	Investment in CCO was \$21k less than expected due to the CCO returning a deficit for the 30 June 2020 financial year.
21	Other Financial Assets were \$93K higher than budgeted mainly due to replenishing the Catastrophe Fund earlier than anticipated.
22	Current liabilities are \$4.5m higher than budgeted due to the following: a) Short term borrowings being \$1.5m higher than budgeted due to the change in Councils Loan Structure b) Payables were \$1.8m higher than budgeted due to expenditure on VCS Aerials and Stop Bank rebuilds incurred during
23	Non Current Liabilities were \$153K under budget due to Long Tern portion of Term Debt to LGFA being slightly different (-\$198K) to that budgeted @ 30 June 2020. Also future Quarry restoration liabilities following recalculation @30 June 2020 was \$45k higher than budgeted.
24	Equity has increased substantially following the \$13.6 million revaluation of infrastructure @ 30 June 2020.