



THE WEST COAST REGIONAL COUNCIL

ANNUAL REPORT

For the year ended 30 June 2006



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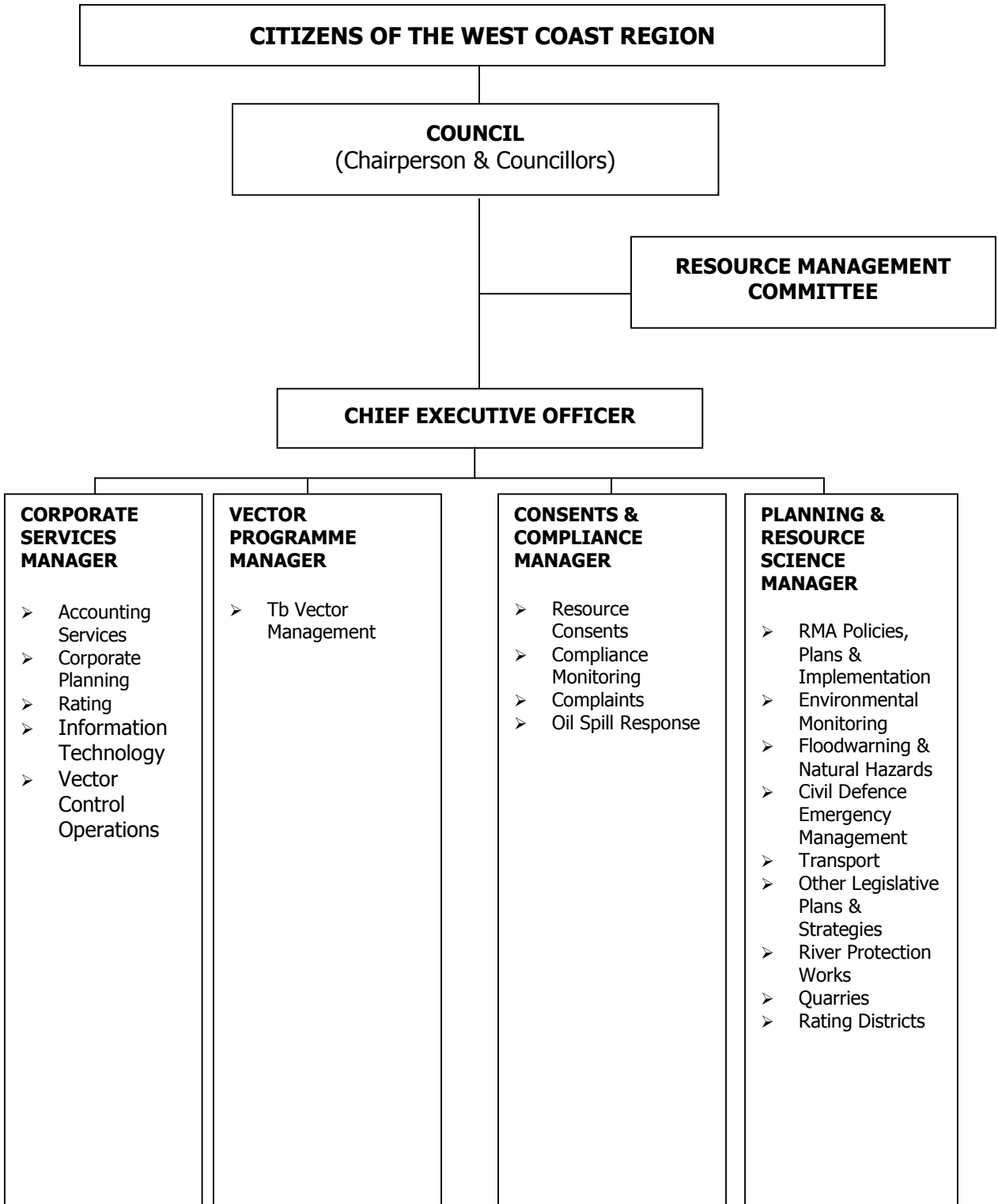
Directory

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Council Organisation Structure



Chairperson's Review

This Annual report is an important link in the accountability cycle between the West Coast Regional Council and its ratepayers and residents. The Annual plan or Long term Community Plan identifies what Council intends to do looking forward whereas this Annual Report deals with what has been accomplished.

Some highlights of the year to 30 June 2006 were as follows;

- ❑ Completion of a 10 year strategic planning document called the "Long Term Council Community Plan" (LTCCP). The preparation of this document is required by the Local government Act 2002 and involved substantial effort by Council staff and Councillors. Considerable community input was also received. The cost of these LTCCP's is a severe burden on a small Council such as this one. We have objected to the audit costs of \$32,500 (in addition to Council's Annual report audit costs) and this matter is still to be resolved with Audit New Zealand.
- ❑ Council Investment portfolio returns of \$1,283,000 or 13.11% were excellent thanks to the efforts of our Fund Managers Forsyth Barr Ltd. This Investment portfolio now totals \$10.9 million and, if managed sustainably, will enable Council to fulfil its obligations into the future without substantial rate increases.
- ❑ Completion of a very substantial Tb Vector Control Programme on behalf of the Animal Health Board Inc. This involved a major effort by Council's Vector Management staff and is a very important part of the campaign to control and eliminate bovine Tb in the West Coast Region.
- ❑ Council was sorry to receive the resignation of its Chief Executive David Horn in December 2005. David had made a major contribution to Council's strategic direction since his appointment in March 2003.
- ❑ Completion of major sea erosion protection works at Punakaiki.
- ❑ Council budgets were put under pressure by non discretionary legal costs in the compliance and planning areas.
- ❑ Completion of a review of governance arrangements, which involved increasing the number of elected Councillors from 6 to 7 for the October 2007 elections. This was done to meet the requirements of the Local Electoral Act 2001.
- ❑ Continuing effort in the Regulatory areas with 494 resource consents issued, 125 dairy shed assessments carried out, 577 whitebait stands inspected, 186 mining operations inspected, 5 abatement notices and 7 infringement notices issued and 177 inspections were made in relation to complaints.

John Clayton,
Chairperson



Community Outcomes

In early 2004, Council undertook a process using available information to identify Community Outcomes as part of the process in preparing the 2004/14 ten-year Long Term Council Community Plan (LTCCP). This interim approach was permitted by the Local Government Act 2002.

As part of the 2006/16 LTCCP process, Council undertook an extensive Community Consultation process to identify desired Community Outcomes.

However, for the purpose of this Annual Report, we are referring to those interim Community Outcomes identified as part of the earlier process referred to above.

The 2004/14 interim Community Outcomes are summarised as follows:

1. Economic Maintenance and growth of population and jobs within the West Coast Region.
2. Environmental Maintenance of the natural character and environment of the West Coast Region.
3. Social and Cultural Maintenance of the distinctive culture and lifestyle contained within the West Coast Region.
4. Safer Environment Protection from flood and other hazards and contributing to a safe transport network.

The activities that are set out in this LTCCP relate to the achievement of the above outcomes as follows:

Activity	Contributing to Community Outcome
Governance	1,2,3,4,
Resource Consent Processing	1,2,3,4
Complaints & Compliance Monitoring	2,3,4
Development of Regional Policies and Plans	1,2,3
Policy & Plan Implementation & Review	1,2,3
Other Planning and Resource Science Activities	
Public Enquiries	1,2,3
Support for Regional Economic Development	1
Waste Management	2
Biological Controls	1,2
Transport	1,3,4
State of the Environment Monitoring	2,4
Emergency Responses	2,4
Operations Group	2,4
Rating Districts	1,2,4
Quarries	1
Tb Pest Management	1,2
Vector Control Services	1,2

Investment Policy

Council's Investment Policy was included in the 2005/06 Annual Plan.

Activity

There have been no significant variations or material departures from the Council's investment policy as reported in the 2005/06 Annual Plan.

Objectives

(i) Prudential Limits

Investment	Guidelines	Max % of fund with single issuer	Max % of fund with class of issuer	Achievement -Exposure to Class of Issuer	Achievement - Exposure to Single Issuers
Funds Invested with Forsyth Barr Ltd					
FIXED INTEREST (CASH AND BONDS)					
N.Z. Govt. Securities		100%	100%	41.48% Complied -	NA
Other Institutions	Other than Registered Banks or NZ Govt Issued or Guaranteed Issues.	20%	100%	19.72% Complied -	9.82% complied
N.Z. Local Body Securities	Providing that the authority has the power to levy rates over its population.	25%	50%	0.00% - Complied	0.00% complied
N.Z. SOE issues		20%	50%	3.62% - Complied	3.62% complied
Investment Grade Institutions	Minimum credit rating of A-3 (short term) BBB- (long term)	20%	50%	48.70% Complied -	12.72% complied
Deposits and Securities Issued by N.Z. Registered Banks	A minimum credit rating of A1 (short term) A (long term)	25%	100%	37.27% Complied -	10.99% complied
Forsyth Barr Cash Mgmt. Fund (to enable surplus cash to be invested)	Aam rated	25%	25%	0.01% - Complied	NA
Fixed Interest Portfolio	55%-100% of total portfolio			56.49% Complied -	NA
NZ Cash	25%-60% of total portfolio	NA	NA	32.34% Complied -	NA
NZ Bonds and Fixed Interest	25%-50% of total portfolio	NA	NA	24.15% Non compliant. Remedied 21/8/06	NA



Investment	Guidelines	Max % of fund with single issuer	Max % of fund with class of issuer	Achievement
Property Portfolio	0%-7%	NA	NA	5.28% - Complied
Equities	0%-20%	NA	NA	21.05% - Non Compliant. Remedied 21/8/06
Australasian Equities	0%-12%	NA	NA	7.13% - Complied
International Equities	0%-15%	NA	NA	13.92% - Complied
Alternative Asset Classes	0%-20%	NA	NA	17.35% - Complied
Emerging Market Debt	0%-7%	NA	NA	4.33% - Complied
Absolute Return Funds	0%-10%	NA	NA	8.63% - Complied
Structured Credit	0%-5%	NA	NA	4.38% - Complied
Funds Invested Directly by West Coast Regional Council				
Deposits and Securities Issued by N.Z. Registered Banks		100%	100%	0.00% - Complied

Overall Performance

Apart from the non-compliances referred to above, there have been no significant variations from the investment policy with all objectives and provisions met.

(ii) Monitoring and Reporting

There was regular monthly reporting to Council during the year.

Comments regarding non-compliance

NZ Bonds and Fixed Interest

The non compliances were remedied on 21 August 2006.

Equities

Due to strong capital appreciation at the end of the June 2006 quarter and currency movements, the New Zealand dollar value of Australasian and International Equities breached the upper limit of 20%.

Borrowing Management Policy

The Council adopted its current Borrowing Policy on 19 August 2003.

Activity

\$390,000 was borrowed during the year to finance the Punakaiki Seawall Protection Works.

Debt outstanding @ 30/6/06

\$112,808 @ 5.17% fixed rate	Maturity date 1/10/08 (table loan) Capitalised Computer Equipment Lease
\$31,732 @ 8.49% fixed rate	Maturity date 1/10/09 (table loan) Capitalised Computer Equipment Lease
\$374,610 @ 7.80% fixed rate (5yrs)	Maturity date 4/11/15 (table loan) Punakaiki Seawall Protection Works.
\$519,150	TOTAL

(i) Objectives

OBJECTIVES	RATIO	ACHIEVEMENT																																								
Cost of servicing debt not to exceed 10% of total operating expenditure	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">Interest & Principle cost</td> <td style="text-align: right;">0.85%</td> <td rowspan="5" style="text-align: center; vertical-align: middle;">Achieved</td> </tr> <tr> <td>Okuru Loan</td> <td style="text-align: right;">\$20,185</td> <td></td> </tr> <tr> <td>Capitalised Lease</td> <td style="text-align: right;">\$61,888</td> <td></td> </tr> <tr> <td>Punakaiki Loan</td> <td style="text-align: right;">\$32,837</td> <td></td> </tr> <tr> <td>Total</td> <td style="text-align: right; border: 1px solid black;">\$114,910</td> <td></td> </tr> <tr> <td colspan="2">Total Operating Exp. \$13,441,092</td> <td></td> <td></td> </tr> </table>	Interest & Principle cost		0.85%	Achieved	Okuru Loan	\$20,185		Capitalised Lease	\$61,888		Punakaiki Loan	\$32,837		Total	\$114,910		Total Operating Exp. \$13,441,092				<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">Interest & Principle cost</td> <td style="text-align: right;">3.93%</td> <td rowspan="5" style="text-align: center; vertical-align: middle;">Achieved</td> </tr> <tr> <td>Okuru Loan</td> <td style="text-align: right;">\$20,185</td> <td></td> </tr> <tr> <td>Capitalised Lease</td> <td style="text-align: right;">\$61,888</td> <td></td> </tr> <tr> <td>Punakaiki Loan</td> <td style="text-align: right;">\$32,837</td> <td></td> </tr> <tr> <td>Total</td> <td style="text-align: right; border: 1px solid black;">\$114,910</td> <td></td> </tr> <tr> <td colspan="2">Total Rates Revenue \$2,920,438</td> <td></td> <td></td> </tr> </table>	Interest & Principle cost		3.93%	Achieved	Okuru Loan	\$20,185		Capitalised Lease	\$61,888		Punakaiki Loan	\$32,837		Total	\$114,910		Total Rates Revenue \$2,920,438			
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Non infrastructural asset related debt not to exceed 50% of total assets, (not including infrastructural assets)	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">Non infrastructural related debt – \$144,540</td> <td style="text-align: right;">0.82%</td> <td rowspan="2" style="text-align: center; vertical-align: middle;">Achieved</td> </tr> <tr> <td colspan="2">Total assets (excl. Infrastructural) \$17,662,147</td> <td></td> </tr> </table>	Non infrastructural related debt – \$144,540		0.82%	Achieved	Total assets (excl. Infrastructural) \$17,662,147																																				
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Total borrowing by individual rating districts not to exceed 10% of the net capital value of the rating district	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">Punakaiki SRA borrowing \$350,599</td> <td style="text-align: right;">3.85%</td> <td rowspan="2" style="text-align: center; vertical-align: middle;">Achieved</td> </tr> <tr> <td colspan="2">Net Capital Value \$9,114,000</td> <td></td> </tr> </table>	Punakaiki SRA borrowing \$350,599		3.85%	Achieved	Net Capital Value \$9,114,000																																				
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Use of Bank Overdraft to a level of \$500,000 permitted, so as to better manage short-term liquidity requirements.	NA	NA	Council overdraft exceeded \$500,000 limit on 19 September 2005 and 2																																							



Increased to \$1,200,000 on 14 February 2006.		February 2006. Short-term loan of \$500,000 in lieu of overdraft uplifted from bank on 21 November 2005 and a further \$200,000 on 26 June 2006.
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Overall Performance

There have been no significant variations to the borrowing management policy during the period.

(ii) Monitoring and Reporting

There was regular reporting to Council.

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

(Local Government Act 2002, Schedule 10, Clause 21)

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



Statement of Compliance and Responsibility

Compliance

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

Responsibility

1. The Council and management of The West Coast Regional Council accept responsibility for the preparation of the annual financial statements and the judgements used in them.
2. The Council and management of The West Coast Regional Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.
3. In the opinion of the Council and management of The West Coast Regional Council, the annual financial statements for the year ended 30 June 2006 fairly reflects the financial position and operations of The West Coast Regional Council.



J.H. Clayton
Chairperson



C. Ingle
Chief Executive Officer



R.J. Mallinson
Corporate Services Manager

Dated: 4th Day of October 2006

Report of the Audit Office

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

AUDIT REPORT TO THE READERS OF THE WEST COAST REGIONAL COUNCIL'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2006

The Auditor-General is the auditor of West Coast Regional Council (the Regional Council). The Auditor-General has appointed me, Tony Uttley, using the staff and resources of Audit New Zealand, to carry out an audit on his behalf. The audit covers the Regional Council's compliance with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report of the Council for the year ended 30 June 2006, including the financial statements.

Unqualified opinion

In our opinion:

- The financial statements of the Regional Council on pages 13 to 32:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect :
 - the Regional Council's financial position as at 30 June 2006; and
 - the results of its operations and cash flows for the year ended on that date.
- The service provision information of the Regional Council on pages 33 to 72 fairly reflects the levels of service provision as measured against the intended levels of service provision adopted, as well as the reasons for any significant variances, for the year ended on that date; and
- The Council has complied with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report (the "other requirements").

The audit was completed on 4 October 2006, and is the date at which our opinion is expressed.

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

Basis of opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements and the other requirements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and the other requirements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.



The audit involved performing procedures to test the information presented in the financial statements and the other requirements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Council;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all required disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the other requirements.

We evaluated the overall adequacy of the presentation of information in the financial statements and the other requirements. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of the Regional Council as at 30 June 2006. They must also fairly reflect the results of its operations and cash flows and the levels of service provision for the year ended on that date. The Council is also responsible for preparing the information in the other requirements. The Council's responsibilities arise from Section 98 and Schedule 10 of the Local Government Act 2002.

We are responsible for expressing an independent opinion on the financial statements and the other requirements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than the audit and in conducting the audit of the Long Term Council Community Plan, we have no relationship with or interests in the Regional Council.



T Uttley
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

Statement of Accounting Policies

For the year ended 30 June 2006.

1. REPORTING ENTITY

The financial statements are those of the West Coast Regional Council. The West Coast Regional Council is a Regional Local authority governed by the Local Government Act 2002.

The financial statements have been prepared in accordance with the Local Government Act 2002, which includes the requirement to comply with generally accepted accounting practice.

2. MEASUREMENT BASE

The general accounting principles recognised as appropriate for the measurement and reporting of results and financial position under the historical cost method, modified by valuation of certain assets, have been followed.

3. ACCOUNTING POLICIES

The accounting policies adopted in preparing and presenting the financial statements and which have a significant effect on the results and the financial position disclosed are set out as follows:

3.1 Rates Revenue

Rates and levies are recognised as income when they are levied.

3.2 Grant Revenue

Grants received are recognised in the Statement of Financial Performance when the requirements under the grant agreement have been met.

3.3 Non Current Assets

The Council has categorised its Property, Plant & Equipment into operational assets and infrastructural assets.

Operational Assets

These are tangible assets used in the operating activities of the Council. These assets are stated at cost less depreciation. Depreciation is provided for at rates, which will write off the assets over their useful lives.

The method of calculation used is diminishing value or straight line at rates detailed below for all assets except land, which is not depreciated.

Land	Nil
Buildings	1.50%-2% SL
Motor Vehicles (truck)	25% DV
(Purchased after 30 June 2002)	15% SL
Plant and Equipment	10% – 25% DV
(Purchased after 30 June 2002)	5% - 15% SL
Computer Equipment & Software	25% DV
(Purchased after 30 June 2002)	25% - 30% SL
Furniture and Fittings	10 – 20% DV
(Purchased after 30 June 2002)	5% - 30% SL

Infrastructural Assets (Stopbanks and River Protection Works)

These assets are river protection and drainage works which exist in those areas where a rating district has been duly constituted.

The approach to recognising a loss in service potential for river protection infrastructure systems is different from that used for other assets. Due to the nature of the river systems and the structural composition of river protection works no decline in service potential occurs.

Infrastructural Assets were revalued at 31 December 2003 and will be revalued on a three-year cycle.

The revaluation of the Infrastructural assets was done by The West Coast Regional Council's then Operations Manager, R.J. Lowe as at 31 December 2003. The revaluation methodology was peer reviewed by R E Reid (BE), retired River Works Engineer. The revaluation basis is replacement cost.

3.4 Stock on Hand

Stocks, except rock, are valued at the lower of cost on a FIFO basis and net realisable value.

Stocks of rock are valued at the lower of cost and expected realisable value of the volume of useable rock on the quarry floor.

3.5 Accounts Receivable

Accounts receivable are stated at their estimated realisable value after providing for debts where collection is doubtful.

3.6 Goods and Services Tax

The figure disclosed in these financial statements are exclusive of Goods and Services Tax, except for Accounts Receivable and Accounts Payable, which are GST inclusive.

3.7 Investments

Investments in equities are stated at fair value. All other Investments are stated at cost.

Investments outside of New Zealand have been translated to NZ \$ currency at the ruling rates of exchange at balance date.

Parts of our Investment Portfolio are hedged in accordance with our Statement of Investment Policies and Objectives". All hedge positions are included in the Statement of Financial Performance and Statement of Financial Position.

3.8 Foreign Currencies

Foreign currency transactions throughout the year have been translated into NZ \$ currency at the ruling rates of exchange.

Realised and unrealised exchange gains or losses are accounted for in the Statement of Financial Performance.

3.9 Overhead Allocation

Overheads, and specifically Corporate Services costs, have been allocated against outputs on systematic basis over direct labour costs incurred.

3.10 Taxation

The West Coast Regional Council is only subject to income tax in respect of income received from Council Controlled Trading Organisations.

Any income tax expense charged against the surplus for the year is the estimated liability in respect of that profit and is calculated after allowance for permanent differences and timing differences not expected to reverse in future periods. This is the partial basis for the calculation of deferred taxation.

The Council uses the liability method of accounting for deferred taxation. Future tax benefits attributable to tax losses or timing differences would only be recognised where there was virtual certainty of realisation.

3.11 Financial Instruments

The Council is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, investments, debtors and creditors and loans.

All revenue and expenditure relating to financial instruments are recognised in the Statement of Financial Performance, and all financial instruments are recognised in the Statement of Financial Position.

Except for loans which are recorded at cost and those items covered by a separate accounting policy, all financial instruments are shown at fair value.

3.12 Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset are transferred to the Council, are classified as finance leases.

Operating lease payments where the lessors effectively retain substantially all the risk and benefits of ownership of the leased item, are charged as expenses in the period in which they are incurred.

3.13 Statement of Cash Flows

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which the Council invests as part of its day-to-day cash management.

Operating activities include cash received from all income sources of the Council and record the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise the change in equity and debt capital structure of the Council.

3.14 Work in Progress

Work in progress is valued at the lower of cost and net realisable value.

3.15 Employee Entitlements

Provision is made in respect of Council's liability for Annual Leave.

Annual Leave is calculated on an entitlement basis at current rates of pay.

3.16 International Financial Reporting Standards (IFRS)

In December 2002 the NZ Accounting Standards Review Board announced that all NZ reporting entities would be required to comply with IFRS for periods commencing on or after 1 January 2007, with the option to comply early for periods beginning on or after 1 January 2005.

Council has adopted IFRS from 1 July 2006. The quantitative impacts of changing to NZ IFRS have not yet been fully determined, however Council does not expect that this will result in significant changes.

4. CHANGES IN ACCOUNTING POLICIES

There have been no changes to accounting policies. All policies have been applied on bases consistent with those used in previous years.

Statement of Financial Performance

Statement of Financial Performance for the Year ended 30 June 2006

2005 ACTUAL	Note	2006 ACTUAL	2006 BUDGET
<u>Cost of Service</u>			
254,726	Governance	279,311	268,082
802,955	Resource Consent Processing	827,200	726,092
341,726	Development of Policy & Plans	395,281	334,278
549,697	Compliance Monitoring & Complaints	882,906	650,350
453,715	Monitoring State of the Environment	686,799	490,014
114,228	Other Planning & Resource Science Group Activities	254,695	145,175
175,626	Emergency Responses	247,382	146,265
345,730	River, Drainage & Coastal Protection Rating Districts	617,207	1,600,730
207,516	Operations Group	142,150	317,639
207,297	Management of Regional Quarries	240,061	371,122
6,545,976	Tb Possum Control	8,524,749	11,604,788
0	Vector Control Services Council Business Unit	74,685	0
307,368	Transport	209,186	234,909
73,815	Other	59,480	38,846
<u>10,380,375</u>		<u>13,441,092</u>	<u>16,928,290</u>
<u>Less</u>			
<u>Income</u>			
1,830,124	General Rates	1,818,782	1,835,000
1,178,542	Investment Income	1,283,527	730,000
71,634	Penalties	79,787	65,000
405,754	Resource Consent Processing	413,054	388,500
1,305	Development Policies & Plans	70,961	5,500
238,046	Compliance Monitoring & Complaints	255,672	251,825
48,786	Monitoring State of the Environment	149,499	0
15,896	Other Planning & Resource Science Group Activities	100,481	15,250
126,085	Emergency Responses	84,697	43,000
518,458	River, Drainage & Coastal Protection Rating Districts	608,716	587,643
125,778	Operations Group	29,066	106,750
141,996	Management of Regional Quarries	196,891	302,500

The West Coast Regional Council

2005 ACTUAL	Note	2006 ACTUAL	2006 BUDGET
6,431,066	Tb Possum Control	8,447,099	11,503,250
0	Vector Control Services Council Business Unit	37,750	228,495
<u>196,760</u>	Transport	<u>123,873</u>	<u>139,000</u>
<u>11,330,230</u>		<u>13,699,855</u>	<u>16,201,713</u>
<u>949,855</u>	Net Surplus/(Deficit) for year	<u>258,763</u>	<u>(726,577)</u>

Statement of Movements in Equity

Statement of Movements in Equity for the Year Ended 30 June 2006

2005 ACTUAL	Note	2006 ACTUAL	2006 BUDGET
36,458,056	Total Equity at start of period	37,407,911	37,163,000
949,855	Operating Surplus (Deficit) for Period	258,763	(727,000)
0	Movements in Revaluation Reserve	0	0
949,855	Total recognised Revenues & Expenses for period	258,763	(727,000)
37,407,911	Total Equity end of period	37,666,674	36,436,000

Statement of Financial Position

Statement of Financial Position as at 30 June 2006

2005 ACTUAL	Notes	2006 ACTUAL	2006 BUDGET
<u>Current Assets</u>			
567	9	115,182	46,000
2,571,365	3	2,628,046	1,472,000
38,112	4	35,369	30,000
193,599		171,716	150,000
275,660	5	58,442	50,000
<u>3,079,303</u>		<u>3,008,755</u>	<u>1,748,000</u>
 <u>Non Current Assets</u>			
9,864,018	6	10,947,136	9,833,000
1,610,000	12	892,000	0
2,864,712	7(a)	2,814,256	2,522,000
23,706,049	7(c)	24,153,488	23,705,000
<u>38,044,779</u>		<u>38,806,880</u>	<u>36,060,000</u>
<u>41,124,082</u>	<u>Total Assets</u>	<u>41,815,635</u>	<u>37,808,000</u>
 <u>Current Liabilities</u>			
383,560	9	0	0
0		700,000	0
1,260,577	1	1,802,023	800,000
245,931	2	235,788	200,000
71,562	8	85,452	0
<u>1,961,630</u>		<u>2,823,263</u>	<u>1,000,000</u>
 <u>Non Current Liabilities</u>			
144,541	8	433,698	372,000
1,610,000	12	892,000	0
<u>1,754,541</u>		<u>1,325,698</u>	<u>372,000</u>
 <u>Equity</u>			
18,782,924	19	19,538,023	18,680,000
1,853,973	19	2,004,158	972,000
6,872,570	19	6,872,570	6,873,000
68,444	19	384,291	0
0	19	(41,368)	0
9,830,000	19	8,909,000	9,911,000
<u>37,407,911</u>		<u>37,666,674</u>	<u>36,436,000</u>
<u>41,124,082</u>	<u>Total Liabilities & Equity</u>	<u>41,815,365</u>	<u>37,808,000</u>



Statement of Cash Flows

Statement of Cash Flows for the Year Ended 30 June 2006

2005 ACTUAL	Notes	2006 ACTUAL	2006 BUDGET
<u>Cashflow from Operating Activities</u>			
Cash was Provided From:			
9,539,925	Rates & Other Income	12,332,030	16,243,000
87,069	Dividends	130,470	0
<u>704,796</u>	Investment Income	<u>238,006</u>	<u>730,000</u>
<u>10,331,790</u>		<u>12,700,506</u>	<u>16,973,000</u>
Cash was Disbursed to:			
10,194,948	Payments to Suppliers & Employees	12,342,211	17,526,000
14,740	GST	28,070	0
<u>10,118</u>	Interest	<u>59,184</u>	<u>31,000</u>
<u>10,219,806</u>		<u>12,429,465</u>	<u>17,557,000</u>
<u>111,984</u>	NET CASHFLOW FROM OPERATIONS	<u>271,041</u>	<u>(584,000)</u>
<u>Cashflow from Investing Activities</u>			
Cash was Provided From:			
1,200,000	Redemption of Investments	200,000	931,000
<u>440,259</u>	Sale Fixed Assets	<u>10,317</u>	<u>0</u>
<u>1,640,259</u>		<u>210,317</u>	<u>931,000</u>
Cash was Disbursed to:			
1,303,347	Purchase of Fixed Assets	170,724	90,000
0	Capital Expenditure Infrastructure Assets	447,439	0
<u>1,188,193</u>	Investments Purchased	<u>368,067</u>	<u>764,000</u>
<u>2,491,540</u>		<u>986,230</u>	<u>854,000</u>
<u>(851,281)</u>	NET CASHFLOW FROM INVESTING	<u>(775,913)</u>	<u>77,000</u>
<u>Cashflow from Financing Activities</u>			
Cash was Provided From:			
<u>0</u>	Loan Raised	<u>1,090,000</u>	<u>400,000</u>
0		1,090,000	400,000
Cash was Disbursed to:			
<u>52,343</u>	Loan Principal Repaid	<u>86,953</u>	<u>47,000</u>
52,343		86,953	47,000



The West Coast Regional Council

2005 ACTUAL		Notes	2006 ACTUAL	2006 BUDGET
<u>52,343</u>	NET CASHFLOW FROM FINANCING		<u>1,003,047</u>	<u>353,000</u>
(791,640)	Total Increase/- Decrease in Cash Held		498,175	(154,000)
408,647	Opening Balance of Cash Resources		(382,993)	200,000
<u>(382,993)</u>	CLOSING BALANCE OF CASH RESOURCES	9	<u>115,182</u>	<u>46,000</u>

Notes to the Financial Statements

Note 1 – ACCOUNTS PAYABLE

<u>2005 Actual</u>		<u>2006 Actual</u>
616,991	Creditors	1,024,145
137,117	GST Payable	4,660
340,624	Sundry Creditors & Accruals	479,732
155,428	Mining Bond Liabilities	293,486
10,417	Accrued Councillor Remuneration	0
<u>1,260,577</u>		<u>1,802,023</u>

Note 2 – EMPLOYEE BENEFITS PAYABLE

<u>2005 Actual</u>		<u>2006 Actual</u>
59,615	Accrued Payroll	66,246
165,023	Accrued Annual Leave	152,485
21,293	Accrued Time in Lieu	17,057
<u>245,931</u>		<u>235,788</u>

Note 3 – ACCOUNTS RECEIVABLE

<u>2005 Actual</u>		<u>2006 Actual</u>
1,160,834	Debtors	1,558,045
354,087	Rates Debtors	311,500
1,056,444	Sundry Receivables	758,501
<u>2,571,365</u>		<u>2,628,046</u>
-	Less Provision Doubtful Debts	-
<u>2,571,365</u>		<u>2,628,046</u>

Note 4 – PREPAYMENTS

<u>2005 Actual</u>		<u>2006 Actual</u>
14,372	Local Government New Zealand	16,113
1,500	GSB Subscription	1,500
16,269	Expenditure Paid in Advance	10,754
5,971	GST Paid on Rates Revenue in advance	7,002
<u>38,112</u>		<u>35,369</u>

Note 5 – STOCK ON HAND

<u>2005 Actual</u>		<u>2006 Actual</u>
218,816	Poison & Pest Supplies	5,090
13,141	Explosives	1,428
26,439	Rock in Quarries	31,174
17,264	Stationery & Office Supplies	20,750
<u>275,660</u>		<u>58,442</u>



Note 6 – INVESTMENTS

	<u>2005 Actual</u>		<u>2006 Actual</u>
(a)	5,000	Bond Deposits – Timberlands	5,000
	22,100	Bond Deposits – Ministry for Economic Development	22,100
	7,045	Greymouth Aero Club Loan	7,045
	5,453,698	Forsyth Barr Funds Management - Fixed Interest	6,130,999
	1,839,483	Forsyth Barr Funds Management – Alternative Asset Classes	1,893,093
	2,500,824	Forsyth Barr Funds Management – Equities	2,855,023
	35,868	Accrued Interest	33,876
	<u>9,864,018</u>		<u>10,947,136</u>

Note 7 – NON CURRENT ASSETS

(a)	FIXED ASSETS	<u>Cost</u>	<u>Less Accum. Deprn.</u>	<u>Net BV 30/06/06</u>
	<u>2005/2006</u>			
	Land and Buildings	1,913,780	50,437	1,863,343
	Motor Vehicles	77,263	31,220	46,043
	Furniture & Fittings	289,607	107,039	182,568
	Plant & Equipment	1,270,236	771,868	498,368
	Capitalised Leases	269,006	92,672	176,334
	Computer Software	189,798	142,198	47,600
		<u>4,009,690</u>	<u>1,195,434</u>	<u>2,814,256</u>

	<u>Cost</u>	<u>Less Accum. Deprn.</u>	<u>Net BV 30/06/05</u>
<u>2004/2005</u>			
Land and Buildings	1,891,895	20,822	1,871,073
Motor Vehicles	75,720	19,508	56,212
Furniture & Fittings	263,798	61,681	202,117
Plant & Equipment	1,185,427	713,965	471,462
Capitalised Leases	229,870	35,994	193,876
Computer Software	189,798	119,826	69,972
	<u>3,836,508</u>	<u>971,796</u>	<u>2,864,712</u>

(b)	ACQUISITIONS DURING THE YEAR	<u>Actual</u>	<u>Budget</u>
	Plant	148,667	95,000
	Furniture & Fittings	18,116	10,000
	Jacks Road Building Improvements	24,587	0
		<u>191,370</u>	<u>105,000</u>

<u>2005 Actual</u>		<u>2006 Actual</u>
(c) INFRASTRUCTURE ASSETS		
Cost		Cost
198,165	Canavan's Knob	198,165
915,288	Coal Creek	915,288
1,682,633	Franz Josef	1,682,633
1,287,754	Inchbonnie	1,287,754
222,814	Kaniere	222,814
1,505,026	Karamea	1,505,026
333,158	Kongahu Swamp	333,158
1,912,394	Kowhitirangi	1,912,394
806,663	Lower Waiho	806,663
23,461	Matainui Creek	23,461
991,887	Nelson Creek	991,887
119,345	Raft Creek	119,345
223,674	Redjacks	223,674
4,231,249	Taramakau Settlement	4,231,249
801,022	Vine Creek	801,022
812,073	Waitangitaona	812,073
7,055,690	Wanganui	7,055,690
268,406	Okuru	268,406
315,347	Hokitika Southbank	315,347
0	Punakaiki	447,439
23,706,049		24,153,488
23,706,049	Opening Balance	23,706,049
0	Capital Additions During Year	447,439
0	Revaluation Movements	0
23,706,049	Closing Balance	24,153,488

Note 8 – TERM DEBT

<u>2005 Actual</u>		<u>2006 Actual</u>
19,288	Okuru 2000 Works Loan	0
	Computer Equipment Rental	
158,911	Commitments 2003/04 Acquisitions	112,808
	Computer Equipment Rental	
37,904	Commitments 2004/05 Acquisitions	31,732
	Punakaiki Seawall Loan - Rating	
0	District Liability	350,599
0	Punakaiki Seawall Loan	24,011
216,103		519,150
71,562	Current	85,452
144,541	Non Current	433,698
216,103		519,150

<u>2005 Actual</u>		<u>2006 Actual</u>
REPAYABLE WITHIN 12 MONTHS		
19,288	Okuru 2000 Works Loan	0
46,102	Computer Equipment Rental Commitments 2003/04 Acquisitions	48,532
6,172	Computer Equipment Rental Commitments 2004/05 Acquisitions	8,858
0	Punakaiki Seawall Loan - Rating	
0	District Liability	26,259
0	Punakaiki Seawall Loan	1,803
<u>71,562</u>		<u>85,452</u>
REPAYABLE 1 – 2 YEARS		
48,532	Computer Equipment Rental Commitments 2003/04 Acquisitions	51,089
8,858	Computer Equipment Rental Commitments 2004/05 Acquisitions	9,635
0	Punakaiki Seawall Loan– Rating District	
0	Liability	28,382
0	Punakaiki Seawall Loan	1,948
<u>57,390</u>		<u>91,054</u>
REPAYABLE > 2 YEARS		
64,277	Computer Equipment Rental Commitments 2003/04 Acquisitions	13,188
22,874	Computer Equipment Rental Commitments 2004/05 Acquisitions	13,239
0	Punakaiki Seawall Loan - Rating	
0	District Liability	295,957
0	Punakaiki Seawall Loan	20,260
<u>87,151</u>		<u>342,644</u>
<u>144,541</u>	Non Current	<u>433,698</u>
<u>216,103</u>	Current + Term	<u>519,150</u>

(b) Interest Rates Payable

Computer Equipment Rentals 2003/04 Acquisitions	5.17% fixed rate
Computer Equipment Rentals 2004/05 Acquisitions	8.49% fixed rate
Punakaiki Seawall Loan – Rating District Liability	7.80% fixed rate 5 years
Punakaiki Seawall Loan	7.80% fixed rate 5 years

(c) Security

All loans are unsecured

Note 9 – CASH RESOURCES

<u>2005 Actual</u>		<u>2006 Actual</u>
500	Cash Floats	500
67	Westpac Land Transport Disbursement Account	67
(383,560)	Westpac Bank Current Account	114,615
<u>(382,993)</u>		<u>115,182</u>



Note 10 – RECONCILIATION OF CASH FLOWS WITH REPORTED OPEATING RESULT FOR THE YEAR ENDED 30 JUNE 2006

	<u>2005 Actual</u>		<u>2006 Actual</u>
(i)	949,855	Reported Surplus (Deficit) for the Year	258,763
(ii)		<u>Add Non-Cash Items</u>	
	166,493	Depreciation	232,762
	90,641	Foreign Exchange Variations	(474,412)
	-484,048	Unrealised Price Gains	(505,230)
	16,620	Unrealised Hedging Losses	62,599
	<u>-210,294</u>		<u>(684,281)</u>
(iii)		<u>Movements in Working Capital Items</u>	
		<i>Current Assets</i>	
	-729,499	Accounts Receivable and Accruals	(89,211)
	-31,221	Stock	217,218
		<i>Current Liabilities</i>	
	117,282	Accounts Payable and Accruals	577,109
	<u>77,924</u>	Net GST Movement	<u>(28,070)</u>
	<u>-565,514</u>		<u>677,046</u>
(iv)		<u>Other</u>	
		<i>Items Classified as Investing</i>	
	-41,105	Gain on Sale of Investments	-1,193
	0	Unrealised Price Losses on Equities	0
	0	Realised Price Gains	0
	-20,958	Movement in Capital Creditors	20,706
	<u>-62,063</u>		<u>19,513</u>
	<u>111,984</u>	NET CASHFLOWS FROM OPERATING ACTIVITIES	<u>271,041</u>

Note 11 – RATES REVENUE

	<u>2005 Actual</u>		<u>2006 Actual</u>
	1,830,124	General Rates	1,818,782
	0	Remissions	0
	<u>1,830,124</u>		<u>1,818,782</u>
		River & Drainage Control	
	494,248	Separate Rates	485,650
	408,118	TB Possum Rate	579,135
	50,456	Regional Emergency Management	25,283
	9,396	Varroa Bee Mite Strategy Rate	11,588
	<u>2,792,342</u>		<u>2,920,438</u>

Note 12 – CASH BOND

The West Coast Regional Council jointly holds with Grey District Council and Buller District Council a Cash Bond from Pike River Coal Company Ltd to secure compliance with various resource consents relating to their mining activities.

The cash bond of \$1,100,000 is invested in an account with Westpac Bank and is held jointly by the three Councils.

This Council has accounted for \$742,000 of the bond sum as a non-current asset and non-current liability.

Council also holds other bonds from the company amounting to \$150,000.

Bank deposits of \$1,100,000 + \$100,000 are invested at the prevailing Westpac 90 day bill rate and the interest is paid direct to Pike River Coal Company Ltd.

30 June 2006 \$742,000 + \$150,000 = \$892,000

30 June 2005 \$1,610,000

The cash bond of \$1,610,000 held by West Coast Regional Council and Buller District Council as at 30 June 2005 was repaid and replaced with a surety bond.

Note 13 – FINANCIAL INSTRUMENTS

Credit Risk

Financial instruments, which potentially subject the Council to credit risk principally consist of bank balances, short term deposits and accounts receivable.

The maximum exposure to credit risk at balance date is the fair value of the financial instruments as stated in the statement of financial position.

Significant concentrations of credit risk apply principally in respect of cash and accounts receivable. The Council reduces this risk by investing only with institutions permitted by its investment policy. There are no major concentrations of credit risk with respect to accounts receivable, with the exception of the Animal Health Board debt amounting to \$1,393,695 @ 30 June 2006. This amount was subsequently paid in the ordinary course of business.

Fair Values

The fair value of financial instruments is equivalent to the carrying amount as stated in the statement of financial position.

Currency Risk

Currency risk is the risk that the values of a financial instrument will fluctuate due to changes in foreign exchange rates.

The following amounts of Council’s Investment Portfolio stated in NZ\$ are held in Foreign Currency holding.

Alternative Asset Classes	1,959,647
Australian Equities	475,469
International Equities	1,515,765
Australian Property Equities	213,194
	4,164,075

Interest Rate Risk

Interest rate risk is assessed as minimal as all term debt is at a fixed rate for the term of the loan.

Note 14 – DISCLOSURE PURSUANT TO SCHEDULE 10 PART 3 OF THE LOCAL GOVERNMENT ACT 2002 – SECTION 19 SEVERANCE PAYMENTS.

The following individual severance payments were made during the year to 30 June 2006

<u>2005 Actual</u>		<u>2006 Actual</u>
Nil	Severance payments made to Chief Executive	Nil
	Other Council employees (individual payments).	
17,674		77,500
2,855		60,000
5,827		
15,312		
2,948		
<u>44,616</u>		<u>137,500</u>

Note 15 – DISCLOSURE PURSUANT TO SCHEDULE 10 PART 3 OF THE LOCAL GOVERNMENT ACT 2002 – SECTION 18 – REMUNERATION

	<u>2005 Actual</u>		<u>2006 Actual</u>
(a)	50,377	Chair J Clayton	51,445
		Deputy Chair	
	23,257	D Shanahan	26,450
	20,846	Clr R Scarlett	19,863
		Clr J Wood (to October 2004)	
	5,034		
	18,864	Clr P Ewen	19,863
	18,864	Clr D Davidson	19,863
	13,863	Clr B Chinn	19,863
	<u>151,105</u>		<u>157,347</u>

The Chief Executive Officer of the West Coast Regional Council is appointed under Section 42 (1) of the Local Government Act 2002 and for the twelve months to 30 June 2006

(b) received the following remuneration:

<u>2005 Actual</u>		<u>2006 Actual</u>
	<i>Former CEO to December 2005</i>	
110,000	Salary	69,908
10,000	Performance Bonus	0
12,216	Vehicle	4,674
12,300	Superannuation	7,753
		<u>82,335</u>
	<i>Current CEO from December 2005</i>	
	Salary	63,185
	Vehicle	5,778
	Superannuation	0
		<u>68,963</u>

144,516151,298**Note 16 – SPECIFIC REVENUE & EXPENDITURE DISCLOSURES REQUIRED BY FINANCIAL REPORTING STANDARD #9 (FRS 9) ISSUED BY THE INSTITUTE OF CHARTERED ACCOUNTANTS**

<u>2005 Actual</u>		<u>2006 Actual</u>
	<u>Revenue</u>	
369,115	Interest	421,219
87,069	Dividends	130,470
(16,620)	Hedges	(62,599)
(192,948)	Exchange Rate Variations	474,412
484,048	Unrealised Price Gains/(Losses)	505,230
447,878	Realised Price Gains/(Losses)	(185,205)
<u>1,178,542</u>	Investment Income	<u>1,283,527</u>
	<u>Expenditure</u>	
53,377	Audit Fees Paid	52,000
	Depreciation	
25,693	Furniture/Fittings	45,358
21,234	Buildings	31,366
20,347	Software	22,372
35,994	Capitalised Leases	56,678
10,892	Motor Vehicles	11,712
52,333	Plant	65,276
<u>166,493</u>		<u>232,762</u>
151,105	Councillors Fees	157,347
10,119	Interest Expense	59,184
186,397	Rental Payments Operating Leases	167,541
47,087	Bad Debts written off (GST excl.)	24,900
(30,000)	Change in Provn. Doubtful debts	0
(41,105)	Loss (Profit) on Sale / Write off Fixed Assets	(1,193)
10,000	Donations	0

Note 17 – RELATED PARTY TRANSACTIONS

During the year, Councillors were involved in minor transactions with the Council such as payment of rates.

Except for those items of a trivial nature, no other related party transactions have been entered into with the Council.

Note 18 – SIGNIFICANT POST BALANCE DATE EVENTS

No post balance date events have come to the attention of the Council that are of a material nature as to require adjustments of the amounts contained in the financial statements or separate note or disclosure.



Note 19 – EQUITY

<u>2005 Actual</u>		<u>2006 Actual</u>
	<u>Rating District</u>	
1,540,949	Opening Balance	1,853,973
618,902	Revenue	737,649
(286,590)	Expenditure	(918,774)
-	Loan Raised	365,000
(19,288)	Loan Repayments	(33,690)
<u>1,853,973</u>	Closing Balance	<u>2,004,158</u>
	<u>Ratepayers Equity</u>	
18,470,044	Opening Balance	18,782,924
949,855	Surplus transferred	258,763
(313,024)	Transfers(to)/from Rating District Equity	(150,186)
50,049	Transfers (to)/from Tb Targeted Rate Balance	(315,847)
0	Transfers (to)/from Quarry Account	41,369
(374,000)	Transfers (to)/from Investment Growth Reserve	921,000
<u>18,782,924</u>	Closing Balance	<u>19,538,023</u>
	<u>Revaluation Reserve</u>	
6,872,570	Opening Balance	6,872,570
0	Revaluation	0
<u>6,872,570</u>	Closing Balance	<u>6,872,570</u>
	<u>Investment Growth Reserve</u>	
9,456,000	Opening Balance	9,830,000
374,000	Transfer (to)/from Ratepayers Equity	(921,000)
<u>9,830,000</u>	Closing Balance	<u>8,909,000</u>
	<u>Quarry Account</u>	
0	Opening Balance	0
0	Transfer (to)/from Ratepayers Equity	(41,369)
<u>0</u>	Closing Balance	<u>(41,369)</u>
	<u>Tb Possum Targeted Rate</u>	
118,493	Opening Balance	68,444
(50,049)	Transfers (to)/from Ratepayers Equity	315,847
<u>68,444</u>	Closing Balance	<u>384,291</u>

Statement of Commitments and Contingencies

30 June 2005

30 June 2006

Non Cancellable Operating Lease Commitments

Plant and Equipment (including vehicles)

155,584	Not later than one year	165,557
119,893	Later than one year and not later than two years	82,339
<u>42,181</u>	Later than two years and not later than five years	<u>37,420</u>
<u>317,658</u>		<u>285,316</u>

CAPITAL COMMITMENTS

Building Contracts

Nil as at 30 June 2006.

(30 June 2005 - nil)

CONTINGENT ASSETS AND LIABILITIES

As at 30 June 2006, Council had no contingent assets.

There is a claim against Council for \$1,400,000 under the Resource Management Act 1991 and Crown Minerals Act 1991. The claim is disputed and will be defended by the Council.

The claim of \$1,123,000 against the Council as at 30 June 2005 was withdrawn by the plaintiff on 4 August 2006.

Total 30 June 2006 \$1,400,000

(30 June 2005 – \$1,123,000)

Governance

Description

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

Objective

To maintain a Council of elected representatives in accordance with statutory requirements and in a manner that promotes effective decision-making and accountability to the West Coast region.

PERFORMANCE TARGETS AND MEASURES	ACHIEVEMENTS/PROGRESS		
1. Conduct eleven monthly meetings of Council and the Resource Management Committee, plus other scheduled meetings during the year, with 85% attendance by all Councillors.	<u>Councillor</u>	<u>No of Meetings Attended</u>	<u>%</u>
	J. Clayton	14 out of 14 meetings	100
	D. Davidson	14 out of 14 meetings	100
	P. Ewen	10 out of 14 meetings	71
	R. Scarlett	9 out of 14 meetings	64
	D. Shannahan	14 out of 14 meetings	100
	B. Chinn (from Oct 04)	13 out of 14 meetings	91
2. Prepare and notify the Council's Annual Report by 31 October each year, in accordance with the procedures outlined in the Local Government Act 2002.	The audited annual report for the year to 30 June 2005 was formally adopted at the Council meeting on 11 October 2005.		
3. Conduct the process to identify Community Outcomes between 1 July 2005 and 31 December 2005.	Initial consultation on community outcomes was completed prior to 31 December 2005.		
4. Confirm the Long Term Council Community Plan (LTCCP) by 30 June 2006, in accordance with the procedures outlined in the Local Government Act 2002.	Council confirmed the LTCCP on 27 June 2006.		

Governance

Cost of Services Statement - For the year ended 30 June 2006

2005 ACTUAL		2006 ACTUAL	2006 BUDGET
	<u>Expenses</u>		
254,726	Cost of Governance	279,311	268,082
	<u>Less Revenues</u>		
0		0	0
<u>254,726</u>	Costs to be funded	<u>279,311</u>	<u>268,082</u>

Resource Consent Processing

Description

Resource consents are required under the Resource Management Act to allow activities that otherwise are restricted. This activity encompasses processing applications for water, coastal and discharge permits and land use consents, in accordance with the process and timeframes set out in the Act.

Objective

To process all applications for resource consents efficiently and effectively in accordance with the process and time frames in the Resource Management Act 1991.

PERFORMANCE TARGETS AND MEASURES	ACHIEVEMENTS/PROGRESS
1. Process 90% of non-notified resource consent applications within the statutory timeframes.	Some 89% of non-notified resource consent applications were processed within statutory timeframes.
2. Work with consent holders to seek to reduce the need for formal requests for further information under Section 92 of the RMA.	Achieved. 47 Section 92 requests were made in relation to consent applications received during the reporting period.
3. Advertise publicly all notified consent applications within 10 working days of receipt of all required information.	Achieved
4. Complete staff reports for all notified applications within the statutory timeframes.	Achieved. Staff reports for all notified applications that required a hearing were provided to the required parties at least five working days prior to the hearing.
5. Report publicly through monthly Resource Management Committee Meetings all consents granted.	Achieved. Each monthly Consents Report included a list of non-notified, limited-notified and notified consent applications granted.
6. Provide advice on resource consent processes and requirements in a timely and helpful manner.	Achieved. A consultant has also been used to supplement internal staff resources when required. Several responses were received in writing, acknowledging good customer service.
7. Send details of all consent applications, which could be of concern to Iwi, to the respective Runanga.	Achieved. Details of applications were provided to Iwi on a regular basis. Iwi are emailed a summary of all applications on a weekly basis.
8. Notify Te Runanga O Ngai Tahu of all resource consent applications affecting Statutory Acknowledgment Areas (SAA).	Achieved. Identification of SAA's and the assessment of the effects of consent applications within or near those areas are a standard internal procedure.

Resource Consent Processing

Cost of Services Statement - For the year ended 30 June 2006

2005 ACTUAL		2006 ACTUAL	2006 BUDGET
	<u>Expenses</u>		
428,085	Consent Processing	445,124	406,070
139,762	Consent Support	195,498	139,815
35,417	Consent Peer Review/Quality Assurance	37,599	35,879
101,927	Consent Appeals	31,034	58,498
97,764	Consent Enquiries	<u>117,945</u>	<u>85,830</u>
<u>802,955</u>		<u>827,200</u>	<u>726,092</u>
	<u>Less Revenues</u>		
<u>405,754</u>	Resource Consent Processing	<u>413,054</u>	<u>388,500</u>
405,754		413,054	388,500
<u>397,201</u>	Costs to be funded	<u>414,146</u>	<u>337,592</u>

Compliance Monitoring & Complaints

Compliance Monitoring

Description

This activity includes monitoring of resource consents and mining licences to ensure compliance with resource consent conditions and Council's resource management policies, and is a duty of the Council under s35 of the Resource Management Act. This activity also includes Council activities inspecting mines at the end of operations to determine mining bond releases.

Objective

To monitor resource consent compliance, provide advice to resource users and, where necessary, take enforcement action on resource consents and mining licences.

To ensure mining bonds are set so as to reduce the risk of any costs to Council.

PERFORMANCE TARGETS AND MEASURES	ACHIEVEMENTS/PROGRESS
1. Identify all current and new resource consents that require ongoing monitoring for compliance and adverse environmental effects and monitor those consents in accordance with set monitoring programmes.	New consents continue to be allocated to officers via monitoring schedules. 494 new consents were issued during the year, 387 of which will require ongoing monitoring. The remaining 107 consents were considered to have low potential adverse effects.
2. Inspect every consent for the discharge of dairy effluent at least every two years depending on compliance.	40 new consents were issued during the year for dairy effluent discharges, bringing the total to 206 consents. 79 of these were inspected, but more will be visited in 2006/07.
3. Complete initial inspections of dairy farms, which may or may not be operating under the permitted activity rules, to check compliance with the permitted activities conditions by June 2006.	Achieved. Essentially the assessment project was completed, with 125 assessments being made during the year. Assessment of 12 sheds needed to be deferred due to either changes in ownership or operational status.
4. Inspect 80% of new consents that involve construction works after completion of those works.	Achieved. A total of 59 new resource consents involving construction works were issued during the year, 47 of which were inspected.
5. Inspect all consents for whitebait stands at least once annually.	A total of 577 stands were inspected, although a few stands in remote areas were not inspected.
6. Inspect every consent and/or mining licence for operating mining activities at least once annually.	186 mining inspections were carried out during the year. All moderate to large scale operational mines were inspected. A few small mines were not inspected because it was considered unnecessary because of their low potential adverse environmental effects.

<p>7. Process 80% of mining work programmes within 20 working days of receipt.</p>	<p>Some 61% (36 of the 59) work programmes received were approved within 20 working days. This represents a slight improvement from last year. Delays in processing work programmes were largely due to insufficient information being provided and bonds not being lodged prior to or at the time the work programmes were received.</p>
<p>8. Respond to consent non-compliance in accordance with the Council's Enforcement Procedures, which may include abatement notices, infringement notices or prosecution as appropriate.</p>	<p>Achieved. Formal enforcement action consisted of 3 abatement notices and 4 infringement notices for consent non-compliance.</p>
<p>9. Report all monitoring inspections through the monthly Resource Management Committee meetings.</p>	<p>Achieved. The total number of inspections was reported each month, broken down into different types of inspections.</p>
<p>10. Release 80% of bonds within four months of the surrender, forfeiture or expiry of the corresponding mining licences or permits, provided that rehabilitation requirements have been met.</p>	<p>Achieved. 100% of the bonds were released within four months for the licences and permits that were surrendered during the year for which the restoration had been completed in accordance with license/permit requirements. Good progress continued to be made with releasing bonds that have been the subject of historic outstanding issues, with only 18 such bonds yet to be released.</p>
<p>11. Review bond levels for large-scale mines and where necessary set new bond levels.</p>	<p>Achieved. This is an ongoing activity.</p>
<p>12. Report mining bond releases and other licence administration activities monthly to the Resource Management Committee.</p>	<p>Achieved. Each monthly Compliance & Enforcement Report included a section on mining activities.</p>

Responding to Complaints

Description

This activity relates to the Council's response to complaints received in respect of Land, Water and Air in relation to the Council's Resource Management Act s35 duties. This is a reactive function driven by ratepayer demand.

Objective

To respond to complaints received by the Council and, where non-compliance with Council Plans, Resource Consent conditions or the Act are confirmed, to implement appropriate action in relation to the likely adverse effects.

PERFORMANCE TARGETS AND MEASURES	ACHIEVEMENTS/PROGRESS
1. Operate a 24-hour service and record all complaints on the Incidents database and in accordance with section 35 enforcement procedures of the RMA.	Achieved. The Council continued to operate a 24-hour complaint response service during the reporting period, and all complaints were recorded on the incident database.
2. Respond to breaches of the Resource Management Act, Regional Plan Rules or Resource Consents.	Achieved. 177 inspections were made in relation to complaints.
3. Take enforcement action through abatement notices, infringement notices or prosecution as appropriate and in accordance with Council policy.	Achieved. Formal enforcement action consisted of 2 abatement notices and 3 infringement notices for regional rule/RMA breaches.
4. Report numbers and categories of complaints received to the Resource Management Committee.	Achieved. Each monthly Compliance & Enforcement Report included a section on complaints received by category.

Compliance Monitoring & Complaints

Cost of Services Statement - For the year ended 30 June 2006

2005 ACTUAL		2006 ACTUAL	2006 BUDGET
	<u>Expenses</u>		
118,153	Compliance Monitoring	162,297	174,890
92,309	Compliance Monitoring Support	120,810	134,633
19,545	Compliance Enquiries	42,520	35,294
49,498	Mining Compliance	79,113	49,197
42,706	Mining Compliance Support	71,766	28,278
62,424	Dairy Farm Monitoring	91,300	50,262
158,253	Complaints	183,421	142,019
6,809	Enforcement Appeals	131,679	35,777
<u>549,697</u>		<u>882,906</u>	<u>650,350</u>
	<u>Less Revenues</u>		
238,046	Fees & Charges	255,672	251,825
<u>311,651</u>	Costs to be funded	<u>627,234</u>	<u>398,525</u>

Development of Regional Policies and Plans

Description

This activity involves completing the plan process for the Land and Riverbed Plan and the Water Management Plan, the development of a Regional Plant Pest Management Strategy under the Biosecurity Act, and continuing oil spill planning under the Maritime Transport Act as needed. Other ongoing requirements of Council are policy development and advice, and responses to external documents that may impact on the West Coast. The RMA now requires 5-yearly efficiency and effectiveness reports on all RMA planning documents.

Objective

To advance a comprehensive set of regional plans in consultation with the West Coast public for efficiently and effectively discharging Council's Resource Management and Biosecurity Act functions.

PERFORMANCE TARGETS AND MEASURES	ACHIEVEMENTS/PROGRESS
1. Resolve all Land and Riverbed appeals by June 2006, which do not relate to wetlands.	Not met, due to court imposed mediation meetings. Mediation on the outstanding appeals is continuing.
2. Complete consultation with landowners and notify a variation to the Land and Riverbed Plan on significant wetlands.	Consultation with landowners was completed July 2005. A wetland variation to the Land and Riverbed Plan was notified on 15 October 2005.
3. Make the Water Plan operative by October 2005, subject to the appeal process.	Not yet operative due to appeals being received on the Plan and court imposed mediation. Mediation on the outstanding appeals is continuing.
4. Hold hearings on the proposed Regional Pest Management Strategy for the West Coast by December 2005, and make operative by June 2006, subject to appeal processes.	Hearings on the Proposed Pest Plant Management Strategy were held in June 2005 and decisions released in early July 2005. The Strategy was made operative by Council on 9 August 2005.
5. Prepare a s35 efficiency and effectiveness report on the Regional Coastal Plan by June 2006.	Not met. Council was advised at the June 2006 meeting, that due to the LTCCP workload, this report was delayed and is now expected to be completed by 30 September 2006.
6. Provide ongoing policy advice to Council as and when needed.	As and when required. Generally, this has been on the subjects of Transport, CDEM, and Pandemic Planning in the past year.
7. Investigate and respond to any environmental policies or plans of other authorities or central government that may impact on West Coast interests, within required timeframes.	The majority of documents received have been assessed as not requiring a response. We have commented on 2 proposed plan changes to the Grey District Plan, their lifelines report, and development strategy for Moana. We have made submissions on subdivision consents in the Buller District. Comments were also made on Transit, Ministry of Civil Defence, and MAF policy documents.

Policy and Plan Implementation

Description

The Regional Council has completed the process of community consultation with respect to developing its Regional Policy Statement, Regional Coastal Plan, Civil Defence Plan and Discharge to Land Plan. These plans are now operative and must be implemented. Implementation of other Plans can also begin, as they are made operative, or are beyond challenge. Plan implementation under this project relates to high priority non-regulatory methods, whereas, consenting and compliance projects fulfil the regulatory implementation components.

Objective

To ensure the effective implementation of the Council's policies and plans by ensuring resource users are aware of policies and rules, and by assisting resource users to adhere to best practice guidelines.

PERFORMANCE TARGETS AND MEASURES	ACHIEVEMENTS/PROGRESS
1. Assist in promoting sustainable catchment management in priority catchments. Complete Lake Brunner farm plans and commence Orowaiti farm plans.	Lake Brunner farm plans completed in July 2005. Orowaiti farm plans completed by June 2006. Funding secured for a similar project in the Harris Creek catchment.
2. Provide information to resource users to raise awareness of regional rules.	Pest Plant information pamphlets and humping & hollowing pamphlets have been distributed.
3. Liaise with contractors and other resource user groups to encourage best practice.	As required – no projects undertaken recently.
4. Provide advice on hazardous waste disposal, natural hazards, pest plant management, riparian management and biodiversity, as required.	As required either through the Waste Working Group (for waste), or when contacted on other issues. Have distributed pest plant information (in conjunction with DoC) via the newspaper and with the rates newsletter.
5. Liaise with education providers on resource management issues.	Schools have been targeted with an education programme about waste minimisation. Resources received by the Council from other agencies are forwarded on to schools as appropriate, along with short quarterly newsletter updates.



Development of Regional Policies & Plans

Cost of Services Statement - For the year ended 30 June 2006

2005 ACTUAL		2006 ACTUAL	2006 BUDGET
	<u>Expenses</u>		
	<i>Cost of Plans</i>		
4,571	Regional Policy Statement	0	6,867
108,763	Land & River Bed Mgmt. Plan	199,310	107,453
864	Contaminants to Land	376	0
299	Air Quality Plan	0	0
4,960	Coastal Plan	10,234	20,489
80,215	Water Management Plan	43,772	34,463
4,508	Oil Spill	0	5,238
26,186	Pest Management	9,836	35,628
81,891	Policy & Plan Implementation & Review	99,510	80,391
<u>29,469</u>	Responses	<u>32,243</u>	<u>43,748</u>
<u>341,726</u>		<u>395,281</u>	<u>334,277</u>
	<u>Less Revenues</u>		
1,305	Fees & Charges	70,961	5,500
<u>340,421</u>	Costs to be funded	<u>324,320</u>	<u>328,777</u>

Other Planning & Resource Science Activities

Public Enquiries

Description

One of Council's roles is the dissemination of information and advice relating to resource management science and planning information.

Objective

To respond to enquiries about:

- The Resource Management Act, Policies and Plans;
- Resource Information, including air quality, water quality, enquires about river flow and rainfall data;
- Other general resource management enquiries.

PERFORMANCE TARGETS AND MEASURES	ACHIEVEMENTS/PROGRESS
1. Respond to RMA or Plan information requested within 10 working days.	Most requests have been responded to within the timeframe. However, details statistics were not kept to substantiate this.
2. Respond to resource science requests within a 10 working day period for simple requests and within one month for more complex requests.	All requests have been responded to within the required timeframe.
3. Respond to general resource management enquiries within a reasonable timeframe.	The majority of requests have been responded to within a reasonable timeframe. However, details statistics were not kept to substantiate this.

Waste Management

Description

The Regional Waste Working Group comprises Councillors and Managers of the three West Coast District Councils and the Regional Council. The group provides a forum to share information on waste issues and to develop regional approaches, where appropriate, to resolve West Coast waste issues. During 2003/04 the Waste Group worked with the Ministry for the Environment to address hazardous waste issues on the West Coast by holding a collection sweep encompassing 18 sites, and installing permanent collection sites for hazardous waste at the three main centres. The Ministry is also assisting with the development of a regional waste strategy for the West Coast.

The Regional Council not only participates in the Regional Waste Working Group and supports various programmes prompted by that group, it also provides administrative support.

Objective

To co-operate with the three District Councils to manage hazardous waste and any other emerging waste issues in the region.



PERFORMANCE TARGETS	ACHIEVEMENTS/PROGRESS
1. Commence action on the priority targets identified in the Regional Waste Strategy.	Of the 17 targets, we have completed or are working on 14 of them. Of the remaining targets some may not be so relevant and will be reviewed next year.
2. Continue to work in a co-operative way with District Councils and the Ministry for the Environment, to efficiently and effectively manage hazardous wastes in the region.	The waste minimisation officer has organised two collections from the designated areas at the three landfills, and a third collection from Greymouth landfill. Also, organised a Haz Waste handler's course for the landfill operators. Currently investigating MfE funding for another agrichemical collection.
3. Ongoing participation and servicing of the Regional Waste Working Group to assist the group in identifying and addressing emerging waste issues as they arise.	Serviced Group meetings on 10 August, 12 October, 30 November, and 15 February. The Elected member, Manager, and Policy Analyst attended all meetings. Work to address tourist waste issues was undertaken and we are awaiting the report.

Biological Controls

Description

Biological control involves the distribution of insects that feed specifically on a pest plant, for example. These insects can reduce the vigour of the weed they feed on to the extent that chemical control is no longer required.

Objective

To contribute funding towards biological control programmes on the West Coast.

PERFORMANCE TARGETS	ACHIEVEMENTS/PROGRESS
1. Part fund Landcare Research's Ragwort Bio-Control Programme for the West Coast.	Funding provided.
2. Fund the West Coast share of the South Island Varroa Bee Mite Strategy.	Funding provided.

Other Planning & Resource Science Activities

Cost of Services Statement - For the year ended 30 June 2006

2005 ACTUAL		2006 ACTUAL	2006 BUDGET
	<u>Expenses</u>		
17,698	Public Enquiries	24,625	31,832
17,962	Biological Controls	25,487	35,857
23,975	Support Regional Economic Development	3,587	2,500
54,593	Waste Management	27,774	38,692
0	Waste Minimisation Project	147,257	0
0	Pest Strategy Implementation	24,396	26,000
0	Biodiversity Promotion	1,569	10,294
114,228		254,695	145,175
	<u>Income</u>		
6,500	Fees & Charges	88,893	4,000
9,396	Targeted Rate	11,588	11,250
15,896		100,481	15,250
98,332	Costs to be funded	154,214	129,925



Regional Land Transport

Total Mobility

Description

A Total Mobility Programme benefits those who are transport disadvantaged. It involves a 50% subsidy of taxi fares for those who have been medically assessed as transport disadvantaged. The service is available in those areas with a taxi service: Hokitika, Greymouth and Westport.

Objective

To provide for subsidised fares for transport disadvantaged, where taxi services exist.

PERFORMANCE TARGETS	ACHIEVEMENTS/PROGRESS
1. To issue vouchers to all eligible applicants who meet the criteria.	Vouchers continue to be issued by District Council's. There is a trend of steady demand for this service.
2. Undertake annual monitoring of the programme by checking use of vouchers, assessment forms, and overall level of utilisation via the three taxi operators.	All companies were assessed in November 2005. User satisfaction surveys were distributed. Eligibility forms are checked by the Transport Planner as entered into regional user database. Few enquiries made. User database currently has approximately 490 entries.

Passenger Services, Safety and Planning

Description

This includes:

- Review of the Regional Land Transport Strategy for purposes of achieving an integrated, safe, responsive and sustainable land transport system.
- Annual reporting on the Regional Land Transport Strategy.
- Continued involvement in the West Coast Road Safety Committee including working with Police, LTSA and others on the safe design and use of roads.
- Preparing the Annual Regional Land Transport Programme to secure funding into the region (including costs relating to the preparation of Freight Transport Plan).
- Maintaining the register of passenger services operating in the region.

Objective

To meet the requirements of the Land Transport Management Act 2003, with the aim of achieving an integrated, safe, responsive and sustainable land transport system, and secure maximum external funding for West Coast projects.

PERFORMANCE TARGETS	ACHIEVEMENTS/PROGRESS
1. Complete the review of the Regional Land Transport Strategy by March 2006 and ensure subsequent reviews occur within three years of the completion date of the previous review.	The Regional Land Transport Strategy went to Council on 14 February 2006 and was formally approved.



<p>2. Prepare an annual report on the Regional Land Transport Strategy by December 2005, and ensure subsequent annual reports are completed each December.</p>	<p>The annual report was completed for the December Council agenda.</p>
<p>3. Maintain an oversight of the Road Safety Co-ordinator to achieve road safety outcomes as per the Regional Road Safety Plan and attend Road Safety Committee meetings.</p>	<p>Quarterly road safety meetings have all been attended to maintain oversight of the Road Safety Co-ordinator. Review of the Draft West Coast Road Safety Plan 2006 – 2009 undertaken.</p>
<p>4. Prepare and submit an Annual Programme to Land Transport New Zealand (previously Transfund) to secure maximum funding support for West Coast projects by March of each year.</p>	<p>The Annual Programme was prepared and submitted. This included funding for Regional Transport Planning, as well as normal funding for road safety, total mobility, and administration.</p>
<p>5. Maintain a current register of passenger services.</p>	<p>Register is being amended as required.</p>
<p>6. One performance measure for the “safe environment” outcome is a continuing reducing trend in the number of road accidents and the number or resulting injuries.</p>	<p>The Road Safety Co-ordinating Committee continues to monitor accident and injury statistics. The Road Safety Co-ordinator then amends the education programme to address current issues, identified problems, or targets specific “at risk” groups.</p>

Transport

Cost of Services Statement - For the year ended 30 June 2006

2005 ACTUAL		2006 ACTUAL	2006 BUDGET
	<u>Expenses</u>		
64,389	Total Mobility Scheme	68,163	71,328
56,529	Administration & Programme	62,744	67,692
100,000	Freight Study	0	0
86,450	Safety Programme	78,279	95,889
<u>307,368</u>		<u>209,186</u>	<u>234,909</u>
	<u>Less Revenues</u>		
170,093	Subsidies	123,873	139,000
26,667	Contributions to Freight Study	0	0
196,760		123,873	139,000
<u>110,608</u>	Costs to be funded	<u>85,313</u>	<u>95,909</u>

Monitoring State of the Environment

Description

State of the Environment Monitoring is required to assess trends in environmental quality, detect emerging issues, indicate effectiveness and appropriateness of resource consent conditions, and measure the achievement of Plan objectives. State of the Environment Monitoring includes measuring rainfall, water flows and levels, water quality monitoring, air quality monitoring and maintaining the database of 'sites associated with hazardous substances'.

Objective

To efficiently carry out environmental monitoring that provides sufficient information for decision making on Council's plans, policies, consents and compliance work.

PERFORMANCE TARGETS	ACHIEVEMENTS/PROGRESS
1. Hydrology monitoring programme	
1.1 Maintain existing hydrometric sites and complete upgrades as required to ensure efficiency and effectiveness.	All maintained as required, ensuring primary flood warning efficiency and effectiveness.
1.2 Maintain a network of manual groundwater level monitoring sites.	Maintained.
1.3 Maintain the hydrological database and produce technical summary and data analysis reports as required including advice for plan and consent requirements.	No reports required. Information has been made available for as and when data requests are received.
1.4 Complete hydrometric and meteorological data summary report to 2005 by December 2005, with subsequent reports completed 5-yearly.	Report completed November 2005.
1.5 Carry out low flow monitoring and water resource investigations as appropriate.	None undertaken.

<p>2. Surface Water Quality Programme</p>	
<p>2.1 Complete a full state of the environment report for surface water quality including condition and trend analysis by August 2005, with follow up reports 3-yearly.</p>	<p>Report completed August 2005.</p>
<p>2.2 Complete four surface water quality sampling rounds per annum, alternating between the far northern and far southern cluster of sites on a 3-yearly basis. Complete beach sampling monthly during summer months and report results promptly.</p>	<p>All runs completed. Bathing beach sampling completed for the five month summer period, all results reported to media as soon as available and to council meetings monthly.</p>
<p>2.3 Continue open water monitoring of Lake Brunner (including depth profiles).</p>	<p>Open water sampling undertaken quarterly.</p>
<p>2.4 Prepare a report on the water quality condition of the tributaries of the Orowaiti Lagoon by June 2006, and further reports on investigations as required.</p>	<p>Report completed January 2006.</p>
<p>3. Complete a full groundwater report by August 2005.</p>	<p>Report completed October 2005.</p>
<p>4. Complete two groundwater quality sampling rounds per annum, reporting on the groundwater quality and quantity on a three yearly cycle, and commencing 2005.</p>	<p>Four groundwater quality runs completed for the year (two paid for by Institute of Geological and Nuclear Sciences). (IGNS)</p>
<p>5. On a four yearly cycle, commencing 2005/06, undertake detailed monitoring of wells in intensive agricultural areas.</p>	<p>Not commenced in 2005/06. Target has changed for this year; to set up an ongoing monitoring programme for intensive agricultural areas. Scoping for the survey design was completed with help from IGNS.</p>
<p>6. Continue the "Sites Associated with Hazardous Substances" programme, ensuring District Council's have access to updated information, and assist landowners by securing external funding to investigate or remediate high priority sites, where possible.</p>	<p>The three District Council's have access to the database via a secure internet link. Property information provided by the TA's with more detailed information available on enquiry to the Regional Council.</p>
<p>7. Continue ambient air quality monitoring at Westport and Reefton, with annual summary reports to Council.</p>	<p>Discussions with MfE identified Reefton as the air shed in the region that needed to be monitored in relation to the 2004 National Air Standard.</p>

Monitoring State of the Environment

Cost of Services Statement - For the year ended 30 June 2006

2005 ACTUAL \$		2006 ACTUAL \$	2006 BUDGET \$
	<u>Expenses</u>		
	Cost of Monitoring State of the Environment		
171,860	Hydrology Flow Monitoring	232,973	164,677
162,774	Surface Water Quality	190,941	234,646
8,608	Ground Water Quality	13,591	29,097
2,391	Ground Water Level	4,777	11,311
27,874	Dairy Insight	43,099	0
15,109	Information Requests	16,243	0
38,884	Contaminated Sites	140,837	28,039
24,348	Air Quality Monitoring	41,717	22,244
<u>1,867</u>	General	<u>2,621</u>	<u>0</u>
453,715		686,799	490,014
	<u>Less Revenues</u>		
48,786	Fees & Charges	149,499	0
<u>404,929</u>	Costs to be funded	<u>537,300</u>	<u>490,014</u>

Emergency Management

Regional Civil Defence & Emergency Management

Description

Civil Defence & Emergency Management involves preparation of a Civil Defence Emergency Management Group Plan, co-ordinating lifelines work, and being ready for flood, earthquake or other emergencies by ensuring personnel, equipment and headquarters are ready at all times for responding effectively to emergency situations.

Objective

To plan effectively and efficiently to ensure that the West Coast has the capacity to respond to both group and local emergencies.

PERFORMANCE TARGETS	ACHIEVEMENTS/PROGRESS
<p>1. Provide administrative support to the CDEM Group and its Co-ordinating Executive Group.</p>	<p>Organised CDEM Group meeting 6 March 2006, and CEG meetings have been held 21 July, 1 December, and 21 June.</p>
<p>2. To maintain a ready-to-operate headquarters in preparation for potential emergencies, with appropriate trained staff and volunteers.</p>	<p>Headquarters available for emergencies. Dry run of capability undertaken on 17 May in conjunction with National Tsunami Exercise. Training needs analysis completed. Training for West Coast Controllers held 22 November 2005, Group Controller attended 2-day training session in Nelson in February 2006.</p>
<p>3. To maintain a warning system capable of receiving and transmitting information and instructions to all levels of control at all times.</p>	<p>HF and VHF radio links are maintained with the three districts and MCDEM (Christchurch). Testing undertaken weekly (Thursday). Participated, received, and actioned national warning messages as disseminated by MCDEM 24 hours 7 days a week (4 tests per year).</p>
<p>4. Complete targets or actions as required by the CDEM Plan.</p>	<p>CDEM Public Information (Sept 2005), "Are You Prepared West Coast" booklets delivered to every household October 2005.</p> <p>Communications Plan (Sept 2005), adopted by CEG at 21 June meeting.</p> <p>Warning System SOP drafted and provided for comment by CEG at 21 June meeting.</p> <p>Lifelines Project final report has been received.</p> <p>Training Needs Analysis (Dec 2005), initial TNA completed September 2005. CEG appointed a Training Needs Committee to further develop analysis, assess training needs, and provide options for training.</p> <p>Hazard Work (Ongoing), collation of regional hazard detailed analysis of</p>



consequences/impacts (non-natural) e.g. Pandemic resources.

CDEM Group Recovery Plan (no set timeframe), currently in draft form. Two of four groups required already meeting regularly (Welfare and Lifelines). Further assistance required from MCDEM to progress.

Group Welfare Plan (no set timeframe), Welfare Advisory Group established August 2005 and Group Plan approved 10 November 2005.

Flood Warning Services

Description

Council currently operates a network of flood warning stations on West Coast rivers. Sites are linked by radio and telephone networks to a base station at the office of the West Coast Regional Council. Rainfall intensities and rates of river rise are monitored 24/7 to alert and inform Emergency Services, District Council's and other flood management organisations and the community of flood risk.

Objective

- To warn the West Coast community of impending floods.
- To improve the systems predictive capability for estimating the timing and magnitude of flood peaks.

PERFORMANCE TARGETS	ACHIEVEMENTS/PROGRESS
1. Maintain the Council's flood warning system to a level whereby any individual station is operational for at least 95% of the time.	All stations except Sirdar Peak have met the target. Sirdar Peak has experienced intermittent faults and it wasn't until it was confirmed non-operational that a repair flight was undertaken.
2. Ensure real time data on river levels and rainfall is available on the Council website and Info line (data is updated 12 hourly, and during floods, 3 hourly at least).	The data was generally available although internet faults caused the system to be down at times.
3. Provide a continuous flood monitoring service and respond in accordance with the flood-warning manual.	Achieved, with one exception. Karamea station failed to automatically call in January, when a Stage 1 alarm had been exceeded. An investigation occurred and the fault was remedied.
4. Review the flood-warning manual annually and liaise with work groups as required.	Commenced. Completion expected by the end of August 2006.
5. Maintain a database of flow and rainfall data to enable flood analysis (including flood frequency and flood modelling).	The database is maintained.

<p>6. By June 2006, investigate the statistical relationship between rainfall recorded at Franz Josef and rainfall recorded in the upper Waiho River catchment, and assess the value of telemetering the Douglas Hut gauge (operated by NIWA) to assist in flood warning for Franz Josef.</p>	<p>Due to staff changes, work was not completed on this. This target will be actioned in the 2005/06 year instead.</p>
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Marine Oil Spill Response Capability

Description

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

Objective

To promote the prevention, control and clean up of oil spills in the Region's coastal water.

PERFORMANCE TARGETS	ACHIEVEMENTS/PROGRESS
<p>1. Maintain qualified and trained personnel to cope with maritime oil spills, including issues relating to wildlife in the region.</p>	<p>Achieved. The regional oil spill response team consisted of 31 personnel at the end of the year.</p>
<p>2. Organise and run one regional exercise per annum.</p>	<p>Achieved. Two exercises were held – one in Hokitika and the other in Westport.</p>
<p>3. Respond to oil spills in a timely and effective manner.</p>	<p>There were no marine oil spills reported during the year.</p>

Hazard Investigations

Description

The West Coast with its high relief, heavy rainfall and diverse geology presents a dynamic environment. Floods, landslips, earthquakes and coastal erosion all present hazards for the community.

Identification of hazards enables the community to take actions that will limit loss of life or damage to assets when or if hazard events occur. Priorities are being identified in the Civil Defence Emergency Management Plan.

Objective

To identify the highest risk hazards on the West Coast and to use this information to develop strategies for dealing with the risk and protecting communities.

PERFORMANCE TARGETS	ACHIEVEMENTS/PROGRESS
<p>1. Support the West Coast Lifelines Group to work with network utility operators to make their networks more resilient to likely hazard events, particularly where larger communities could be isolated during an emergency.</p>	<p>Held workshop in Punakaiki in August 2005 for Lifelines project development.</p>



2. Facilitate, secure funding where possible for, and initiate high priority research work as directed by priorities in the Civil Defence and Emergency Management Plan.	Initiated Lifelines Project on Alpine Fault Earthquake scenario in June 2005 (as per CDEM Plan Targets and Actions timeframe). Secured funding of \$55K (incl. WCRC contribution of \$10K). Final report received.
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Emergency Responses

Cost of Services Statement - For the year ended 30 June 2006

2005 ACTUAL \$		2006 ACTUAL \$	2006 BUDGET \$
	<u>Expenses</u>		
27,836	Civil Defence Response	33,785	31,558
63,318	CD Emergency Mgmt Plan Implementation	55,778	24,603
37,950	Floodwarning	31,432	60,441
29,863	Oil Spill Response Capability	63,133	14,917
16,659	Hazard Identification	63,254	14,746
<u>175,626</u>		<u>247,382</u>	<u>146,265</u>
	<u>Less Revenues</u>		
73,277	User Charges	57,561	15,000
2,352	Subsidies	1,853	3,000
50,456	Targeted rates	25,283	25,000
<u>126,085</u>		<u>84,697</u>	<u>43,000</u>
<u><u>49,541</u></u>	Costs to be funded	<u><u>162,685</u></u>	<u><u>103,265</u></u>

Operations Group Activities

Description

To provide a service to ratepayers about river and drainage problems, including one free inspection.

A user pays service is provided for those wishing to utilise engineering services.

Objective

- To provide sound advice about river control and drainage works.
- To support communities to initiate schemes, which are economically viable and sustainable.

PERFORMANCE TARGETS	ACHIEVEMENTS/PROGRESS
1. Respond to request for advice within two weeks of receipt of notice.	Achieved.
2. Complete individual requests for protection works on a timely basis and to a standard that meets the individual's satisfaction.	There have been no contracted private works undertaken.

Operations Group Activities

Cost of Services Statement - For the year ended 30 June 2006

2005 ACTUAL		2006 ACTUAL	2006 BUDGET
	<u>Expenses</u>		
102,535	Contract Works	0	73,960
37,807	Technical Services	55,920	61,744
13,442	River Cross Sections	48,639	97,077
22,881	Asset Management Plans	1,179	35,626
<u>30,851</u>	Free Inspections	<u>36,412</u>	<u>49,232</u>
207,516		142,150	317,639
	<u>Less Revenues</u>		
125,778	Fees & Charges	29,066	106,750
<u>81,738</u>	Costs to be funded	<u>113,084</u>	<u>210,889</u>

River, Drainage & Coastal Protection Rating District Works

Description

The Regional Council presently administers 22 special rating districts, comprising of 17 river, 2 drainage and 3 coastal protection maintenance rating schemes throughout the West Coast, under the provision of the Local Government (Rating) Act 2002, Resource Management Act 1991 and the Soil Conservation and Rivers Control Act 1941.

Objective

To minimise damage to protection and drainage structures and to maintain these structures to a standard identified in the Asset Management Plans.

PERFORMANCE TARGETS	ACHIEVEMENTS/PROGRESS
1. Manage and undertake annual maintenance of the 22 rating district infrastructural assets to the service level consistent with the Asset Management Plan of each individual rating district.	12 Rating Districts assets required minor maintenance works to be carried out to the standard identified in the Asset Mgmt Plan, or in accordance with the approved annual maintenance programme. The other 10 rating districts did not require maintenance to be carried out

Greymouth Flood Wall Rating District

Description

The Greymouth Floodwall Rating District Scheme exists to maintain the Greymouth Floodwall structures to the level of service identified in the Asset Management Plan and endorsed by the Joint Floodwall Committee.

The Joint Floodwall Committee is a Joint Committee of the West Coast Regional Council and the Grey District Council.

The Joint Committee represents the interests of the Ratepayers in the Rating District and makes recommendations to the West Coast Regional Council regarding maintenance works required and other matters related to the management of the Scheme.

The Grey District Council owns the Floodwall Assets.

The structural integrity of the Floodwall is managed by the West Coast Regional Council in consultation with the Joint Floodwall Committee.

The aesthetic aspects of the Floodwall are managed by the Grey District Council.

Objective

To protect Greymouth, Cobden and Blaketown from flooding by the Grey River, by maintaining the scheme assets to the level identified in the Asset Management Plan, reviewed and supported by the Joint Floodwall Committee.

PERFORMANCE TARGETS	ACHIEVEMENTS/PROGRESS
1. To complete the upgrade of the existing floodwall to the revised 50-year flood return period by June 2006.	Due to the requirement for further information on the resource consent application, the upgrade will be delayed until 2006/07.
2. To maintain the existing structure to the 50-year flood return period with a minimum of 600 mm freeboard.	Resource consent is required to raise the height of the stopbank to meet this target. The resource consent application was lodged in August 2006

River, Drainage & Coastal Protection Rating District Works

Cost of Services Statement - For the year ended 30 June 2006

2005 ACTUAL		2006 ACTUAL	2006 BUDGET
<u>Expenses</u>			
286,786	Rating Districts	918,775	1,518,865
58,944	Rating Districts Administration	145,871	81,865
0	Capital Expenditure Transferred	(447,439)	0
<u>345,730</u>		<u>617,207</u>	<u>1,600,730</u>
<u>Less Revenues</u>			
24,210	Fees & Charges	123,062	146,055
<u>494,248</u>	Targeted rates	<u>485,654</u>	<u>441,588</u>
518,458		608,716	587,643
<u>(172,728)</u>	Net (Surplus) / Deficit	<u>8,491</u>	<u>1,013,087</u>
332,117	Movement in Rating District Equity	73,992	531,222
0	Capital Expenditure Transferred	(447,439)	0
0	Loan	365,000	400,000
<u>(100,445)</u>	Rating District Interest	<u>(128,933)</u>	<u>0</u>
<u>(231,762)</u>		<u>(137,380)</u>	<u>931,222</u>
<u><u>58,944</u></u>	Costs funded from general rates	<u><u>145,871</u></u>	<u><u>81,865</u></u>



Quarry Operations

Description

Quarried rock has proved to be the most effective material to provide long-term bank protection and river training on the West Coast.

The Council presently operates 11 rock quarries throughout the region for the purpose of supplying good durable rock for river protection works.

One quarry has been purchased off LINZ at the request of the Karamea Rating District to ensure continuity of rock supply in the future for the Karamea area.

One other quarry is held in trust for the Taramakau Rating District for future potential use.

The Cobden quarry will be decommissioned and restoration will be carried out in consultation with OSH (quarries), West Coast Regional Council (consents & compliance) and the Cobden Community group.

A section of the existing Wanganui quarry access road has been eroded away by the Wanganui River, limiting access. Successful negotiations with the adjacent owner will result in the quarry access being reinstated. The bridge across the Amethyst ravine will be structurally tested and repairs carried out if necessary.

Objective

- To provide a durable reasonably priced rock for river protection purposes throughout the region.
- To prevent a monopoly restricting access to rock resources throughout the region.
- To promote the sale of decorative rock outside the region at a premium price to financially assist in the regional quarry development and operating costs.
- To re-establish access to the Wanganui Quarry.

PERFORMANCE TARGETS	ACHIEVEMENTS/PROGRESS
1. Provide rock from 11 rock quarries to facilitate river protection works within two weeks of request.	Both Paddy Gourley and Cobden quarries have been decommissioned. The Council, bring the total number of quarries to 9, holds the licence for Fenians quarry at Karamea. For the 9 quarries the performance target has been achieved.
2. To provide rock for regional use at a cost that is in line with relative operating cost of each quarry without subsidisation from general rates.	The full operating cost of each quarry will be recovered from the users of that quarry.
3. Respond to requests for decorative rock within two weeks of request.	Achieved.
4. To operate quarries in accordance to the Health and Safety in Employment Act 1992 and relevant Approved Code of Practice for Surface Mining and Quarrying.	A consultant was engaged to provide the Council with a report on each quarry and what is required to meet our obligations. A comprehensive H&S plan has been completed.

Quarry Operations

Cost of Services Statement - For the year ended 30 June 2006

2005 ACTUAL		2006 ACTUAL	2006 BUDGET
	<u>Expenses</u>		
<u>207,297</u>	Cost of Management of Regional Quarries	<u>240,061</u>	<u>371,122</u>
207,297		240,061	371,122
	<u>Less Revenues</u>		
141,996	Fees & Charges	196,891	302,500
<u>65,301</u>	Costs to be funded	<u>43,170</u>	<u>68,622</u>

Vector Management

Description

The Animal Health Board is the Management Agency under the Biosecurity (National Bovine Tuberculosis Pest Management) Order 1998 and under the Order, is the agency responsible for the implementation of the National Bovine Tuberculosis Pest Management Strategy (NPM Strategy).

The Animal Health Board and the West Coast Regional Council have entered into a contract for the Council to provide Vector Control Management Services and implement Vector Control activities within the Region.

The Council also provides the regional funding percentage calculated by the Animal Health Board for Vector Control and Management services.

Objective

- To represent landowners, including consultation and negotiation of funding for regional share of management and vector control programmes.
- Provide contract services to the level negotiated with the Animal Health Board for the delivery of Vector Management Services for the implementation of the Vector Control programme.
- To produce a three-year West Coast Bovine Tb Strategic Plan that is reviewed annually in accordance to Animal Health Boards contractual requirements.

PERFORMANCE TARGETS	ACHIEVEMENTS/PROGRESS
1. To fund the Regional Share to enable the Vector Control Contract Plan objectives be achieved.	Tb Special Rate levied to fund the Regional Share.
2. Ensure that all the performance objectives are met as per the AHB Contract specifications for Vector Management.	The performance objectives for Vector Management were substantially met (Programme Design & Implementation, Contract Management, Local Environment & Communications).
3. Ensure the Vector Control Contract Plan is reviewed on an annual basis within the time frame specified by the Animal Health Board.	The Council met the timeframe for Vector Control Contract Plan review.

Tb Possum Pest Management

Cost of Services Statement - For the year ended 30 June 2006

2005 ACTUAL \$		2006 ACTUAL \$	2006 BUDGET \$
	<u>Expenses</u>		
608,787	Cost of Vector Management	1,034,984	853,788
458,167	Regional Share of Programme Costs	546,473	751,000
<u>5,479,022</u>	Cost of Vector Controls	<u>6,943,292</u>	<u>10,000,000</u>
6,545,976		8,524,749	11,604,788
	<u>Less Revenues</u>		
	<i>Fees & Charges</i>		
408,118	Targeted Rate	579,135	563,250
520,000	AHB Management Fee	940,000	940,000
44,638	Other Income	538	0
<u>5,458,310</u>	AHB Vector Contracts	<u>6,927,426</u>	<u>10,000,000</u>
6,431,066		8,447,099	11,503,250
(114,910)	Surplus/(Deficit)	(77,650)	(101,538)
50,049	Transfers of Tb targeted Rate balance	(169,280)	-
<u>(64,861)</u>	Costs to be funded	<u>(246,930)</u>	<u>(101,538)</u>

Vector Control Services Business Unit

Description

As a contractual requirement with the Animal Health Board, the Council has separated vector control activities and vector management functions.

As a result of this, a Vector Control Manager has been appointed to manage the Vector Control Activity of the Council.

Further negotiations are presently being discussed with the Animal Health Board for the Unit to be involved in vector monitor work.

Objective

- To meet the performance objectives set by Vector Management staff for vector control operations, or monitor operations.
- To complete monitoring within the allocated budget and to the performance levels determined by Vector Management staff.

PERFORMANCE TARGETS	ACHIEVEMENTS/PROGRESS
1. To carry out monitoring of Vector Control contracts to the required monitoring standard specified by the Vector Management.	VCS has to date, since monitoring was undertaken in January 2006, has successfully completed nine (9) monitors, three (3) re-monitors before the end of the financial year. VCS had to relinquish five (5) monitor contracts due to insufficient resources at the time they were called to be done.
2. Supply contract labour to the Vector Management for aerial operations and meet the timelines for service, as specified by the Vector Management manager.	VCS has supplied contract labour according to Vector Management's specifications and timelines for aerial operations for the year to date. On one occasion staff were not supplied for track checking on South Westland operation due to management oversight and other work commitments.
3. To develop complementary service activities as appropriate.	VCS continues to develop complimentary service activities by setting up better business practices, up-skilling of staff, and investing in equipment. VCS has undertaken other work for the private sector, the Department of Conservation, Timberlands, Maritime NZ, Biosecurity NZ, Landcare and conducts some field delivery activities on behalf of the Regional Council.
4. To operate the Unit on a fully self-funding basis, including providing an appropriate return to Council.	VCS has only been operating in its current format since July 2005. The Unit achieved a loss of \$36,935 for the full twelve months to 30 June 2006.

<p>5. To develop the Unit to enable it to operate on a competitive basis within two years.</p>	<p>VCS has set up business systems and documentation to enable them to compete on the open market. This has included reviewing the Health and Safety processes and developing a quality assurance document. In addition, VCS has invested in increasing the skill sets of the staff, up-to-date equipment and the development of the Jack's Road site.</p>
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Vector Control Services Business Unit

Cost of Services Statement - For the year ended 30 June 2006

2005 ACTUAL		2006 ACTUAL	2006 BUDGET
\$		\$	\$
	<u>Total Operating Expenditure</u>		
0	External Expenditure	74,685	0
<u>0</u>	Internal Expenditure	<u>882,980</u>	<u>771,505</u>
<u>0</u>		<u>957,665</u>	<u>771,505</u>
	<u>Revenue</u>		
0	External Revenue	37,750	228,495
<u>0</u>	Internal Revenue	<u>882,980</u>	<u>771,505</u>
<u>0</u>		<u>920,730</u>	<u>1,000,000</u>
<u>0</u>	(Surplus) / Deficit	<u>36,935</u>	<u>(228,495)</u>

Major Budget Variations

		2006 Actual	2006 Budget	Variance	Variance
<u>Expenditure</u>					
1	Governance	279,311	268,082	11,229	4%
2	Resource Consent Processing	827,200	726,092	101,108	14%
3	Development Policies & Plans	395,281	334,278	61,003	18%
4	Compliance Monitoring & Complaints	882,906	650,350	232,556	36%
5	Monitoring State of the Environment	686,799	490,014	196,785	40%
6	Other Planning & Resource Science Group	254,695	145,175	109,520	75%
7	Emergency Responses	247,382	146,265	101,117	69%
8	River, Drainage & Coastal Protection Rating	617,207	1,600,730	-983,523	-61%
9	Operations Group	142,150	317,639	-175,489	-55%
10	Management of Regional Quarries	240,061	371,122	-131,061	-35%
11	TB Possum Control	8,524,749	11,604,788	-3,080,039	-26%
12	VCS Council Business Unit	74,685	0	74,685	-
13	Transport	209,186	234,909	-25,723	-11%
14	Other	59,480	38,846	20,634	53%
		13,441,092	16,928,290	-3,487,198	-21%
<u>Revenue</u>					
15	General Rates	1,818,782	1,835,000	-16,218	-1%
16	Investment Income	1,283,527	730,000	553,527	76%
17	Penalties	79,787	65,000	14,787	23%
18	Resource Consent Processing	413,054	388,500	24,554	6%
19	Development Policies & Plans	70,961	5,500	65,461	1190%
20	Compliance Monitoring & Complaints	255,672	251,825	3,847	2%
21	Monitoring State of the Environment	149,499	0	149,499	na
22	Other Planning & Resource Science Group	100,481	15,250	85,231	559%
23	Emergency Responses	84,697	43,000	41,697	97%
24	River, Drainage & Coastal Protection Rating	608,716	587,643	21,073	4%
25	Operations Group	29,066	106,750	-77,684	-73%
26	Management of Regional Quarries	196,891	302,500	-105,609	-35%
27	Tb Possum Control	8,447,099	11,503,250	-3,056,151	-27%
28	VCS Council Business Unit	37,750	228,495	-190,745	-83%
29	Transport	123,873	139,000	-15,127	-11%
		13,699,855	16,201,713	-2,501,858	-15%



Commentary

This commentary focuses on variances in excess of 10% and \$30,000.

EXPENDITURE

2 Resource Consent Processing

Cost of non-recoverable support and enquiry costs exceeded budget.

3 Development of Regional Policies and Plans

Costs greater than budgeted due to legal and mediation costs regarding Draft Land & Riverbed Management Plan.

4 Compliance Monitoring and Complaints

Costs greater than budgeted due to cost of environmental court enforcement proceedings substantially exceeding budget.

5 Monitoring State of the Environment

Costs greater than budgeted due to unbudgeted contaminated site expenditure of \$140,000, which was funded by the Ministry for the Environment.

6 Other Planning and Resource Science Group Activities

Costs substantially greater than budgeted due to cost of Waste Minimisation project amounting to \$147,000 and for which Council received funding of \$56,000 from the Ministry for the Environment and \$15,000 from the three District Councils.

7 Emergency Responses

Costs exceeded budget to "Lifelines" work costing approximately \$45,000, the funding of which was received in the 2004/05 financial year.

The cost of Oil Spill Response activities, including training exceeded budget by \$50,000; however, most of this was recoverable from Maritime New Zealand.

8 River, Drainage and Coastal Protection Rating Districts

Expenditure was substantially below budget due to the anticipated upgrade of the Greymouth Floodwall not occurring as expected. This project is still to go through the resource consent process.

Council had allowed a budget of \$700,000 for this work.

Other contract works approximately \$280,000 less than budgeted.

9 Operations

Total activity in this area much less than budgeted due to staff retirements and other restructuring in this area.

10 Quarries

Demand for quarry rock continues to be low, consequently total expenditure substantially less than budgeted.

11 Tb Possum Control

Total programme \$3,000,000 less than budgeted due to \$1.174 million work not completed as at 30 June 2006.

12 VCS Council Business Unit

Total expenditure incl. internal transactions = \$957,665

Costs in first full year of operation exceeded budget in a number of areas.



REVENUE

- 16 Investment Income**
Returns on Investment Portfolio substantially exceeded estimates.
- 19 Development of Regional Policies and Plans**
Revenue substantially in excess of budget due to contributions from other Regional Councils and the Ministry for the Environment with regard to Council legal and mediation costs regarding the Draft Land & Riverbed Management Plan.

Refer also 3 above.
- 21 Monitoring State of the Environment**
Unbudgeted revenue relates to payment from the Ministry for the Environment regarding contaminated sites work.
- 22 Other Planning and Resource Science Group Activities**
Unbudgeted revenue recoveries relate to contributions on the Waste Minimisation project from the Ministry for the Environment and other local Councils.

Refer also 7 above.
- 23 Emergency Responses**
Refer comments in 8 above.
- 25 Operations Group**
Refer comments in 11 above.
- 26 Quarries**
Refer comments in 12 above.
- 27 Tb Possum Control**
Refer comments in 13 above.
- 28 VCS Council Business Unit**
Total revenue incl. internal transactions = \$920,730
Revenue in first full year of operation fell short of expectations.