

West Coast Regional Council



Annual Report
July 1, 2007 to June 30, 2008



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*Cover Photograph: Arawhata River, South Westland
Courtesy of Mary Traves (West Coast Regional Council)*

Directory

Council Office 388 Main South Road, Paroa, Greymouth

Postal Address P.O. Box 66, Greymouth, 7805

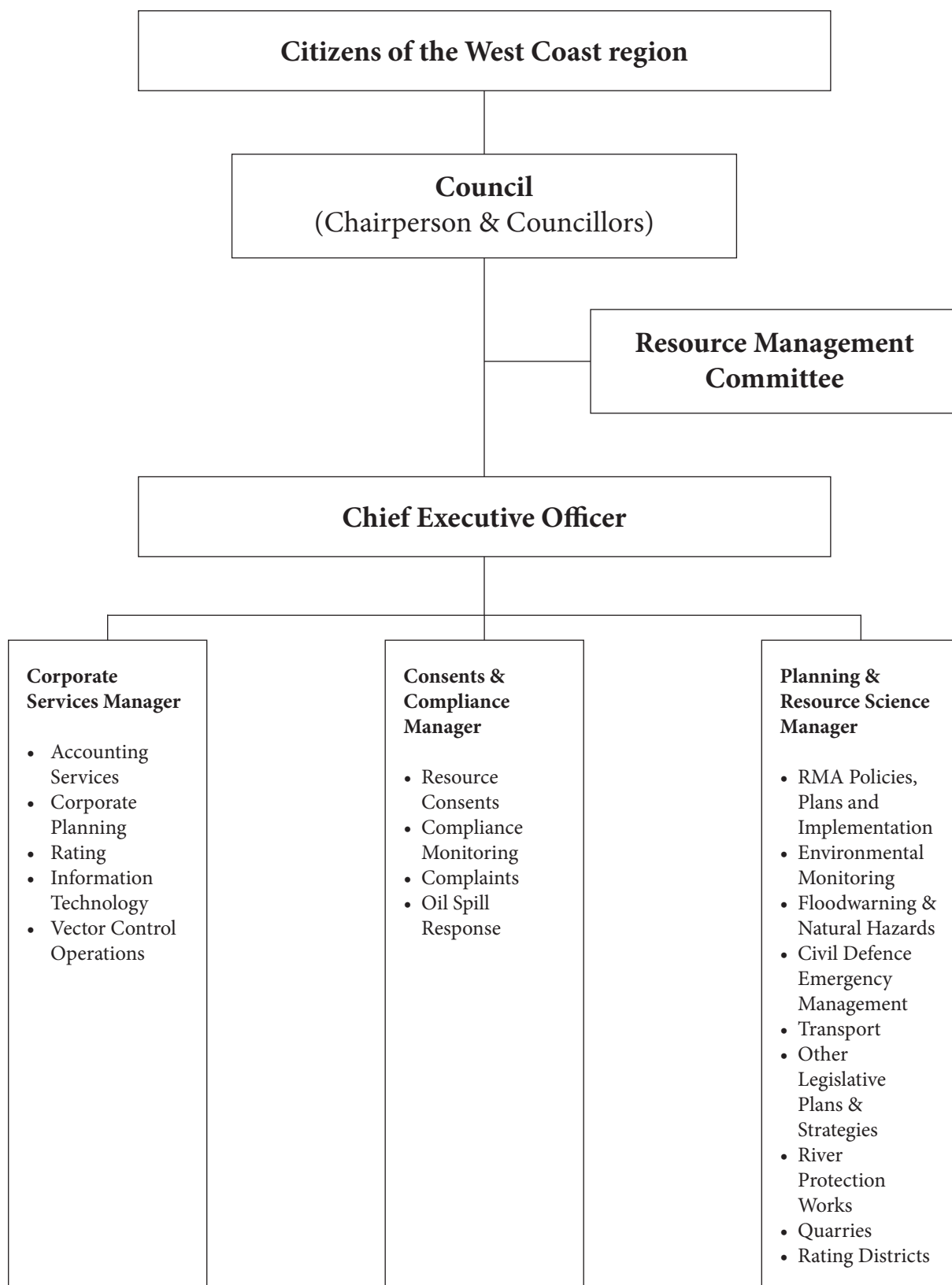
Phone 03 768 0466

Fax 03 768 7133

Email info@wrc.govt.nz

Web www.wrc.govt.nz

Council Organisation Structure



Chairperson's Review

Chairman's Review

I am very pleased to provide my first Chairman's review following my election to this position by my Councillor colleagues in October 2007.

I am pleased that Council is an efficient processor of Resource Consent applications, with 92.4% of non-notified resource consent applications processed within the statutory timeframes. In addition, Council has been involved in the processing of some quite large scale Resource Consent applications. An efficient Resource Consent processing authority is a positive thing for the West Coast economy.

Council has also made a very positive contribution to the West Coast economy by its continued involvement in the delivery of the Animal Health Board's Tb Possum vector control programme on the West Coast. Although the program will now be directly managed by the Animal Health Board, Council remains committed to the control and eradication of bovine Tb on the West Coast.

Council Investment portfolio was impacted by the downturn in Equity markets, nationally and internationally, during the 2007/08 year. However, Council is a long term and conservative Investor and this downturn needs to be looked at in the wider context of the excellent returns that this Investment portfolio has delivered to the people of the West Coast over several years.

Council will now be embarking on a Long Term Council Community Plan (LTCCP) process for the ten year period 2009 to 2019. I look forward to your participation in that process.

Ross Scarlett
Chairperson

Photograph of Councillors



Back Row: Allan Birchfield (Grey), Bryan Chinn (Westland), Duncan Davidson (Westland), Peter Ewen (Grey)

Front Row: Ross Scarlett (Buller), Terry Archer (Buller), Andrew Robb (Grey)

Community Outcomes

In 2005 the West Coast Regional Council consulted with the West Coast community to identify what the community thought were important outcomes for the West Coast. As a result of this consultation and in liaison with the three District Councils, the following Regional Community outcomes were identified in Council's Long Term Community Plan (LTCCP).

1. Economy: A thriving, resilient and innovative economy creating opportunities for growth and employment.
2. Environment: The distinctive character of the environment is appreciated and retained.
3. Health: Healthy communities with access to quality facilities and services.
4. Education: A region that values and supports learning with accessible, relevant education and training opportunities.
5. Identity: A "happening" region with a strong community spirit and distinctive lifestyle.
6. Safety: A region that is safe place to live.

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

Governance	1, 2, 3, 4, 5, 6
Consents and Compliance	1, 2, 3, 4, 5, 6
Planning Processes	
Regional Plans	1, 2, 3
Transport	1, 3, 4, 5, 6
Public Enquiries	1, 2, 3
Waste Management	2
Environmental Monitoring	2, 6
Emergency Management	2, 4
River, Drainage & Coastal Protection Works	
Rating Districts	1, 2, 6
Quarries	1
Technical Services	2, 6
Vector Management	1,2
Vector Control Services Business Unit	1, 2

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.



Iwi representatives for the Resource Management Committee Terry Scott and Rick Barber.

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

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.

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.

In the opinion of the Council and management of The West Coast Regional Council, the annual financial statements for the year ended 30 June 2008 fairly reflects the financial position and operations of The West Coast Regional Council.



R. Scarlett
Chairperson



C. Ingle
Chief Executive Officer



R.J. Mallinson
Corporate Services Manager

Dated: 11 th day of November 2008

AUDIT REPORT

TO THE READERS OF WEST COAST REGIONAL COUNCIL'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 June 2008

The Auditor-General is the auditor of West Coast Regional Council (the Regional Council). The Auditor-General has appointed me, John Mackey, 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 Regional Council for the year ended 30 June 2008, including the financial statements.

Unqualified Opinion

In our opinion:

- The financial statements of the Regional Council on pages 12 to 70:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the Regional Council's financial position as at 30 June 2008; 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 43 to 68 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 11 November 2008, 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, performance information 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, performance information 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, performance information 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, performance information and the other requirements.

We evaluated the overall adequacy of the presentation of information in the financial statements, performance information 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. The financial statements must fairly reflect the financial position of the Regional Council as at 30 June 2008. 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 meeting the other requirements of Schedule 10 and including that information in the annual report. 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, performance information 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 Long Term Council Community Plan, we have no relationship with or interests in the Regional Council.



John Mackey
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

Statement of Accounting Policies

Statement of accounting policies for the year ended 30 June 2008

Reporting Entity

The West Coast Regional Council (WCRC) is a regional local authority governed by the Local Government Act 2002.

The primary objective of WCRC is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, WCRC has designated itself as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements of WCRC are for the year ended 30 June 2008. The financial statements were authorised for issue by Council on 11 November 2008.

Basis of preparation

The financial statements of WCRC have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of Schedule 10, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, certain infrastructural assets and financial instruments (including derivative instruments).

The financial statements are presented in New Zealand dollars. The functional currency of WCRC is New Zealand dollars.

Standards and interpretation issued and not yet adopted

Standards, amendments and interpretations issued but not yet effective that have not been early adopted, and which are relevant to West Coast Regional Council include:

- NZ IAS 1 Presentation of Financial Statements (revised 2007) replaces NZ IAS 1 Presentation of Financial Statements (issued 2004) and is effective for reporting periods beginning on or after 1 January 2009. The revised standard requires information in financial statements to be aggregated on the basis of shared characteristics and introduces a statement of comprehensive income. The statement of comprehensive income will enable readers to analyse changes in equity resulting from non-owner changes separately from transactions with owners. The revised standard gives WCRC the option of presenting items of income and expense and components of other comprehensive income either in a single statement of comprehensive income with subtotals, or in two separate statements (a separate income statement followed by a statement of comprehensive income). WCRC intends to adopt this standard for the year ending 30 June 2010, and is yet to decide whether it will prepare a single statement of comprehensive income or a separate income statement followed by a statement of comprehensive income.
- NZ IAS 23 Borrowing Costs (revised 2007) replaces NZ IAS 23 Borrowing Costs (issued 2004) and is effective for reporting periods beginning on or after 1 January 2009. The revised standard requires all borrowing costs to be capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. The revised standard will also require borrowing costs to be considered when revaluing property, plant and equipment to fair value based on depreciated replacement cost. Any necessary adjustments to depreciated replacement cost carrying values will have flow on effects to depreciation expense. WCRC intends to adopt this standard for the year ending 30 June 2010 and has not yet quantified the potential impact of the new standard.

Revenue

Revenue is measured at the fair value of consideration received.

Rates revenue

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

Other revenue

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

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

Interest income is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established.

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Leases

Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

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

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether WCRC will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating leases

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

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

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

Inventories

Inventories held for consumption in the provision of services that are not supplied on a commercial basis are measured at the lower of cost and current replacement cost.

The write down from cost to current replacement cost or net realisable value is recognised in the statement of financial performance.

Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the statement of financial performance.

Financial assets

WCRC has two classifications for its financial assets:

- Financial assets at fair value through profit or loss.
- Loans and receivables.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date. Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit or loss in which case the transaction costs are recognised in the statement of financial performance.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. Council fund manager Forsyth Barr Ltd obtains independent verified market prices from third parties such as trading banks, broking houses and originating companies for all assets/securities. Managed funds are valued at the value date price used as the exit price at month end and can be deemed to be fair value.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. WCRC uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

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

(1) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the statement of financial performance.

Financial assets in this category include derivatives and Council's investment portfolio.

WCRC has foreign exchange contracts which are used to manage currency risk for those Investments denominated in foreign currencies.

WCRC does not hold or issue derivative financial instruments for trading purposes and does not adopt the provisions of hedge accounting.

(2) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the statement of financial performance. Loans and receivables are classified as "trade and other receivables" in the statement of financial position.

Impairment of financial assets

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

Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Property, plant and equipment

Property, plant and equipment consists of:

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

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

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to WCRC and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

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

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to WCRC and the cost of the item can be measured reliably.

Depreciation

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

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

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

Some assets purchased prior to 1 July 2002 are depreciated using the diminishing value method. The value of those assets is less than 5% of the net carrying amount of Council's assets.

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

Revaluation

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

Operational land: Is revalued on a cyclical 3-year basis at fair value as determined from market-based evidence by an independent valuer. Valuations are as at 1 September 2006.

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

At fair value determined on a replacement cost basis by a staff member and peer reviewed by an independent river control engineer. At balance date WCRC assesses the carrying value of its infrastructural assets to ensure that they do not materially differ from the assets' fair values. The most recent valuation was carried out by a staff engineer Mr W Moen (NZCE) and was peer reviewed by Mr R E Reid (BE). The valuation date was as at 31 December 2006.

Accounting for revaluations:

WCRC accounts for revaluations of property, plant and equipment on a class of asset basis.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the statement of financial performance. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the statement of financial performance will be recognised first in the statement of financial performance up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

Intangible assets

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Amortisation

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

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

	Estimated life	Rate
Computer Software	3.3 years	30%

Impairment of non-financial assets

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

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

The value in use for cash-generating assets is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the statement of financial performance.

For assets not carried at a revalued amount, the total impairment loss is recognised in the statement of financial performance.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in statement of financial performance, a reversal of the impairment loss is also recognised in the statement of financial performance. For assets not carried at a revalued amount (other than goodwill) the reversal of an impairment loss is recognised in the statement of financial performance.

Employee benefits

Short-term benefits

Employee benefits that WCRC expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months.

Long-term benefits

Long service leave

Entitlements that are payable beyond 12 months, such as long service leave have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information;

Superannuation schemes

Defined contribution schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the statement of financial performance as incurred.

Provisions

WCRC recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

Borrowings

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

Equity

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

The components of equity are:

- Retained earnings
- Restricted reserves
- Asset revaluation reserves

Restricted and Council created reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by WCRC.

Restricted reserves are those subject to specific conditions accepted as binding by WCRC and which may not be revised by WCRC without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

WCRC's objectives, policies and processes for managing capital are described in note 26.

Good and Service Tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

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

Cost allocation

WCRC has derived the cost of service for each significant activity of WCRC using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

Critical accounting estimates and assumptions

In preparing these financial statements WCRC has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Quarry aftercare provision

Note 25 discloses an analysis of the exposure of WCRC in relation to the estimates and uncertainties surrounding the future Quarry restoration liability.

Statement of Financial Performance

Statement of financial performance for the year ended 30 June 2008

2007		Notes	2008	2008
Actual	Cost of Services		Actual	Budget
\$			\$	\$
270,456	Governance		337,250	299,360
1,620,108	Regulatory Consents & Compliance		1,862,267	1,547,697
711,680	Planning Processes		572,919	621,669
539,197	Environmental Monitoring		614,051	698,177
193,312	Emergency Management		184,246	138,440
1,053,702	River, Drainage & Coastal Protection		1,139,429	1,748,436
8,252,421	Vector Management Programme		9,718,551	9,200,000
984,932	Vector Management Administration		939,081	967,443
679,334	Regional Share of Vector Controls		963,203	856,419
46,579	Vector Control services Business Unit		(55,001)	(59,123)
151,046	Other		44,267	0
14,502,767		3,4,5,6	16,320,263	16,018,518
	Less			
	Income			
1,838,586	General Rates		1,852,726	1,835,000
63,164	Penalties		57,158	80,000
1,058,005	Investment and Dividend Income		(165,164)	1,100,000
893,526	Regulatory Consents & Compliance		1,027,931	851,000
237,785	Planning Processes		190,477	151,058
9,765	Environmental Monitoring		29,437	0
75,267	Emergency Management		83,948	44,527
959,493	River, Drainage & Coastal Protection		928,647	812,405
8,268,837	Vector Management Programme		9,722,087	9,200,000
1,100,000	Vector Management Administration		1,119,447	1,100,000
574,886	Regional Share of Vector Controls		567,340	563,250
161,489	Vector Control Services Business Unit		305,288	40,000
15,240,803		1,2	15,719,322	15,777,240
738,036	Net Surplus / (Deficit) for year		(600,941)	(241,278)

(Refer Page 68 for explanation of variances)

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

Statement of Changes in Equity

Statement of changes in equity for the year ended 30 June 2008

Actual 2007		Notes	Actual 2008	Budget 2008
37,981,276	Balance 1 July		54,069,467	53,263,000
	Property, Plant & Equipment			
15,350,155	Revaluation Gains taken to equity	17(c)	0	0
738,036	Surplus / - Deficit for year		(600,941)	(241,278)
	Total recognised income/(-expense)			
16,088,191	for year		(600,941)	(241,278)
54,069,467	Balance 30 June		53,468,526	53,021,722

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

Statement of Financial Position

Statement of Financial Position as at 30 June 2008

Actual 2007	Assets	Note	Actual 2008	Budget 2008
Current Assets				
144,518	Cash & Cash equivalents	8	1,858,306	26,000
2,056,590	Receivables	9	1,560,475	2,547,656
65,145	Inventories	10	300,501	75,000
3,245,190	Other Financial Assets	11	1,842,927	1,000,000
46,506	Derivative Financial Assets		0	0
5,557,949	Total Current Assets		5,562,209	3,648,656
Non-Current Assets				
42,729,039	Property, Plant & Equipment	12	42,609,794	41,313,048
30,956	Intangible Assets	13	40,922	20,000
8,250,919	Other Financial Assets	11	9,301,063	10,469,069
51,010,914	Total Non-Current Assets		51,951,779	51,802,117
56,568,863	Total Assets		57,513,988	55,450,773
Liabilities				
Current Liabilities				
145,865	Borrowings	16	117,056	117,000
1,622,144	Payables	14	3,204,438	1,800,000
185,486	Employee Benefit Liabilities	15	184,360	190,000
0	Derivative Financial Liabilities		108,666	0
1,953,495	Total Current Liabilities		3,614,520	2,107,000
Non-Current Liabilities				
7,063	Employee Benefit Liabilities	15	9,162	10,000
453,038	Borrowings	16	335,980	312,051
0	Derivative Financial Liabilities		0	0
85,800	Quarry Aftercare Provision	25	85,800	0
545,901	Total Non-Current Liabilities		430,942	322,051
2,499,396	Total Liabilities		4,045,462	2,429,051
Equity				
19,931,935	Ratepayers Equity	17(a)	19,987,141	20,093,653
2,300,085	Rating Districts	17(b)	2,413,020	1,619,069
22,222,725	Revaluation Reserve	17(c)	22,222,725	21,459,000
470,998	Tb Special Rate	17(f)	262,885	0
(77,276)	Quarry Account	17(e)	(17,245)	0
9,221,000	Investment Growth Reserve	17(d)	8,600,000	9,850,000
54,069,467	Total Equity		53,468,526	53,021,722
56,568,863	Total Liabilities and Equity		57,513,988	55,450,773

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

Statement of Cash Flows

Statement of Cash Flows for the Year to 30 June 2008

Actual 2007	Notes	Actual 2008	Budget 2008
\$		\$	\$
Cashflow from Operating Activities			
Cash was provided from:			
2,988,325	Rates	3,014,830	3,003,000
11,847,131	Other Income	13,364,251	12,466,240
181,629	Dividends	0	0
963,185	Other Investment Income	27,127	1,100,000
<u>15,980,270</u>		<u>16,406,208</u>	<u>16,569,240</u>
Cash was Disbursed to:			
14,308,198	Payments to Suppliers & Employees	14,838,096	16,495,566
61,150	Interest Paid	44,651	34,000
<u>(65,354)</u>	Net GST Movement	<u>(181,469)</u>	<u>0</u>
<u>14,303,994</u>		<u>14,701,278</u>	<u>16,529,566</u>
<u>1,676,276</u>	NET CASH FLOW FROM OPERATIONS	<u>1,704,930</u>	<u>39,674</u>
Cashflow from Investing Activities			
Cash was provided from:			
462,045	Redemption of Investments	315,000	680,769
<u>90</u>	Sale of Fixed Assets	<u>6,489</u>	<u>0</u>
462,135		321,489	680,769
Cash was Disbursed to:			
125,529	Purchase of Fixed assets	166,764	155,000
<u>1,144,333</u>	Investments Purchased	<u>0</u>	<u>550,000</u>
<u>1,269,862</u>		<u>166,764</u>	<u>705,000</u>
<u>(807,727)</u>	NET CASH FLOW FROM INVESTING	<u>154,725</u>	<u>(24,231)</u>
Cashflow from Financing Activities			
Cash was provided from:			
<u>0</u>	Loan Raised	<u>0</u>	<u>42,000</u>
0		0	42,000
Cash was Disbursed To:			
<u>839,213</u>	Loan Principal Repaid	<u>145,867</u>	<u>108,787</u>
<u>839,213</u>		<u>145,867</u>	<u>108,787</u>
<u>(839,213)</u>	NET CASH FLOW FROM FINANCING	<u>(145,867)</u>	<u>(66,787)</u>
29,336	TOTAL INCREASE IN CASH HELD	1,713,788	(51,344)
115,182	OPENING BALANCE OF CASH RESOURCES	144,518	77,344
<u>144,518</u>	CLOSING BALANCE OF CASH RESOURCES	<u>1,858,306</u>	<u>26,000</u>

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

Notes to the Financial Statements

1	Actual 2007	Rates Revenue	Actual 2008
	1,838,586	General Rates	1,852,726
		Targeted Rates attributable to activities	
	485,994	River, Drainage & Coastal Erosion	583,862
	574,886	Tb Pest Management	567,340
	25,336	Regional Emergency Management	25,549
	11,525	Varroa Bee Mite Strategy	0
	<u>2,936,327</u>	Total Rates Revenue	<u>3,029,477</u>
	0	Rates Remissions	0
	<u>2,936,327</u>	Rates Revenue net of remissions	<u>3,029,477</u>
2	Actual 2007	Other Revenues	Actual 2008
		Investment Income	
	644,703	Realised Gains/-Losses (Price)	50,213
	464,985	Unrealised Gains/- Losses(Price)	(1,413,637)
	(752,243)	Exchange Rate Variations	519,110
	393,206	Interest	628,288
	181,629	Dividends	206,034
	125,725	Movement hedge positions	(155,172)
	<u>1,058,005</u>	Total Investment Income	<u>(165,164)</u>
	683,287	User Charges	716,224
	109,720	Land Transport NZ Govt Grants	130,435
	120,000	Ministry for the Environment Grants	78,727
	0	Other Local Authority contributions	3,000
	9,368,837	Animal Health Board Programme	10,841,533
	893,526	Regulatory	1,014,669
	63,164	Infringements, Fines	70,421
	7937	Other	0
	<u>12,304,476</u>		<u>12,689,845</u>

3	Actual 2007	Other -Gains / Losses	Actual 2008
	4,070	Disposal of property, plant, equipment	8,056
	4,070	Total	8,056
4	Actual 2007	Employee Benefit Expenses	Actual 2008
	2672,193	Salaries and wages	2822,713
	0	Employer contributions to multi-employer defined benefit plans	0
	18,568	Increase in Annual Leave liability	(6,552)
	1,053	Increase in Long Service Leave provision	2,099
	685	Increase in Time in Lieu Liability	3,206
	0	Increase in accrued payroll	8,631
	2692,499		2,830,097
5	Actual 2007	Other Expenses	Actual 2008
		Fees paid to Auditor (Audit NZ)	
	57,500	Fees for Financial statement audit	63,600
	0	Fees for LTCCP audit	0
	10,000	Fees for NZ IFRS transition	0
	0	Fees for assurance and related services	0
	0	Fees for tax services	0
	0	Fees for other services	0
	58,821	Impairment of receivables	0
	0	Impairment of property, plant, equipment	0
	126,316	Minimum Lease payments Operating Leases	124,812
	11492,411	Other Operating expenses	13,249,047
	11745,048		13,437,459
6	Actual 2007	Finance Costs	Actual 2008
		Interest expense	
	61,150	Interest on borrowings	44,651
		Fair value gains / (losses) on derivatives	
	0	Interest rate swaps	0
	0	Fair value adjustment to bank borrowing	0
	61,150		44,651

7	Actual 2007	Tax Expense	Actual 2008
		Components of tax expense	
	0	Current tax expense	0
	0	Adjustments to current tax in prior years	0
	0	Deferred tax expense	0
	0	Income Tax expense	0
		Reconciliation	
	738,036	Surplus / (deficit) before tax	(600,941)
	(243,552)	Tax @ 33%	(200,314)
	243,552	Non deductible expenditure	200,314
	0	Prior year adjustment	0
	0	Income Tax expense	0

Actual 2007	Deferred Tax Assets / (liabilities)	Actual 2008
0	Balance 1 July 2007	0
0	Charged to Statement of Financial Performance	0
0	Charged to equity	0
0	Balance 30 June 2008	0
0	Charged to Statement of Financial Performance	0
0	Charged to equity	0
0	Balance 30 June 2008	0

Actual 2007

Actual 2008

8	Cash & Cash Equivalents	
144,518	Cash at bank and in hand	153,868
0	Short term deposits maturing 3 months or less from date of acquisition	1,704,438
144,518		1,858,306

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

9	Actual 2007	Trade and Other Receivables	Actual 2008
	247,151	Rates Receivables	263,628
	925,470	Other Receivables	621,167
	651,199	Other Receivables accrued	434,095
	50,944	Prepayments	51,691
	240,647	Revenue work in progress	248,715
	0	Related parties	
	2,115,411		1,619,296
	(58,821)	Less provision for impairment of receivables	(58,821)
	2,056,590		1,560,475
	0	Non current	0
	2,056,590	Current	1,560,475
	2,056,590		1,560,475

The major concentration of credit risk is with the Animal Health Board Inc. receivables which amounted to \$600,568 @ 30 June 2008 (\$483,715 @ 30 June 2007).

These amounts were subsequently paid in the ordinary course of business.

The carrying value of trade and other receivables approximates. Their fair value.

WCRC does not provide for any impairment of rates receivables as it has recourse under the Local Government (Rating) Act 2002 to recover these debts.

As at 30 June 2008 (and 2007) all overdue receivables, except for rates, have been assessed for impairment and appropriate provisions applied. WCRC holds no collateral as security over receivables that are either past due or impaired.

The impairment provision has been calculated based on a review of specific debtors.

Actual 2007		Actual 2008
Movements in the provision for impairment of receivables are as follows:		
0	@ 1 July	58,821
58,821	Additional provision made during year.	0
0	Receivables written off during period.	0
58,821	@ 30 June	58,821

10	Actual 2007	Inventories	Actual 2008
	26,325	Poison and pest supplies	225,612
	371	Explosives	716
	21,132	Rock in Quarries	61,680
	17,317	Stationery and Office supplies	12,493
	<u>65,145</u>		<u>300,501</u>

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

11	Actual 2007	Other Financial Assets	Actual 2008
		Current	
	3,245,190	Financial Assets at fair value through profit or loss	1,842,927
	0	Financial Assets at fair value through equity	0
	0	Held to maturity investments	0
	0	Loans and receivables	0
	<u>3,245,190</u>		<u>1,842,927</u>
		Non Current	
	8,250,919	Financial Assets at fair value through profit or loss	9,301,063
	0	Financial Assets at fair value through equity	0
	0	Held to maturity investments	0
	0	Loans and receivables	0
	<u>8,250,919</u>		<u>9,301,063</u>
	11,496,109	Total Current and Non Current	11,143,990

Actual 2007		Actual 2008
	By Asset Class	
7,005,654	Fixed Interest	6,176,957
928,921	Australasian Equities	1,402,921
1,193,332	International Equities	1,871,667
672,386	Property Equities	729,614
1,695,816	Alternative Asset Classes	962,831
<u>11,496,109</u>	Total	<u>11,143,990</u>

There was no impairment provision for Other Financial Assets.

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

12 Property, Plant and equipment
Operational Assets

2008	Cost/Revaln		Accumulated		Carrying amount	Current year additions	Current Year Disposals	Current Year impairment	Tsfr Deprn on disposal	Current year depreciation	Revaluation Surplus	Cost/Revaln	Accumulated Deprn/Impairment	Carrying Amount
	1 July 2007	1 July 07	1 July 07	1 July 07										
Land	1,198,000	0	1,198,000	0	0	0	0	0	0	0	0	1,198,000	0	1,198,000
Buildings	1,484,741	(100,687)	1,384,054	24,178	0	0	(40,047)	0	0	0	0	1,508,919	(140,734)	1,368,185
Plant & equipment	1,806,285	(1,115,788)	690,497	143,145	(2,033)	0	(238,553)	0	1,830	0	0	1,947,397	(1,352,511)	594,887
Vehicles	99,468	(46,626)	52,842	24,032	(19,556)	0	(17,456)	0	5,214	0	0	103,944	(58,868)	45,076
	4,588,494	(1,263,101)	3,325,393	191,355	(21,589)	0	(296,056)	0	7,044	0	0	4,758,260	(1,552,113)	3,206,148

Council Infrastructure Assets
River, Drainage & Coastal Protection Assets

Canavans Knob	287,501	0	287,501	0	0	0	0	0	0	0	0	287,501	0	287,501
Coal Creek	1,487,637	0	1,487,637	0	0	0	0	0	0	0	0	1,487,637	0	1,487,637
Franz Josef	2,279,282	0	2,279,282	0	0	0	0	0	0	0	0	2,279,282	0	2,279,282
Inchbonnie	1,982,922	0	1,982,922	0	0	0	0	0	0	0	0	1,982,922	0	1,982,922
Kaniere	329,521	0	329,521	0	0	0	0	0	0	0	0	329,521	0	329,521
Karamea	2,249,839	0	2,249,839	0	0	0	0	0	0	0	0	2,249,839	0	2,249,839
Kongahu Swamp	463,404	0	463,404	0	0	0	0	0	0	0	0	463,404	0	463,404
Kowhitirangi	2,998,123	0	2,998,123	0	0	0	0	0	0	0	0	2,998,123	0	2,998,123
Lower Waiho	1,344,657	0	1,344,657	0	0	0	0	0	0	0	0	1,344,657	0	1,344,657
Matainui Creek	38,639	0	38,639	0	0	0	0	0	0	0	0	38,639	0	38,639
Nelson Creek	1,636,314	0	1,636,314	0	0	0	0	0	0	0	0	1,636,314	0	1,636,314
Raft Creek	240,097	0	240,097	0	0	0	0	0	0	0	0	240,097	0	240,097
Redjacks	364,868	0	364,868	0	0	0	0	0	0	0	0	364,868	0	364,868
Taramakau Settlement	6,973,850	0	6,973,850	0	0	0	0	0	0	0	0	6,973,850	0	6,973,850
Vine Creek	1,357,196	0	1,357,196	0	0	0	0	0	0	0	0	1,357,196	0	1,357,196
Waitangitona	1,429,127	0	1,429,127	0	0	0	0	0	0	0	0	1,429,127	0	1,429,127
Wanganui	11,534,714	0	11,534,714	0	0	0	0	0	0	0	0	11,534,714	0	11,534,714
Okuru	535,059	0	535,059	0	0	0	0	0	0	0	0	535,059	0	535,059
Hokitika South Bank	694,378	0	694,378	0	0	0	0	0	0	0	0	694,378	0	694,378
Punakaiki	1,176,518	0	1,176,518	0	0	0	0	0	0	0	0	1,176,518	0	1,176,518
	39,403,646	0	39,403,646	0	0	0	0	0	0	0	0	39,403,646	0	39,403,646
TOTAL	43,992,140	(1,263,101)	42,729,039	191,355	(21,589)	0	(296,056)	0	7,044	0	0	44,161,906	(1,552,113)	42,609,794

2007 Property, Plant and Equipment	Cost/Revaln		Accumulated Depreciation/ Impairment		Carrying amount		Current year additions		Current year disposals		Current year impairment		Tsfr Depn on disposal		Current year depreciation		Revaluation Surplus		Cost/ Revaln		Accumulated Depn./Impairment		Carrying amount		
	1 July 2006	1 July 2006	1 July 06	1 July 06	1 July 06	1 July 06	Current year additions	Current year disposals	Current year impairment	Tsfr Depn on disposal	Current year depreciation	Surplus	Revaln	30 June 07	30 June 07	30 June 07	30 June 07	30 June 07	30 June 07	30 June 07	30 June 07	30 June 07	30 June 07	30 June 07	
Operational Assets																									
Land	1,098,000		0	1,098,000	0	0	0	0	0	0	0	0	0	0	0	0	0	100,000	1,198,000	0	0	0	0	1,198,000	
Buildings	1,479,973		(60,851)	1,419,122	4,768	0	0	0	0	0	0	0	0	0	0	0	0	0	1,484,741	(100,687)	0	0	1,384,054		
Plant & equipment	1,592,831		(943,415)	649,416	265,082	(51,628)	0	47,468	(219,841)	0	0	0	0	0	0	0	0	0	1,806,285	(1,115,788)	0	0	690,497		
Vehicles	77,263		(31,220)	46,043	22,205	0	0	0	(15,406)	0	0	0	0	0	0	0	0	0	99,468	(46,626)	0	0	52,842		
	4,248,067		(1,035,486)	3,212,581	292,055	(51,628)	0	47,468	(275,083)	0	0	0	0	0	0	0	0	100,000	4,588,494	(1,263,101)	0	0	3,325,393		
Council Infrastructure Assets																									
River, Drainage & Coastal Protection Assets																									
Canavans Knob	198,165		0	198,165	0	0	0	0	0	0	0	0	0	0	0	0	0	89,336	287,501	0	0	0	0	287,501	
Coal Creek	915,288		0	915,288	0	0	0	0	0	0	0	0	0	0	0	0	0	572,349	1,487,637	0	0	0	0	1,487,637	
Franz Josef	1,682,633		0	1,682,633	0	0	0	0	0	0	0	0	0	0	0	0	0	596,649	2,279,282	0	0	0	0	2,279,282	
Inchbonnie	1,287,754		0	1,287,754	0	0	0	0	0	0	0	0	0	0	0	0	0	695,168	1,982,922	0	0	0	0	1,982,922	
Kaniere	222,814		0	222,814	0	0	0	0	0	0	0	0	0	0	0	0	0	106,707	329,521	0	0	0	0	329,521	
Karamea	1,505,026		0	1,505,026	0	0	0	0	0	0	0	0	0	0	0	0	0	744,813	2,249,839	0	0	0	0	2,249,839	
Kongahu Swamp	333,158		0	333,158	0	0	0	0	0	0	0	0	0	0	0	0	0	130,246	463,404	0	0	0	0	463,404	
Kowhitirangi	1,912,394		0	1,912,394	0	0	0	0	0	0	0	0	0	0	0	0	0	1,085,729	2,998,123	0	0	0	0	2,998,123	
Lower Waiho	806,663		0	806,663	0	0	0	0	0	0	0	0	0	0	0	0	0	537,994	1,344,657	0	0	0	0	1,344,657	
Matainui Creek	23,461		0	23,461	0	0	0	0	0	0	0	0	0	0	0	0	0	15,178	38,639	0	0	0	0	38,639	
Nelson Creek	991,887		0	991,887	0	0	0	0	0	0	0	0	0	0	0	0	0	644,427	1,636,314	0	0	0	0	1,636,314	
Raft Creek	119,345		0	119,345	0	0	0	0	0	0	0	0	0	0	0	0	0	120,752	240,097	0	0	0	0	240,097	
Redjacks	223,674		0	223,674	0	0	0	0	0	0	0	0	0	0	0	0	0	141,194	364,868	0	0	0	0	364,868	
Taramakau Settlement	4,231,249		0	4,231,249	0	0	0	0	0	0	0	0	0	0	0	0	0	2,742,601	6,973,850	0	0	0	0	6,973,850	
Vine Creek	801,022		0	801,022	0	0	0	0	0	0	0	0	0	0	0	0	0	556,174	1,357,196	0	0	0	0	1,357,196	
Waitangitaoa	812,073		0	812,073	0	0	0	0	0	0	0	0	0	0	0	0	0	617,054	1,429,127	0	0	0	0	1,429,127	
Wanganui	7,055,690		0	7,055,690	0	0	0	0	0	0	0	0	0	0	0	0	0	4,479,024	11,534,714	0	0	0	0	11,534,714	
Okuru	268,406		0	268,406	0	0	0	0	0	0	0	0	0	0	0	0	0	266,653	535,059	0	0	0	0	535,059	
Hokitika South Bank	315,347		0	315,347	0	0	0	0	0	0	0	0	0	0	0	0	0	379,031	694,378	0	0	0	0	694,378	
Punakaiki	447,439		0	447,439	0	0	0	0	0	0	0	0	0	0	0	0	0	729,079	1,176,518	0	0	0	0	1,176,518	
	24,153,488		0	24,153,488	0	0	0	0	0	0	0	0	0	0	0	0	0	15,250,158	39,403,646	0	0	0	0	39,403,646	
TOTAL	28,401,555		(1,035,486)	27,366,069	292,055	(51,628)	0	47,468	(275,083)	0	47,468	(275,083)	15,350,158	43,992,140	(1,263,101)	0	0	42,729,039							

13 Intangible Assets 2008

	Cost 1 July 2007	Accumulated Amortisation/ Impairment 1 July 2007	Carrying Amount 1 July 2007	Current year			Tsfr Amort. on disposal	Current year amortisation	Revaluation Surplus	Cost/ Revaln 30 June 2008	Accumulated Amortisation/ Impairment 30 June 2008	Carrying amount 30 June 2008
				additions	disposals	impairment						
Computer Software	189,798	(158,842)	30,956	30,716	0	0	0	(20,750)	220,514	(179,592)	40,922	
Other	0	0	0	0	0	0	0	0	0	0	0	
	189,798	(158,842)	30,956	30,716	0	0	0	(20,750)	220,514	(179,592)	40,922	

Intangible Assets 2007

	Cost 1 July 2006	Accumulated Amortisation/ Impairment 1 July 2006	Carrying Amount 1 July 2006	Current year			Tsfr Amortisation on disposal	Current year amortisation	Cost/ Revaln 30 June 2007	Accumulated Amortisation/ Impairment 30 June 2007	Carrying amount 30 June 2007
				additions	disposals	impairment					
Computer Software	189,798	(142,198)	47,600	0	0	0	0	(16,644)	189,798	(158,842)	30,956
Other	0	0	0	0	0	0	0	0	0	0	0
	189,798	(42,198)	47,600	0	0	0	0	(16,644)	189,798	(158,842)	30,956

14 Actual 2007	Trade and Other Payables	Actual 2008
913,070	Trade Payables	1,772,660
342,342	Deposits and bonds	338,486
307,369	Accrued Expenses	1,033,277
59,363	Rates in advance	60,015
0	Due to related parties	0
<hr/>		<hr/>
1,622,144		3,204,438

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

15 Actual 2007	Employee Benefit Liabilities	Actual 2008
0	Accrued payroll	8,631
171,071	Annual Leave	164,520
7,063	Long Service Leave	9,162
14,415	Time in Lieu	11,209
0	Sick Leave	0
<hr/>		<hr/>
192,549		193,522
185,486	Current	184,360
7,063	Non Current	9,162
<hr/>		<hr/>
192,549		193,522

16 Actual 2007	Borrowing	Actual 2008
	Reconciliation	
	Opening Balance 1 July	
184,052	Lease Liabilities	252,355
374,610	Punakaiki Seawall Loan	346,548
700,000	Short Term Bank Loan	0
<hr/>		<hr/>
1,258,662		598,903
	Borrowed	
179,454	Lease Liabilities	0
<hr/>		<hr/>
179,454		0
	Repaid	
(111,152)	Lease Liabilities	(115,537)
(28,062)	Punakaiki Seawall Loan	(30,330)
(700,000)	Short Term Bank Loan	0
<hr/>		<hr/>
(839,214)		(145,867)
	Closing Balance 30 June	
252,355	Lease Liabilities	136,818
346,548	Punakaiki Seawall Loan	316,218
<hr/>		<hr/>
598,903		453,036

Actual 2007	Current	Actual 2008
30,330	Unsecured Term Loans	32,782
0	Secured Term Loans	0
115,535	Lease Liabilities	84,274
145,865		117,056
	Non Current	
316,218	Unsecured Term loans	283,436
0	Secured Term Loans	0
136,820	Lease Liabilities	52,544
453,038		335,980
598,903	Total Borrowings	453,036

Fixed Rate Debt

Short Term Bank Loan
Lease liabilities for whole term of Lease.
Unsecured Term Loans fixed for 5 years from Nov 05

Floating Rate debt

There is no floating rate debt.

Security

All borrowing is on an unsecured basis.

Maturity Analysis and effective interest rates

145,865	< 1 Year	117,056
7.78%	weighted average interest rate	8.76%
453,038	> 1 year	335,980
8.37%	weighted average interest rate	8.26%
598,903	Total	453,036
453,038	Fair Value of non current borrowings	335,980

Analysis of Finance Lease Liabilities

Actual 2007	Minimum Lease Payments Due	Actual 2008
134,109	Not later than 1 year	94,035
149,341	Later than 1 year: not later than 5	55,308
0	Later than 5 years	0
<hr/>		<hr/>
283,450		149,343
	Less:	
(31,095)	Future finance charges	(12,523)
<hr/>		<hr/>
252,355	Present value of minimum Lease payments	136,820
2007	Present value of minimum Lease payments Payable	2008
115,535	Not later than 1 year	84,274
136,820	Later than 1 year: not later than 5	52,546
<hr/>	Later than 5 years	<hr/>
252,355		136,820
115,535	Current	84,274
136,820	Non Current	52,546
<hr/>		<hr/>
252,355		136,820

WCRC enters into finance leases for various items of plant and equipment. The net carrying amount of the leased items within each class of property, plant and equipment is included in note 12.

These Finance Leases can be renewed at WCRC option, with rentals set by reference to current market rates for items of equivalent age and condition. WCRC does not have an option to purchase these assets at the end of the lease term. There are no restrictions placed on WCRC by any of the finance lease arrangements.

17 Actual 2007	Equity	Actual 2008
(a)	Ratepayers Equity	
19,852,625	Balance 1 July	19,931,935
738,036	Surplus transferred	(600,941)
(295,927)	Net Transfers (to)/from Rating District Equity	(112,935)
(86,707)	Transfers(to)/from Tb Targeted Rate Balance	208,113
35,908	Transfers(to)/from Quarry Account	(60,031)
(312,000)	Transfers(to)/from Investment Growth Reserve	621,000
<hr/>		<hr/>
19,931,935	Balance 30 June	19,987,141

(b)	Rating District Equity (River, Drainage & Coastal Protection Schemes)	
2,004,158	Balance 1 July	2,300,085
936,154	Revenue	823,206
(613,968)	Expenditure	(681,889)
0	Loan raised	0
(26,259)	Loan Principal repaid	(28,382)
<u>2,300,085</u>	Balance 30 June	<u>2,413,020</u>
(c) Actual 2007	Asset Revaluation Reserves	Actual 2008
(i)	Infrastructural Assets	
6,872,570	Opening Balance	22,122,725
15,250,155	Revaluation gains / (losses)	0
0	0	
<u>22,122,725</u>		<u>22,122,725</u>
(ii)	Land	
0	Opening Balance	100,000
100,000	Revaluation gains / (losses)	0
0	0	
<u>100,000</u>		<u>100,000</u>
<u>22,222,725</u>	Total Revaluation Reserve	<u>22,222,725</u>
(d)	Investment Growth Reserve	
8,909,000	Balance 1 July	9,221,000
312,000	Transfer (to) / from Ratepayers Equity	(621,000)
<u>9,221,000</u>	Balance 30 June	<u>8,600,000</u>
(e)	Quarry Account	
(41,368)	Balance 1 July	(77,276)
(35,908)	Transfer (to) / from Ratepayers Equity	60,031
<u>(77,276)</u>	Balance 30 June	<u>(17,245)</u>
(f)	Tb Pest Management	
384,291	Balance 1 July	470,998
86,707	Transfer (to) / from Ratepayers Equity	(208,113)
<u>470,998</u>	Balance 30 June	<u>262,885</u>

Restricted Reserves

The following reserves are restricted because the targeted rates raised can only be spent for the purposes raised.

Rating District Equity
Reserves
Tb Pest Management

18 Reconciliation of net surplus / (deficit) to net cash flow from operating activities		Actual 2008
Actual 2007		
(I) 738,036	Reported Surplus (Deficit) for the year	(600,941)
(ii)	Add non cash items	
291,727	Depreciation and amortisation	316,806
677,518	Unrealised Foreign Exchange (Gains)/Losses	(309,168)
(464,984)	Unrealised Price (Gains)/Losses	1,413,637
(125,725)	Unrealised Hedging (Gains)/Losses	155,172
4,070	(Gains)/Losses on sale of assets included in Investing Activities	8,056
1,053	Movement in employee entitlements (non current)	2,099
0	Portfolio interest, dividends & gains	(1,067,350)
<u>383,659</u>		<u>519,252</u>
(iii)	Movements in working capital items	
	Current assets	
694,571	Accounts receivable & accruals	493,195
(6,703)	Stock	(235,356)
	Current liabilities	
(198,641)	Accounts payable and accruals	1,347,311
65,354	Net GST movement	181,469
<u>554,581</u>		<u>1,786,619</u>
<u>1,676,276</u>	NET CASHFLOWS FROM OPERATING ACTIVITIES	<u>1,704,930</u>

19 Actual 2007	Capital Commitments and operating leases.	Actual 2008
19,600	Capital expenditure contracted for at 30 June but not yet incurred for property, plant an equipment.	0
111,095	Non-cancellable operating leases as lessee not later than 1 year	101,682
121,867	later than 1 year but not later than 5 years	91,217
0	later than 5 years	0
<u>232,962</u>		<u>192,899</u>

WCRC leases property, plant and equipment in the normal course of its business. These leases are for motor vehicles and have non-cancellable terms of 36 months. The future aggregate minimum lease payments to be paid by WCRC under these non cancellable operating leases are as above.

Leases can be renewed at WCRC option, with rentals set by reference to current market rates for items of equivalent age and condition. WCRC does not have an option to purchase these assets at the end of the lease term. There are no restrictions placed on WCRC by any of the lease arrangements.

20 Contingencies		
Actual 2007	Contingent Liabilities	Actual 2008
(a)	\$4,400,000	\$4,400,000
<p>There is a claim against WCRC for \$4.4 million under the Resource Management Act 1991 and Crown Minerals Act 1991. The claim is disputed and will be defended by Council. The costs of any successful claim against WCRC are expected to be substantially covered under WCRC insurance cover.</p>		
(b)	<p>Actual 2007 \$nil</p>	<p>Actual 2008 \$50,625</p>
<p>There was a claim against Council by the liquidators of Target Pest Contracting Ltd for \$177453. Council holds an indemnity from the Animal Health Board Inc. The matter was settled with the liquidators on 6 October with a payment by Council of \$50625 incl. gst agreed to.</p>		
Actual 2007	Contingent Assets	Actual 2008
\$nil		\$50,625
<p>An indemnity is held by Council from the Animal Health Board Inc. with regard to the claim against Council of \$177,453 referred to above. This means that the full cost of the \$50,625 payment referred to above will be reimbursed by Animal Health Board Inc.</p>		

Key Personnel Remuneration

21 Disclosures in accordance with NZ IAS 24 and Local Government Act 2002, schedule 10, part 18 (1), (a), (b), (c)					
ye 30/6/07					ye 30/6/08
		Salaries	Superannuation	Vehicle	
Councillors					
20,850	Chair-from Oct 07	47,902			47,902
54,400	Chair-until Oct 07	16,812			16,812
20,850	Deputy Chair-from Oct 07	27,731			27,731
27,200	Deputy Chair-until Oct 7	8,406			8,406
20,850	Councillor	20,739			20,739
20,850	Councillor	20,739			20,739
0	Councillor-from Oct 07	13,541			13,541
0	Councillor-from Oct 07	13,541			13,541
0	Councillor-from Oct 07	13,541			13,541
165,000		182,952			182,952
14,7674	Chief Executive	152,415	346	16,677	169,438
369,535	Second Tier Managers	395,327	14,392	3,608	413,327
682,209		730,694	14,378	20,285	765,717

The above remuneration comprises salaries and other short term benefits.

22. Related Party Transaction

Council sold a motor vehicle for \$6500 to a Council Manager following his resignation. During the year Councillors and key management, as part of a normal customer relationship, were involved in minor transactions with Council (such as payment of rates) There were no other transactions entered into with related parties such as subsidiaries, associates, joint ventures, elected representatives or other key management personnel. (2007 nil)

23. Severance Payments

No severance payments were made during the year to 30 June 2008. (2007 \$48,699)

24. Events After Balance Date of 30 June 2008.

The Equity investments contained in the Council Investment portfolio were affected by the volatility of international equity markets during the latter part of 2008. The portfolio produced an overall loss of \$130,606 for the three months 1 July 2008 to 30 September 2008.

25. Quarry Aftercare Provision

Council has obtained advice regarding the extent of potential future Quarry restoration liabilities and has calculated a liability of \$85,800 using a net present value approach to discounting future cash outflows.

26. Financial Instrument Risks

WCRC has policies to manage the risks associated with financial instruments. WCRC is risk averse and seeks to minimize exposure from its financial activities. There are Council approved borrowing and Investment policies.

Market Risk

Price Risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. WCRC is exposed to equity securities price risk on its Investments, which are classified as financial assets held at fair value through profit and loss. This price risk arises due to market movements in listed securities and is managed by diversification of WCRC's investment portfolio in accordance with the limits set out in the Statement of Investment Policies and objectives (SIPO).

Currency Risk

This is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. WCRC holds some Investments in foreign currency holdings and part of these holdings are hedged in accordance with the SIPO. The SIPO sets out the appropriate hedging level for Australian Equities and International Equities, which can vary between nil and 65% depending on the total portfolio % invested in the particular asset class. Alternative Asset Class Investments are 100% hedged back into NZ\$ through the use of forward currency contracts.

Fair value interest rate risk

Interest rates payable on WCRC borrowings are disclosed in note 16.

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate in value due to changes in market interest rates.

All WCRC borrowing is to help finance the construction of river, drainage and coastal protection works. These borrowings are at fixed rates for fixed terms to help provide certainty to the various communities which have to repay this borrowing.

Cash flow interest rate risk

This is the risk that cash flows from a financial instrument will fluctuate due to changes in market interest rates. The SIPO helps WCRC mitigate this risk.

Credit Risk

This is the risk that a third party will default on its obligations.

WCRC invests funds with its fund manager Forsyth Barr Ltd and the SIPO limits the amount of credit exposure to various institutions. Portfolio credit risk is mitigated in accordance with the use of quite detailed Institutional restrictions set out in the SIPO, especially page 7 of the SIPO that relates to Cash and Bond Investments. The parts of the SIPO relating to Equity Investments also set out quite detailed Investment restrictions. The Fund Manager reports on compliance on a quarterly basis.

Liquidity Risk

This is the risk that WCRC will encounter difficulty raising funds to meet commitments as they fall due. Prudent liquidity management implies maintaining sufficient cash and credit facilities.

WCRC manages its borrowings in accordance with its borrowing policy which was adopted as part of its Long Term Council Community Plan (LTCCP).

WCRC has overdraft and short term borrowing facilities with its bankers of up to \$750000.

The maturity profile of WCRC borrowings are disclosed in note 16.

Actual 2007	Financial Instruments	Actual 2008
	Financial Assets	
	Fair Value Through Profit and Loss – Held for trading	
	Categories	
46,506	Derivative Financial Asset	0
	Other Financial Assets	
7,005,654	Fixed Interest	6,176,957
928,921	Australasian Equities	1,402,921
1,193,332	International Equities	1,871,667
672,386	Property Equities	729,614
1,695,816	Alternative Asset Classes	962,831
<u>11,542,615</u>	Total Financial Assets	<u>11,143,990</u>
	at Fair Value Through Profit & Loss	
0	Available for Sale	0
	Loans and Receivables	
144,518	Cash & cash Equivalents	1,858,306
2,056,590	Debtors & Other Receivables	1,560,475
<u>2,201,108</u>		<u>3,418,781</u>
<u>0</u>	Held to Maturity	<u>0</u>
<u>0</u>	Fair Value Through Equity	<u>0</u>
<u>13,743,723</u>	Total Financial Assets	<u>14,562,771</u>
	Financial Liabilities	
	Fair Value Through Profit and Loss	
	-Held for Trading	
<u>0</u>	Derivative Financial Liabilities	<u>108,666</u>
	Financial Liabilities at	
	Amortised Cost	
1,622,144	Creditors & Other Payables	3,204,438
	Borrowings	
346,548	Unsecured Loans	316,218
252,355	Finance Lease Liabilities	136,818
<u>2,221,047</u>	Total financial Liabilities at	<u>3,657,474</u>
	Amortised Cost	
<u>2,221,047</u>	Total Financial Liabilities	<u>3,766,140</u>

Actual 2007	Maximum Exposure to Credit Risk	Actual 2008
	Financial Instruments	
144,518	Cash at Bank Westpac	153,868
0	Cash on Call Deposits Westpac	1,704,438
2,056,590	Debtors & Other Receivables	1,560,475
7,005,654	Fixed Interest	6,176,957
<u>9,206,762</u>		<u>9,595,738</u>

Actual 2007	Counterparties with Credit Ratings (Standard & Poor's)	Actual 2008
	Fixed Interest	
1,738,225	AAA	1,266,670
0	AA+	407,896
3,898,095	AA	1,794,251
298,031	AA-	1,242,420
485,856	A+	487,948
485,753	A	876,470
99,694	BBB-	0
0	Unrated - no prior defaults	101,302
<u>7,005,654</u>		<u>6,176,957</u>
	Cash at bank	
	Westpac	
<u>144,518</u>	AA	<u>153,868</u>
	On call Deposit Account	
	Westpac	
<u>0</u>	AA	<u>1,704,438</u>

Sensitivity of Financial Instrument Risk

Interest Rate Risk

As at 30 June 2008 it is estimated that a one percentage point increase or decrease in market interest rates would reduce or increase the Council's deficit by approximately \$151,000

(30 June 2007 \$126,000)

This calculation is based on a reassessment of the fair values of fixed interest financial assets that are held for trading.

Currency Risk

It is estimated that an increase or decrease of ten percentage points in the value of the New Zealand dollar would reduce or increase the Council's deficit by approximately \$91,000.

This calculation is based on Council's Australasian Equities, International Equities and Alternative Asset Classes of financial assets that are held for trading.

(30 June 2007 \$2,000)

Contractual Maturity Analysis of Financial Liabilities

Council 2008	Carrying Amount	Contractual Cash Flows	< 1 year	1-2 years	2 - 5 years	> 5 years
Creditors & Other Payables	3,204,438	3,204,438	3,204,438		0	0
Net Position of Derivative Financial Liabilities	108,666	108,666	108,666			
Unsecured Loan	295,958	390,726	52,680	52,680	158,040	127,326
Unsecured Loan	20,260	26,752	3,612	3,612	10,836	8,692
	316,218	417,478	56,292	56,292	168,876	136,018
Finance Lease Liability	70,429	78,960	38,356	40,604		
Finance Lease Liability	13,188	13,358	13,358			
Finance Lease Liability	17,286	18,190	14,552	3,638		
Finance Lease Liability	13,239	14,094	11,275	2,819		
Finance Lease Liability	22,676	24,741	16,494	8,247		
	136,818	149,343	94,035	55,308	0	0
Council 2007	Carrying Amount	Contractual Cash Flows	< 1 year	1-2 years	2 - 5 years	> 5 years
Creditors & Other Payables	1,622,144	1,622,144	1,622,144		0	0
Unsecured Loan	324,340	443,406	52,680	52,680	158,040	180,006
Unsecured Loan	22,208	30,364	3,612	3,612	10,836	12,304
	346,548	473,770	56,292	56,292	168,876	192,310
Finance Lease Liability	99,295	117,316	38,356	38,356	40,604	
Finance Lease Liability	64,276	66,790	53,432	13,358		
Finance Lease Liability	30,090	32,742	14,552	14,552	3,638	
Finance Lease Liability	22,874	25,371	11,276	11,276	2,819	
Finance Lease Liability	35,820	41,235	16,494	16,494	8,247	
	252,355	283,454	134,110	94,036	55,308	0

27. Capital Management

WCRC capital is its ratepayers funds which comprise retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 (LGA 2002) requires the Council to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objectives of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilizing the Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

LGA 2002 requires the Council to make adequate provision in its LTCCP and Annual Plans to meet the

expenditure needs identified in those plans. The sources and levels of funding of activities are set out in the funding and financial policies in Council's LTCCP.

WCRC has the following Council created reserves.

Investment Growth Fund.

Quarry Account.

WCRC has reserves for different areas of benefit where there is a discrete set of ratepayers funding the activities being rated for. Any surplus or deficit relating to these separate areas of benefit are retained within the specific reserves.

WCRC has the following reserves of this nature.

Rating Districts Equity (River, Drainage and Coastal protection schemes).

Tb Pest Management.

28. Cash Bond

West Coast Regional Council has received an \$892,000 (2006 \$892,000) bond from a mining company. The money is held in a separate bank account and is not controlled by Council. Council can access these funds when, and only to the extent that, Council has to incur expenditure to make good any default of the company's. Therefore no asset or liability in respect of this bond has been recognized in the financial statements.

29. Breach of Section 98 (3) of the Local Government Act 2002

The West Coast regional Council adopted by resolution this audited annual report at its ordinary meeting on 11 November 2008. This is in breach of section 98 (3) of the Local Government Act 2002 which requires that the audited annual report be adopted by 31 October 2008.

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	Achievements/Progress																														
1. Conduct eleven monthly meetings of Council and the Resource Management Committee, plus other scheduled meetings and scheduled workshops during the year with 85% attendance by all Councillors.	<table border="1"> <thead> <tr> <th>Councillor</th> <th>No. of meetings Attended</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Scarlett</td> <td>13 out of 15 meetings</td> <td>87%</td> </tr> <tr> <td>Ewen</td> <td>15 out of 15 meetings</td> <td>100%</td> </tr> <tr> <td>Davidson</td> <td>15 out of 15 meetings</td> <td>100%</td> </tr> <tr> <td>Chinn</td> <td>15 out of 15 meetings</td> <td>100%</td> </tr> <tr> <td>Robb</td> <td>10 out of 10 meetings</td> <td>100%</td> </tr> <tr> <td>Birchfield</td> <td>10 out of 10 meetings</td> <td>100%</td> </tr> <tr> <td>Archer</td> <td>10 out of 10 meetings</td> <td>100%</td> </tr> <tr> <td>*Clayton</td> <td>4 out of 4 meetings</td> <td>100%</td> </tr> <tr> <td>*Shannahan</td> <td>4 out of 4 meetings</td> <td>100%</td> </tr> </tbody> </table> <p>* = Until October 2007 only</p> <p>Note: Total of 11 meetings, 1 Triennial Meeting, 1 Annual Plan meeting, 2 workshops = 15 meetings</p>	Councillor	No. of meetings Attended	%	Scarlett	13 out of 15 meetings	87%	Ewen	15 out of 15 meetings	100%	Davidson	15 out of 15 meetings	100%	Chinn	15 out of 15 meetings	100%	Robb	10 out of 10 meetings	100%	Birchfield	10 out of 10 meetings	100%	Archer	10 out of 10 meetings	100%	*Clayton	4 out of 4 meetings	100%	*Shannahan	4 out of 4 meetings	100%
Councillor	No. of meetings Attended	%																													
Scarlett	13 out of 15 meetings	87%																													
Ewen	15 out of 15 meetings	100%																													
Davidson	15 out of 15 meetings	100%																													
Chinn	15 out of 15 meetings	100%																													
Robb	10 out of 10 meetings	100%																													
Birchfield	10 out of 10 meetings	100%																													
Archer	10 out of 10 meetings	100%																													
*Clayton	4 out of 4 meetings	100%																													
*Shannahan	4 out of 4 meetings	100%																													
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.	Adopted on 9 October 2007 at Council Meeting.																														
3. Continue to invite attendance of Makaawhio and Ngati Waewae representatives as appointees to the Council's resource management committee, to enable Maori participation in resource management decision-making.	Achieved.																														

Governance

Actual 2006/07	Cost of Services Statement for the year ended 30 June 2007	Actual 2007/08	Budget 2007/08
	Governance		
	Operating Expenditure		
262,970	Governance	328,577	292,656
3,162	Community Consultation	5,196	3,720
4,324	Maori Capacity	3,477	2,984
<u>270,456</u>	Total Operating Expenditure	<u>337,250</u>	<u>299,360</u>
<u>0</u>	Operating Revenue	<u>0</u>	<u>0</u>
	Funding Requirements		
(270,456)	Operating Surplus / -Deficit to be funded	(337,250)	(299,360)
<u>(270,456)</u>	Total Funding Required	<u>(337,250)</u>	<u>(299,360)</u>
	Funded by		
270,456	General Rates and Investment Income	337,250	299,360
<u>270,456</u>	Total Funding	<u>337,250</u>	<u>299,360</u>

Regulatory, Consents and Compliance

Background

Resource consents are required for activities that are otherwise restricted under the Resource Management Act. The Council processes applications for water, coastal and discharge permits and land use consents, in accordance with the timeframes set out in the Act.

Resource consents and mining licences are monitored to ensure compliance with their conditions and to determine their effects on the environment. This is a duty of Council under section 35 of the Resource Management Act (RMA).

Complaints received in relation to breaches of resource consents, the RMA or Council's regional rules are recorded and responded to according to a priority system.

Key Changes in the Annual Plan for 2007/08 from the Long Term Council Community Plan for 2006/16

Dairy Shed Monitoring. Compliant farms are now only visited every 3 rd year for permitted activity discharges to land.

Performance Targets Resource Consent Processing	Achievements/Progress
1. Process 90% of non-notified resource consent applications within the statutory timeframes.	Achieved. 92.4% 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. Only 25 Section 92 requests were made in relation to the consent applications granted. This is fewer than in the previous two years.
3. Advertise publicly all notified consent applications within 10 working days of receipt of all required information.	Not achieved. 58.5% of publicly notified consents applications (31/53 applications relating to 5 consent proposals) were advertised within this statutory timeframe. Another 9 applications were advertised within 12 working days.
4. Complete staff reports for all notified applications within the statutory timeframes.	Achieved. Four consent hearings were held and during the reporting period and the staff reports for the associated consent applications were provided to relevant parties within 5 working days.
5. Report publicly through the 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. No negative feedback received from consent applicants in this regard.
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 continued to be emailed a weekly summary of all applications every week.
8. Notify Te Runanga O Ngai Tahu of all resource consent applications affecting Statutory Acknowledgment Areas.	Achieved.

Performance Targets Compliance Monitoring Processing	Achievements/Progress
1. Identify new resource consents that require ongoing monitoring for compliance and adverse environmental effects, and monitor those consents in accordance with set monitoring programmes.	Achieved. Each new consent is allocated to a Compliance Officer and assessed as to whether it is going to require ongoing monitoring. The monitoring of such consents is prioritized in terms of their actual and potential environmental effects.
2. Inspect every consent for the discharge of dairy effluent at least every three years depending on compliance and where problems are identified to work with farmers so that consent compliance is achieved and environmental effects are reduced.	Ongoing. A total of 151 site visits were made to dairy farms, which includes follow-up visits to farms identified as having discharges that were not complying with the relevant resource consents and/or regional rules.
3. Inspect 80% of new consents that involve construction works after completion of those works.	Achieved for consents involving major construction works where 82% of new consents were inspected. Not achieved for all consents involving construction as only 34% of those were inspected during the year. Most of the consents not inspected involved only minor works.
4. Inspect all consents for whitebait stands at least once annually to check consent compliance and that the environmental effects of the stands are no more than minor.	Not achieved. 447 whitebait stands were inspected. The stands that were not inspected were either in isolated areas or on river where no significant issues arose during the whitebait season.
5. Inspect every consent and/or mining licence for operating mining activities at least once annually, and where problems are identified, undertake follow up (which may include further inspections) to ensure consent compliance is achieved and/or environmental effects are reduced.	Achieved. Every active gold and coal mining consent and/or licence was inspected during the year and a total of 211 visits were made to those sites.
6. Process 80% of mining work programmes within 20 working days of receipt.	Achieved. 91.4% (53/58) of the work programmes received during the year were processed within 20 working days. The remaining 5 programmes all required outside consultants to assist in the review process and were processed within 30 working days.
7. Report all monitoring inspections through the monthly Resource Management Committee meetings.	Achieved. The inspections were reported in each monthly compliance report.
8. 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.	Achieved. All requests for bond releases received during the year were recommended for release within four months after rehabilitation requirements had been met. Staff also made good progress with resolving bond releases for historic mining operations.

<p>9. Review bond levels for large-scale mines and where necessary set new bond levels to better reflect the environmental effects/risks of those mines.</p> <p>10. Report mining bond releases and other license administration activities monthly to the Resource Management Committee.</p> <p>11. Operate a 24-hour complaints service and record all complaints on the Incidents database in accordance with enforcement procedures of the RMA.</p> <p>12. Respond to breaches of the Resource Management Act, regional plan rules or resource consents.</p> <p>13. Take enforcement action through abatement notices, infringement notices or prosecution as appropriate and in accordance with Council policy.</p> <p>14. Report numbers and categories of complaints received to the Resource Management Committee.</p> <p>15. Assess farm compliance in the Brunner catchment, and allocate priority for any further targeted compliance work that is needed.</p>	<p>Ongoing. The bonds for the Globe Progress Mine (Oceana Gold) and Island Block mine (Solid Energy) were reviewed to reflect the changes in mine operations.</p> <p>Achieved. A section of mining administration activities was included in each monthly compliance report.</p> <p>Achieved. The Council continued to operate a 24 hour complaint response service and all complaints were recorded on the incidents database.</p> <p>Achieved. 154 complaints were received during the reporting period.</p> <p>Achieved. A total of 31 abatement and 13 infringement notices were issued during the year.</p> <p>Achieved. The total number and categories of complaints were reported in each monthly compliance report, together with a brief description of each complaint.</p> <p>Achieved. All 22 farms in the catchment were inspected and farmers were advised of any required compliance works.</p>
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Actual 2006/07	Cost of Services Statement for the year ended 30 June 2007	Actual 2007/08	Budget 2007/08
	Consents & Compliance		
	Operating Expenditure		
391,849	Resource Consent Processing	784,092	453,098
132,577	Consents Support	161,111	146,023
40,579	Consents Review	37,290	42,390
110,940	Whitebait Consent Processing	0	0
641	Consent Appeals	8,325	47,434
111,623	Consent Enquiries	128,697	106,268
0	Building Act - Dams	20,259	7,722
34,389	Whitebait Stand Compliance	52,060	35,646
199,132	Compliance Monitoring	215,240	216,574
130,004	Compliance Monitoring Support	163,965	118,372
29,659	Compliance Enquiries	33,716	42,185
58,898	Mining Licence Compliance	40,309	51,196
49,934	Mining Licence Support	45,582	24,126
137,661	Dairy Farm Monitoring	51,138	58,386
132,918	Complaints	106,646	156,774
59,304	Enforcement Appeals	13,837	41,503
1620,108	Total Operating Expenditure	1,862,267	1,547,697
	Operating Revenue		
893,526	User Charges	1,027,931	851,000
893,526	Total Operating Revenue	1,027,931	851,000
	Funding requirements		
(726,582)	Operating Surplus / -Deficit to be funded	(834,336)	696,697
(3,790)	Capital Expenditure	0	0
(730,372)	Total Funding Required	(834,366)	696,697
	Funded by		
726,582	General Rates & Investment Income	834,336	696,697
3,790	Depreciation Funds	0	0
730,372	Total Funding	834,336	696,697

Planning Processes

Background

The Council has developed a number of regional plans under the Resource Management Act 1991 (RMA) to manage the effects of activities on air, water, land and the coastal marine area in a consistent and integrated manner. The Act requires regional councils to have a Regional Policy Statement and a Regional Coastal Plan. The plans permit activities with no more than minor adverse effects to be carried out without needing resource consent, and also provide policy guidance on assessing activities with greater effects. The purpose of the plans is to practically apply the RMA legislation to sustainably manage the region's resources.

The Council is required under the RMA to review and report on the efficiency and effectiveness of policy statements and plans every five years, as well as full reviews and renotification after 10 years of being operative.

The Biosecurity Act provides for regional councils to have a Pest Management Strategy. The Council has adopted a Regional Pest Plant Management Strategy to take a strategic and prioritised approach to managing pest plants in the region.

Council has allocated funds to research to introduce new biological controls for ragwort. Ragwort has been identified as a pest that could negatively impact on the West Coast economy.

Regional plans include non-regulatory methods, for example, education and investigation to help achieve the plans' objectives and policies. These methods are used to promote good practice and changes in behaviour, and to keep the community informed about Council's activities and emerging environmental issues.

The Council makes submissions, comments and responses to other resource management documents where these may affect the West Coast. This is a key role in ensuring that the regional community is represented in other processes.

The West Coast Waste Management Working Group comprises of representatives from the four West Coast councils, who combine resources to deal with regional waste issues in an integrated manner. The Regional Council provides administrative support for the group.

The Land Transport Act 1998 and the Land Transport Management Act 2003 require regional councils to have a regional land transport strategy, which includes how to achieve an integrated, safe, responsive, and sustainable land transport system. Council also administers the land transport committee, prepares an annual land transport programme and an annual report on implementation of the Strategy.

The Council also maintains a register of passenger services operating in the region in accordance with the Transport Services Licensing Act 1989. Additionally, the Regional Council participates on the regional Road Safety Committee and oversees the Road Safety Co-ordinator with funding sourced from Land Transport New Zealand. Council also administers subsidies for transport for those with limited mobility through the Total Mobility Programme.

Key Changes in the Annual Plan for 2007/08 from the Long Term Council Community Plan for 2006/16

There was a change to the Coastal Plan target to enable opening of river mouths under certain conditions as a permitted activity. (Refer 3 below).

There were delays to the notification of the Water Management Plan, Land and Riverbed Management Plan, and Discharge to Land Plan. (Refer 1 below)

Performance Targets Environmental Planning	Achievements/Progress
1. Notify the merging of the three Regional Plans relating to the Water Management Plan, Land and Riverbed Management Plan, and Discharge to Land Plan by June 2008.	Not achieved. Staff have prioritised work on the Wetlands Variation and the Coastal Plan Change. An amended timeframe was approved by Council through the annual plan process.
2. Participate in the Department of Conservation process for identifying marine protected areas on the West Coast, as required.	Achieved. We have had a representative attend all meetings with support from staff to assess relevant discussion documents and proposals.
3. Prepare a Proposed Plan Change for the Coastal Plan to enable opening of river mouths under certain conditions as a permitted activity.	Achieved. The proposal was notified on 10 th April and 14 submissions were received.
4. Provide support for farm plan completion and implementation.	Achieved. All farm plans have been completed. A second check on implementation is to be carried out next year.
5. Prepare and disseminate information for resource users on rules and requirements, and best practice principles and practices as needed.	Achieved. Humping & Hollowing pamphlet finished. There are sediment control and coastal pamphlets underway.
6. Reward good practice with encouragement, including environmental award certificates at least once every three years.	Not achieved. Other work was given a higher priority.
7. Prepare annual operational plans to implement the operative Pest Plant Management Strategy.	Achieved.
8. Part-fund Landcare Research's Ragwort Bio Control Programme for the West Coast (\$5000).	Achieved
9. Investigate and respond where appropriate to any environmental policies or plans of other authorities or central government that may impact on West Coast interests, within required timeframes, and provide ongoing policy advice to Council as and when needed.	Achieved. Key responses were on Department of Conservation (DOC) Marine Protected Area classification & protection standard, the NZ Coastal Policy Statement, the Proposed National Policy Standard on Fresh Water Management, the Proposed National Environmental Standard on ecological flows and water levels, draft National Environmental Standard on Electricity Transmission, Standard Operating Procedures for the Waste Minimisation Bill, and the Land Transport Management Bill. Also presented evidence at the hearing on DOC West Coast Region Conservation Management Strategy.
10. Respond to simple RMA or Plan information requests within 10 working days, and within a reasonable timeframe for more complex requests.	Achieved. Staff have stated that they have responded to all information requests within the 10 day time frame, but there is no specific system in place to confirm this.

11. Participate in the West Coast Waste Management Working Group, and provide administrative support.	Achieved. All meetings attended. The 2007/08 Sustainable Management Fund Waste Minimisation Officer project was completed and all deliverables met. We successfully applied for a further years funding.
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Performance Targets Transport Planning	Achievements/Progress
1. Administer the West Coast Regional Land Transport Committee (RLTC) and the Regional Technical Advisory Group.	Achieved - RLTC meetings held August 2007 and February 2008; RTAG meeting held 30 October 2007.
2. Prepare and submit an Annual Programme to Land Transport New Zealand (LTNZ) to secure funding support for West Coast projects by March of each year.	Achieved – Regional (R) Funding priorities submitted to LTNZ 28 March. Annual Land Transport Programme submitted 22 February. Improvement Programme submitted 28 March.
3. Seek funding to undertake other transport projects identified in the Strategy as and when appropriate.	Achieved – Walking and Cycling Strategy to be funded in part by 4 Councils and Transit. State Highway Strategic Projects now to be funded by Transit as opposed to R.
4. Prepare an annual report on implementation of the Regional Land Transport Strategy by December each year.	Achieved - approved at September Council meeting and forwarded to parties as required in S182 of the Land Transport Act 1998.
5. Oversee the Road Safety Co-ordinator to achieve road safety outcomes as per the Regional Road Safety Plan, and attend all Road Safety Co-ordinating Committee meetings.	Achieved – staff attended all road safety meetings, including AGM. Managers from 4 councils met to discuss funding applications for the 2008/2009-year and put together the contract for the new coordinator role.
6. Issue Total Mobility vouchers to all applicants who meet eligibility criteria.	Achieved - vouchers continue to be issued by District Councils – steady demand.
7. Undertake annual monitoring of the Total Mobility Programme by checking use of vouchers, assessment forms and overall level of utilisation via the three taxi operators.	Achieved - eligibility forms are checked by Transport Planner as entered into regional user database. Few enquiries made. User database currently includes 626 permanent users and 1 temporary. 75 new users registered in the 2007/08-year.
8. Maintain a current register of passenger services.	Achieved - register is being amended and added to as required.

Actual 2006/07	Cost of Services Statement for the year ended 30 June 2008	Actual 2007/08	Budget 2007/08
	Planning Processes		
	Operating Expenditure		
0	Regional Policy Statement	0	34,529
90,847	Land & Riverbed mgmt Plan	39,790	40,580
10,304	Discharge Contaminants to Land	690	7,433
1,187	Air Quality Plan	813	3,481
61,586	Water Mgmt Plan	5,376	108,260
25	Oil Spill Plan	0	19,097
1,156	Pest Mgmt Strategy	44	6,177
34,825	Responses	84,468	29,775
6,338	Regional Coastal Plan	16,536	41,256
2,003	Building Act - Dams	0	0
125,649	Policy & Plan Implem. & Review	100,144	41,144
25,487	Public Enquiries	27,081	24,939
11,902	Biological Controls	5,000	5,860
21,475	Waste Management	48,665	32,159
112,617	Waste Minimisation Project	34,203	0
20,000	Pest Strategy Implementation	20,000	26,000
13,792	Biodiversity Promotion	7,955	3,500
68,341	Total Mobility	55,344	74,551
24,353	Administration & Programme	31,666	24,934
79,793	Safety Programme	95,144	97,994
<u>711,680</u>	Total Operating Expenditure	<u>572,919</u>	<u>621,669</u>
	Operating Revenue		
(6,585)	User Charges	21,299	20,558
232,845	Subsidies	169,178	130,500
11,525	Targeted Rates	0	0
<u>237,785</u>	Total Operating Revenue	<u>190,477</u>	<u>151,058</u>
	Funding Requirements		
(473,895)	Operating Surplus / -Deficit to be funded	(382,442)	(470,611)
0	Capital Expenditure	0	0
<u>(473,895)</u>	Total Funding Required	<u>(382,442)</u>	<u>(470,611)</u>
	Funded by		
473,895	General Rates & Investment Income	382,442	470,611
<u>473,895</u>	Total Funding	<u>382,442</u>	<u>470,611</u>

Environmental Monitoring

Background

To meet section 35 RMA requirements for councils to monitor the state of the Region's environment. State of the Environment Monitoring assesses trends in environmental quality and detects emerging issues. Such information is fundamental for assessing the effectiveness of resource management policies and plans. It assists Council to make decisions based on sound knowledge and information on environmental trends and emerging issues.

The focus on monitoring water resources reflects the region's climate, topography and land use, i.e. higher than average rainfall with many waterways flowing down through mainly intensive dairy farming on production land. Hydrology identifies what impacts human activities have on water quantity.

Flood warning services are provided for five of the West Coast's major rivers. This complements Council's Civil Defence and Emergency Management functions.

Water quality monitoring ensures water resources, including lakes, rivers and coastal sites, are of a suitable standard for a particular use or value. Air quality monitoring is required under the new national air quality standards where the national standards are exceeded.

Council's role in administering potentially contaminated sites is limited by section 30 (ca) of the RMA to initial identification and assessment procedures and ongoing maintenance of a database of sites for the region.

Key Changes in the Annual Plan for 2007/08 from the Long Term Council Community Plan for 2006/16

The completion target for the Groundwater report was deferred by one year to 30 June 2009 to allow staff to complete the Surface Water Quality Report.

Performance Targets Flood warning Services	Achievements/Progress
1. Maintain the Council's flood warning system to a level whereby any individual river flow station is operational for at least 95% of the time.	Achieved. All sites were operational for at least 95% of the time or greater.
2. Ensure essential real time data on river levels is available on the Council website and Info line (data is updated 12 hourly, and during floods 3 hourly at least).	Achieved. There were three down-time issues that were rectified quickly. These did not occur during a flood event.
3. Provide a continuous flood monitoring service for the five rivers monitored and respond in accordance with the flood-warning manual.	Achieved. Currently four trained duty officers on call as needed.
4. Review the flood-warning manual annually and liaise with work groups as required.	Achieved. The review was completed including soliciting feedback from the various agencies.
5. Respond to information requests within a ten working day period for simple requests, and within one month for more complex requests.	Achieved. All requests were completed on time.
6. Maintain up to date rainfall and river level information on Council's website and Info line.	Achieved - maintained up to date with data available from sites.

Performance Targets Hydrology	Achievements/Progress
1. Maintain existing hydrometric sites and complete upgrades as required to ensure efficiency and effectiveness.	Achieved. Alpine sites at the Cropp and Paparoa's have had maintenance flights. Ahaura and Styx sites have been upgraded. Undertaking an investigation of the available technology to improve data capture and efficiency.
2. Maintain a network of manual groundwater level monitoring sites.	Achieved. The quarterly rounds were completed.
3. Maintain the hydrological database and produce technical summary and data analysis reports as required, including advice for plan and consent requirements.	Achieved. Have provided advice to the consents group.
4. Maintain a database of water level, flow and rainfall data to enable hydrological analysis (including flood frequency, flood modelling, and data provision).	Achieved. Quality Assurance of hydrology data is up to date.
5. Carry out low flow monitoring and water resource investigations as appropriate.	Achieved. Low flow monitoring was undertaken in 10 rivers in the Grey and Hokitika catchments.

Performance Targets Surface and Ground Water Programme	Achievements/Progress
1. Complete a full state of the environment report for surface water quality including condition and trend analysis by June 2008.	Not achieved by June 2008. A draft of the report has been completed (as of July 2008) and is being reviewed. Will be completed by September 2008.
2. Complete four surface water quality-sampling rounds per annum. Complete beach sampling monthly during summer months and report results promptly.	Achieved. The four State of the Environment rounds required for the year have been completed. All contact recreation sampling has been completed for the 2007-2008 season.
3. Continue open water monitoring of Lake Brunner (including depth profiles).	Achieved. All sampling is up to date and completed for the year.
4. Prepare reports on investigations as required.	Achieved. Reports have been compiled to support the consents and compliance groups.
5. Complete four ground water quality sampling rounds per annum.	Achieved. The four rounds required have been completed.
6. Develop an ongoing programme for groundwater monitoring in intensive agricultural areas.	Achieved. The synoptic survey has been completed with a site framework for further synoptic sampled established. Further work is planned.

Performance Targets Potentially Contaminated Sites	Achievements/Progress
<p>1. Continue the 'Sites Associated with Hazardous Substances' programme, ensuring District Councils have access to updated information, and assist landowners by securing external funding to investigate or remediate high priority sites, where possible.</p>	<p>Achieved. 'Sites Associated with Hazardous Substances' locations have been audited and advice provided on enquiry. The database is continually updated following changes or new information becoming available for a site.</p>
Performance Targets Air Quality	Achievements/Progress
<p>1. Continue wintertime ambient air quality monitoring in the town most likely to exceed national standards, and provide annual summary reports to Council.</p>	<p>Achieved. Reefton continues to be monitored and the results reported to council.</p>

Actual 2006/07	Cost of Services Statement for the year ended 30 June 2008	Actual 2007/08	Budget 2007/08
	Environmental Monitoring		
	Operating Expenditure		
230,686	Hydrology	274,142	276,466
30,025	Ground Water Monitoring	24,987	37,713
187,997	Surface Water Quality Monitoring	253,957	319,797
23,064	Contaminated Sites	13,042	29,306
31,891	Air Quality Monitoring	34,683	34,895
26,925	Catchment Mgmt Projects	0	0
8,609	Information and general	13,240	0
<u>539,197</u>	Total Operating Expenditure	<u>614,051</u>	<u>698,177</u>
	Operating Revenue		
9,765	User Charges	24,993	0
0	Subsidies	4,444	0
<u>9,765</u>	Total Operating Revenue	<u>29,765</u>	<u>0</u>
	Funding Requirements		
(529,432)	Operating Surplus / -Deficit to be funded	(584,614)	(698,177)
(28,281)	Capital Expenditure	(77,632)	(41,000)
<u>(557,713)</u>	Total Funding Required	<u>(662,246)</u>	<u>(739,177)</u>
	Funded by		
529,432	General Rates & Investment Income	584,614	698,177
28,281	Depreciation Funds	77,632	41,000
<u>557,713</u>	Total Funding	<u>662,246</u>	<u>739,177</u>

Emergency Management

Background

Under the Civil Defence and Emergency Management Act 2002 the Regional Council is the administering authority for the West Coast Civil Defence Emergency Management Group (CDEM). The functions of the CDEM Group include the co-ordination of civil defence emergency management planning, programmes and activities across the region, carrying out risk management, monitoring and reviewing the civil defence emergency management group plan, and delivering emergency management at the group level.

The Co-ordinating Executive Group (CEG) oversees implementation of the Plan and the CDEM Group's directives.

The Regional Council provides a Group Emergency Operations Centre (EOC) which must be maintained in a state of readiness at all times.

Under the Maritime Transport Act 1994 the Regional Council is responsible for responding to marine oil spills within the territorial waters of the West Coast. This Act requires Council to undertake certain activities regarding training and equipment maintenance.

Staff will respond to terrestrial hazardous substance spills and assist the responsible party to clean up spills in order to minimise environmental impacts.

Performance Targets	Achievements/Progress
1. Provide administrative support to the CDEM Group & its Co-ordinating Executive Group (CEG) as per clauses 4.4 and 4.5 of the CDEM Plan 2005.	Achieved - CEG meetings held 8 November 2007 and 7 May 2008. CDEM Group updates provided at Mayors and Chair Forums.
2. Participate in reviewing the CDEM Plan, which is due to be fully reviewed by April 2010, or earlier if deemed necessary by the CDEM Group.	Not required at this time.
3. Assist with preparation, completion, implementation, and annual review, within agreed timeframes, of the following:	Achieved as follows:
<ul style="list-style-type: none"> • CDEM Group Recovery and Welfare Plan. 	Group Recovery Plan adopted at CEG 7 May 2008. Welfare Plan reviewed January 2008.
<ul style="list-style-type: none"> • Communications Standard Operating Procedures. 	Updated as required. To be merged with the Communications protocol under development.
<ul style="list-style-type: none"> • West Coast Engineering Lifelines projects. 	Councils and Utility providers have adopted recommendations. Progress followed up at biannual meetings. Fuel Storage Research Report completed and endorsed by both CEG and Lifelines.
<ul style="list-style-type: none"> • Group Warning Systems Standard Operating Procedures. 	Review completed March 2008.
<ul style="list-style-type: none"> • Training Needs 	Exercise Pandora tested all staff in realistic 24-hour activation of EOC in September 2007. Chris Pullen attended Group Recovery Manager training in November 2007, and Controller training in April 2008. Further training needs identified through Exercise Pandora will be followed up in the 2008/09 year.

<p>4. Prepare and organise the distribution of public information linked to the development and release of the national public information programme.</p>	<p>Achieved – provision of more information and links on WCRC website and Get Ready statements to media as required.</p>
<p>5. Assist with facilitating, securing funding where possible for, and initiating high priority research work as directed by priorities in the CDEM Group Plan.</p>	<p>Achieved – Received funding from Ministry of Civil Defence and Emergency Management (MCDEM) and EQC to complete Fuel Storage Research.</p>
<p>6. Maintain a ready-to-operate headquarters in preparation for potential emergencies, in accordance with the Group Emergency Operation Centre Activation Plan and Group Controllers Guide.</p>	<p>Achieved - Headquarters maintained in a ready state. EOC activated and tested as in Exercise Pandora in September 2007 including IT and communications.</p>
<p>7. Maintain a warning system capable of receiving and transmitting information and instructions to all levels of control at all times.</p>	<p>Achieved - HF and VHF radio links are maintained with the three districts and MCDEM (Christchurch). Testing undertaken weekly (Thursdays).</p>
<p>8. Review the West Coast Group Emergency Operation Centre Activation Plan and Group Controllers Guide.</p>	<p>Achieved - Further review of documents is being undertaken as a result of Exercise Pandora. Controllers Guide has been reviewed at national level and distributed to Group and Local Controllers.</p>
<p>9. To respond to all four national warning tests within 1 hour.</p>	<p>Achieved – National Warning System reviewed and changed in December 2007. Have received and actioned national warning tests within timeframes required.</p>
<p>10. Appropriate personnel will participate in annual training in their Civil Defence roles.</p>	<p>Achieved – Full WCRC staff attendance at Exercise Pandora September 2007. The next round of training is to be undertaken in 2008/09.</p>

Performance Targets Marine Oil Spill Response	Achievements/Progress
1. Maintain a minimum pool of 25 qualified and trained personnel at all times to cope with maritime oil spills, including training in issues relating to wildlife in the region.	Achieved. Currently there are 26 trained responders.
2. Organise for West Coast personnel to attend one practical and one desktop training exercise per annum.	Not achieved. However, a field exercise is planned for August 2008.
3. Ensure response equipment is maintained to a level ready to respond to a Tier 2 response, and report quarterly to Maritime NZ on equipment checks.	Achieved. Vector Control and Buller Port Services are contracted to store and assist in the maintenance of MNZ equipment and carried out equipment checks at quarterly intervals.
4. To evaluate the spill and alert response personnel within 1 hour.	No marine oil/fuel spills occurred during the year.
5. To mobilise equipment and personnel and commence the clean up within 2 hours.	No marine oil/fuel spills occurred during the year.

Performance Targets Terrestrial Hazardous Substance Spill Response	Achievements/Progress
1. Maintain a team of staff trained to deal with terrestrial hazardous substance spills.	Achieved. Compliance staff undertake regular training to deal with such spills.
2. Review the Contingency and Procedures Plan every three years.	Not Applicable. The plan is due to be reviewed in 2008/09.
3. Regularly attend meetings of the West Coast Hazardous Substances Technical Liaison Committee and the West Coast Combined Emergency Services Co-ordinating Committee where these are relevant.	No meetings occurred during the year.

Actual 2006/07	Cost of Services Statement for the year ended 30 June 2008	Budget 2007/08	Budget 2007/08
	Emergency Management		
	Operating Expenditure		
75,549	Civil Defence Response	107,674	74,728
24,601	EM Plan Implementation	0	0
14,094	Floodwarning	0	0
52,438	Oil Spill capability	41,217	18,212
26,630	Natural Hazards	35,355	45,500
<u>193,312</u>	Total Operating Expenditure	<u>184,246</u>	<u>138,440</u>
	Operating Revenue		
48,299	User Charges	55,732	17,527
1,632	Subsidies	2,667	2,000
25,336	Targeted Rates	25,549	25,000
<u>75,267</u>		<u>83,948</u>	<u>44,527</u>
	Funding Requirements		
(118,045)	Operating Surplus / -Deficit to be funded	(100,298)	(93,913)
(10,096)	Capital Expenditure	0	0
<u>(128,141)</u>	Total Funding Required	<u>(100,298)</u>	<u>(93,913)</u>
	Funded by		
118,045	General Rates & Investment Income	100,298	93,913
10,096	Depreciation Funds		
<u>128,141</u>	Total Funding	<u>100,298</u>	<u>93,913</u>

River, Drainage and Coastal Protection Works

Background

Council is authorised under the Soil Conservation and Rivers Control Act 1941 to mitigate soil erosion, and prevent damage by floods. Council manages protection works for 19 Rating Districts throughout the Region, participates on the Joint Greymouth Floodwall Committee, and rates for structural maintenance of the Floodwall. Council manages 10 quarries to provide rock for protection works, and owns a quarry truck, compressor and drilling rig, to ensure capacity on the West Coast for winning rock for river and coastal protection works. Handling enquiries and providing engineering advice on flood and erosion control is carried out in response to ratepayer demand, and is charged for on a users pays basis where anything other than minor amounts of staff time is taken.

River cross-section studies and aerial photography of some riverbeds and coastal areas are carried out to monitor gravel build-up and changing patterns in river systems. This information helps to identify what, if any, maintenance or additional protection is needed. The cross section studies and aerial photography are also carried out on other larger rivers and coastal areas that are prone to build-up and increased risk of flooding or erosion. This information helps to identify gravel volumes and determine if new protection works might be needed.

Key Changes in the Annual Plan for 2007/08 from the Long Term Council Community Plan for 2006/16

The upgrade of the Greymouth floodwall is now expected to be completed by 30 June 2009.

Performance Targets	Achievements/Progress
1. Hold annual meetings with Rating District Committees to report financial results and discuss maintenance of the works.	Achieved. All meetings were held in September 2007.
2. Review Rating District Asset Management Plans in 2007/08 or where communities support a review of the service levels of existing infrastructure.	Not achieved. There has been a substantial amount of investigation undertaken this year to determine theoretical flood levels. This information is a very important part of the review.
3. Organise annual maintenance of the 20 rating district infrastructural assets to the service level consistent with the Asset Management Plan of each Rating District.	Maintenance contracts continue to be let as required.
4. Participate in the Greymouth Floodwall Committee, and complete the upgrade of the floodwall, once resource consents are granted.	Achieved. The Committee met in September 2007. The consents are yet to be granted for the floodwall upgrade.
5. Continue to assist with organising and securing infrastructure loans for major capital works when required.	No new schemes in the reporting period.

<p>6. Obtain rock from 9 quarries to facilitate river protection works within two weeks of requesting it, and at a cost in line with the relative operating cost of each quarry without subsidisation from general rates.</p> <p>7. Organise annual aerial photography of major rivers and other areas of interest within budget, and maintain records.</p> <p>8. Continue to carry out river cross section studies on the following rivers in order of priority, as funds are available:</p> <ol style="list-style-type: none">1. Taramakau at Inchbonnie2. Karamea3. Taramakau at Taramakau settlement4. Waitangitaona5. Hokitika River at Kowhitirangi6. Wanganui7. Grey River at Coal Creek8. Waiho (Canavan's Knob)9. Vine Creek	<p>Achieved. Costs have been reviewed and prices set accordingly.</p> <p>Achieved. Organised in March 2008.</p> <p>Achieved. All cross sections that we have been directly responsible for have been completed. We are now negotiating with Transit to undertake the Waitangitaona and Waiho work.</p>
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Actual 2006/07	Cost of Services Statement for the year ended 30 June 2007	Actual 2007/08	Budget 2007/08
	River, Drainage & Coastal Protection		
	Operating Expenditure		
615,933	Works Within Rating Districts	681,889	1,280,792
116,769	Rating District Management	120,558	96,625
14,682	Asset Mgmt Plans	7,805	13,498
347	Free Inspections	11,551	4,129
88,895	Technical Services	81,921	53,709
0	Gravel Permit Administration	0	37,704
179,264	Quarries	188,781	197,472
37,812	River Cross Sections	46,924	64,507
<u>1,053,702</u>	Total Operating Expenditure	<u>1,139,429</u>	<u>1,748,436</u>
	Operating Revenue		
301,947	User Charges Rating Districts	72,433	69,000
143,356	User Charges Quarries	248,812	164,000
28,196	User Charges Other	23,540	0
485,994	Targeted Rates	583,862	579,405
<u>959,493</u>	Total Operating Revenue	<u>928,647</u>	<u>812,405</u>
	Funding Requirements		
(94,209)	Operating Surplus / -Deficit to be funded	(210,782)	(936,031)
(16,303)	Capital Expenditure	0	0
(172,008)	Transfers to Rating District Reserves	25,994	0
0	Transfers to Quarry Account Reserves	(60,031)	0
<u>(282,520)</u>	Total Funding Required	<u>(245,219)</u>	<u>(936,031)</u>
	Funded by		
0	Loan Raised		0
0	Transfers from Rating District Reserves	0	652,387
35,908	Transfers from Quarry Account Reserves	0	33,472
16,303	Depreciation Funds	0	0
230,309	General Rates & Investment Income	245,219	250,172
<u>282,520</u>	Total Funding	<u>245,219</u>	<u>936,031</u>

Vector Management

Background:

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

The AHB and the West Coast Regional Council have a contract for the Council to provide vector management services and implement aerial vector control activities within the Region. The key vector targeted is the possum as this is the main cause of transmission of Tb to farm cattle and deer herds. This contract expired on 30 June 2008 and is not being renewed.

The Council also provides the regional funding percentage from rates for vector management services. Vector management fits well with Council's sustainable management work in terms of having conservation and biosecurity benefits, protecting regional income and providing employment.

Performance Targets	Achievements/Progress
1. That 95% of the programme of works is completed each year and all targets set out in the programme of works are achieved.	Achieved. 97.5% of the programme was completed.
2. The Contracting Plan, Capacity Plan, Communications Plan and Community Interests Plan are submitted to AHB by the received deadline each year.	Achieved. All plans were drafted and finalized within the required timeframes.
3. All Vector Control contracts are awarded in accordance with the Contracting Plan.	Achieved. All contracts and tenders were awarded within the vector control contracting plan timeframes.
4. That there are no more than 3 complaints in any contract year alleging insufficient communication regarding Vector Control operations.	Achieved. No complaints were received regarding communication.
5. That the residual trap catch index (rtci) targets ranging between 2% - 3% and "numbers of possums per line" (ppl) ranging between 1 and 3 will be met. (These targets will be as per the AHB requirements for each control contract.)	Achieved. Required residual trap catch index targets were achieved in 98% of operations. Where first round controls have failed second round control work achieved desired result.

Actual 2007/08	Cost of Services Statement for the year ended 30 June 2008	Actual 2007/08	Budget 2007/08
	Vector Management		
	Operating Expenditure		
8,252,421	Programme	9,718,551	9,200,000
984,932	Vector Mgmt Admin	939,081	967,443
<u>9,237,353</u>	Total Operating Expenditure	<u>10,657,632</u>	<u>10,167,443</u>
	Operating Revenues		
8,268,837	User Charges Vector Control Programme	9,722,087	9,200,000
1,100,000	User Charges Vector Management	1,119,447	1,100,000
<u>9,368,837</u>	Total Operating Revenues	<u>10,841,534</u>	<u>10,300,000</u>
	Funding Requirements		
131,484	Operating Surplus / -Deficit to be funded	183,902	132,557
(131,484)	Transfer to (-) / from Retained Earnings	(183,902)	(132,557)
(29,237)	Capital Expenditure	(5,717)	(2,000)
<u>(29,237)</u>	Total Funding Required	<u>(5,717)</u>	<u>(2,000)</u>
	Funded by		
29,237	Depreciation Funds	5,717	2,000
<u>29,237</u>		<u>5,717</u>	<u>2,000</u>

Actual 2006/07	Cost of Services Statement for the year ended 30 June 2008	Actual 2007/08	Budget 2007/08
	Regional Share of Vector Controls		
	Operating Expenditure		
679,334	Regional % Share of Controls	963,203	856,419
<u>679,334</u>	Total Operating Expenditure	<u>963,203</u>	<u>856,419</u>
	Operating Revenues		
574,886	Targeted Rates	567,340	563,250
<u>574,886</u>	Total Operating Revenues	<u>567,340</u>	<u>563,250</u>
	Funding Requirements		
(104,448)	Operating Surplus / -Deficit to be funded	(395,863)	(293,169)
(58,278)	Transfer to Tb Special Rate balance	0	0
<u>(162,726)</u>	Total Funding Required	<u>(395,863)</u>	<u>(293,169)</u>
	Funded by		
0	Transfer from Tb Special Rate balance	208,113	105,419
162,276	General Rates & Investment Income	187,750	187,750
<u>162,276</u>		<u>395,863</u>	<u>293,169</u>

Vector Control Services Business Unit

Background:

Vector Control Services (VCS) enables some of the service delivery requirements for Animal Health Board possum control contracts to be met.

Operating as a business unit will enable service delivery functions of the Council such as vector (possum) control, pest plant and pollution control operations to be carried out efficiently and effectively in accordance with sound business practices. This is consistent with the principles of the Local Government Act 2002.

Upskilling the staff of the VCS business unit will ensure suitably trained staff and equipment is available at short notice for urgent or emergency work.

From July 2007, VCS will be competing on the open market for possum control work. VCS has the capability to compete for any other contract work, as appropriate, to maintain a profitable business and return a reasonable dividend to the Council.

Key Changes in the Annual Plan for 2007/08 from the Long Term Council Community Plan for 2006/16

The VCS Business Unit is now involved in tendering for and winning Aerial contracts from the Animal Health Board Inc. for the eradication of possums. This was not anticipated in the Long Term Council Community Plan.

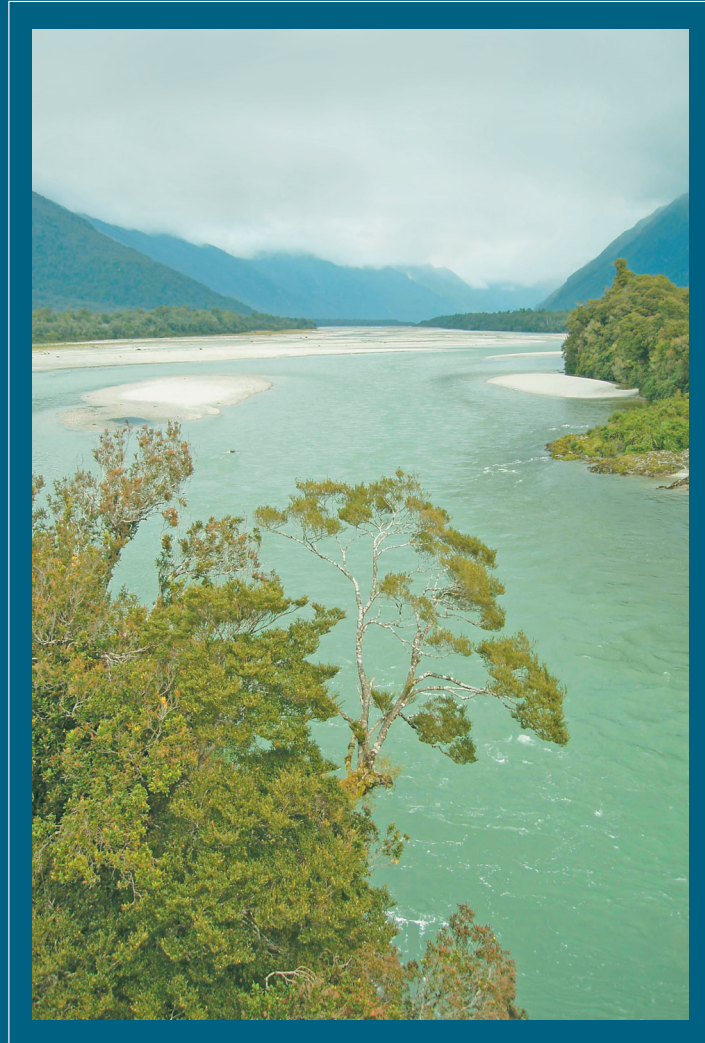
Performance Targets	Achievements/Progress
1. Meet the performance objectives set by Vector Management staff for vector control contracts.	100% achievement for 07/08
2. Keep sufficient pest plant work records to assist the review of the Pest Plant Management Strategy.	Achieved
3. Supply staff and associated equipment as a response unit to marine and terrestrial pollution spill events as per the MOU between the Council's Compliance section, Maritime New Zealand and Vector Control Services dated 11 November 2005.	Five staff trained for an Oil response unit
4. Maintain oil spill response equipment to the level required in the West Coast Tier 2 Oil Spill Response Plan.	Achieved at quarterly maintenance checks
5. Operate the Unit on a fully competitive basis and provide an appropriate return to the Regional Council.	Achieved. A surplus of \$360000 was returned to Council.
6. Operate in accordance with Quality Assurance and Health and Safety Plans and safety procedures.	Achieved
7. Develop new business areas, complementary to existing roles.	Currently tendering for monitoring work for Department of Conservation, developing as a research assistant for Landcare Research, and supplying Agricultural spray work services for Pike River Coal Ltd.

Actual 2006/07	Cost of Services Statement for the year ended 30 June 2007	Actual 2007/08	Budget 2007/08
	Vector Control services Business Unit		
	Operating Expenditure		
46,579	External expenditure	(55,001)	(59,123)
842,907	Internal expenditure	2,284,367	792,000
<u>889,486</u>	Total Operating Expenditure	<u>2,229,366</u>	<u>732,877</u>
	Operating Revenues		
161,489	External Revenue	305,288	40,000
842,907	Internal Revenue	2,284,367	792,000
<u>1,004,396</u>	Total Operating Revenues	<u>2,589,655</u>	<u>832,000</u>
	Funding Requirements		
114,910	Operating Surplus / -Deficit to be funded	360,289	99,123
(114,910)	Transfer to Retained earnings	(360,289)	(99,123)
(1,573)	Capital Expenditure	(23,945)	(22,000)
<u>(1,573)</u>	Total Funding required	<u>(23,945)</u>	<u>(22,000)</u>
	Funded by		
1,573	Depreciation Funds	23,945	22,000
0	Transfer from Retained earnings	0	0
<u>1,573</u>	Total Funding	<u>23,945</u>	<u>22,000</u>

Major Budget Variations

Expenditure	Actual	Budget	Variance
1 Governance Expenditure exceeded budget by \$38000 due to triennial election costs exceeding amount budgeted, which was calculated on an annualised basis, and also more staff time being allocated to Governance than budgeted.	\$ 337,250	\$ 299,360	\$ 37,890
2 Regulatory, Consents & Compliance Actual expenditure exceeded budget by \$316000 due to the number of large scale consent applications processed during the year.	\$ 1,862,267	\$ 1,547,697	\$ 314,750
3 Planning Processes Expenditure is below budget due to amended timeframes relating to the merging of three Regional Plans relating to Water Management, Land and Riverbed and Discharges to Land.	\$ 572,919	\$ 621,669	\$ 48,750
4 River, Drainage & Coastal Protection Expenditure substantially less than budgeted due to the major Greymouth Floodwalls upgrade now scheduled to be completed by June 2009, not June 2008.	\$ 1,139,429	\$ 1,748,436	\$ 609,007
5 Vector Management Programme Actual expenditure exceeded budget by \$518000 due to the actual size of the Animal Health Board programme being larger than expected when the budget was developed.	\$ 9,718,551	\$ 9,200,000	\$ 518,551
6 Regional Share of Cost of AHB Vector Controls This exceeded budget by \$107000. Refer also comments in 4. above.	\$ 963,203	\$ 856,419	\$ 106,784
Revenue			
7 Investment Income (Loss) Actual Investment losses \$165164 compared to budgeted income of \$1100000. This was due to negative returns from Equities internationally and in Australasia. There were also negative effects from the USA "sub prime" meltdown.	\$(165,164)	\$ 1,100,000	\$ 1,265,164
8 Regulatory, Consents & Compliance Revenue exceed expenditure by \$178000. Refer also comments in 2. above.	\$ 1,027,931	\$ 851,000	\$ 176,931
9 River, Drainage & Coastal Protection Income from Quarries was substantially better than budgeted. Also, there were some contributions received from other parties for river cross section analysis work.	\$ 928,647	\$ 812,405	\$ 116,242
10 Vector Management Programme Refer comments in 4. above.	\$ 9,722,087	\$ 9,200,000	\$ 522,087
11 VCS Business Unit Revenue was much higher than budgeted due to large aerial contracts undertaken.	\$ 305,288	\$ 40,000	\$ 265,288

	Actual	Budget	Variance
Statement of Financial Position			
12 Current Assets	\$ 5,562,209	\$ 3,648,656	\$ 1,913,553
Current assets exceeded budgeted amount mainly due to revenue in advance of \$491000 Poison stocks held for aerial contracts \$225000 Classification of part of Investment portfolio as "current" financial assets. \$843000 End of year receivables lesser than expected.			
13 Current Liabilities	\$ 3,614,520	\$ 2,107,000	\$ 1,507,520
Current liabilities exceeded budgeted amount mainly due to a. revenue in advance of \$491000 b. trade payables \$860000 due to accrued costs of AHB aerial contracts.			
14 Non Current Liabilities			
Quarry aftercare provision	\$ 85,800	\$ 0	\$ 85,800
Quarry restoration cost liability was not envisaged in the 2007/08 Annual Plan.			
Statement of Cash Flows			
15 Net Operating Cash Flows	\$ 1,704,930	\$ 39,674	\$ 1,665,256
Operating cash flows substantially exceeded budget due to Planned \$750,000 upgrade of Greymouth Floodwall not carried out as budgeted during 2007/08 but deferred to 2008/09. Major year end accrued expenses (ie accrued but not paid) for costs associated with aerial contracts undertaken by Council VCs business unit.			



West Coast Regional Council

388 Main South Road, Paroa, PO Box 66, Greymouth

Phone 03 768 0466 Fax 03 768 7133 Email info@wrc.govt.nz Website www.wrc.govt.nz