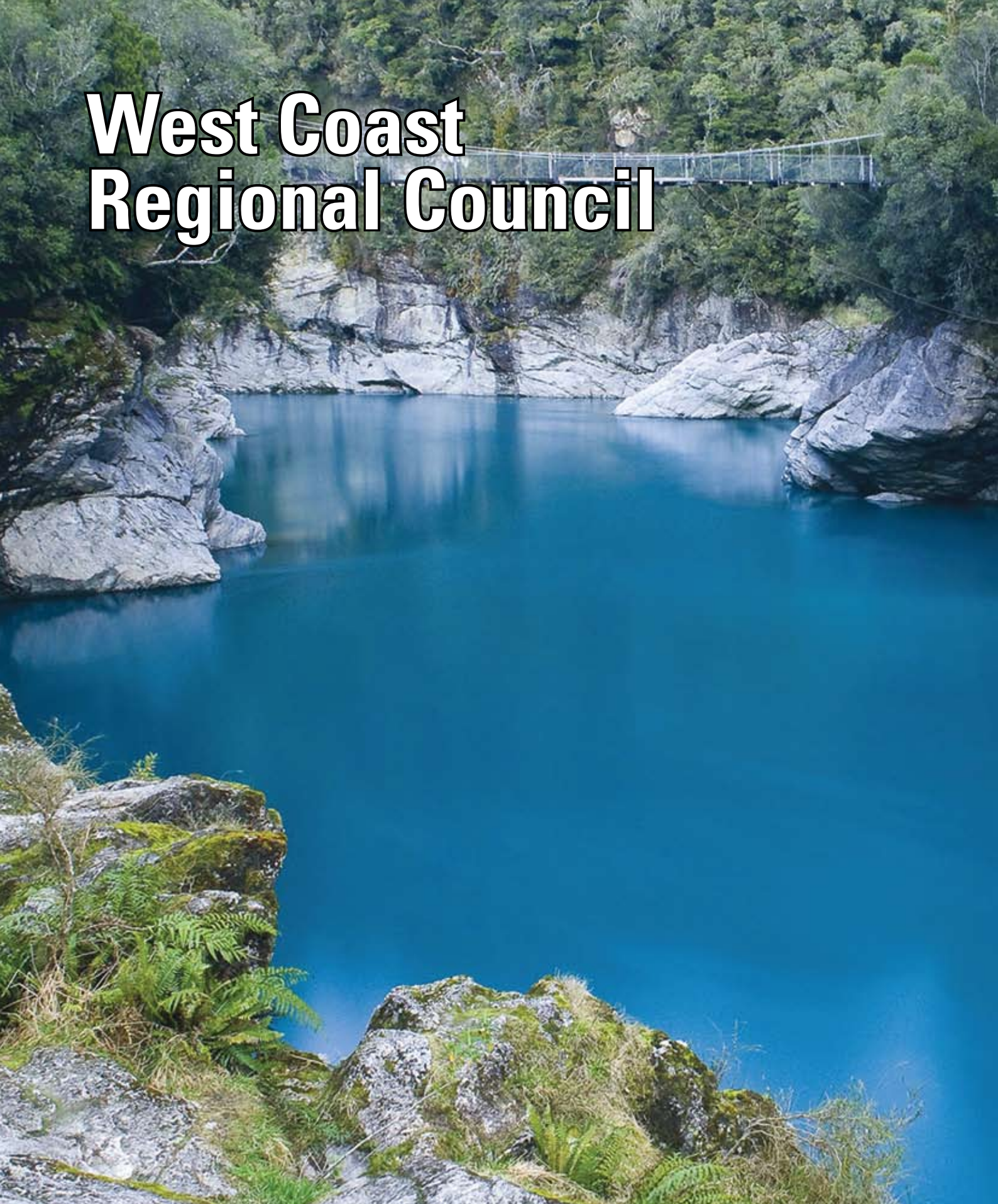


West Coast Regional Council



Annual Report

July 1, 2009 to June 30, 2010



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Directory & Councillors

Council Office

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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

The Council has seven Councillors, representing the following constituencies:

Buller Constituency

Ross Scarlett – Council Chairman

Terry Archer - Councillor

Grey Constituency

Peter Ewen – Council Deputy Chair, Resource Management Committee Chair

Andrew Robb - Councillor

Allan Birchfield - Councillor

Westland Constituency

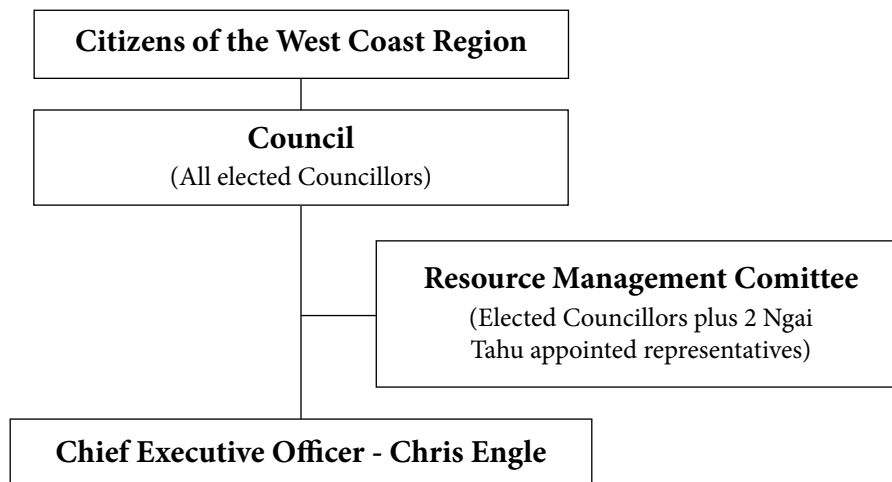
Bryan Chinn - Councillor

Duncan Davidson - Councillor



Left to Right: Terry Archer, Duncan Davidson, Ross Scarlett, Bryan Chinn, Allan Birchfield, Peter Ewen, Andrew Robb

Council Organisation Structure



Council Management Structure:

Division	Manager	Functions
Corporate Services	Robert Mallinson	Accounting Services Corporate Planning Rating Administration Information Technology
Consents & Compliance	Colin Dall	Resource Consent Processing Compliance Monitoring & Enforcement Environment Incident Complaints Oil Spill & Pollution Response
Planning & Environmental	Simon Moran	RMA Plan Preparation and Review State of Environment Monitoring Flood Warning & Natural Hazards Civil Defence Emergency Management Transport Planning Quarry & Rating District Management
VCS Business Unit	Randal Beal	Service delivery of vector (possum) control on contract to Animal Health Board A variety of other smaller work areas related to the environment or pest management
Total Staff		48

Chairperson's Review

I am pleased to introduce the West Coast Regional Council Annual Report for the Year to 30 June 2010.

The operating surplus was \$1.2 million dollars (compared to the budgeted \$600,000) prior to the Greymouth Floodwalls upgrade costs of \$3.3 million dollars.

This very good financial result was achieved due to good investment returns, the surplus achieved by the VCS Business Unit, and costs in general rate funded activities being efficiently managed.

The major upgrade of the Greymouth Floodwalls was completed on time and under budget during the year.

Thank you for your interest in Council's 2009/10 Annual report.

Ross Scarlett
Chairman

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.

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

Activity Area	Community Outcome (s)
Governance	Economy, Environment and Identity
Consents and Compliance	Environment and Safety
Planning Processes: Regional Plans Transport	Environment and Economy Economy and Safety
Environmental Monitoring	Environment, Health and Safety
Emergency Management	Safety and Economy
River, Drainage & Coastal Protection Works: Rating Districts & Quarries	Economy and Safety
Vector Control Services Business Unit	Economy

Progress Report on Achievement of Community Outcomes

In October 2005 and March 2008 the four West Coast Councils agreed to the same 'high level' Community Outcomes in their Long Term Council Community Plans (LTCCP's). The four West Coast Councils also agreed to jointly prepare a monitoring report to avoid duplication by each Council.

A set of indicators was selected in 2008 to monitor trends for the Outcomes. Between four and six indicators were selected for each Outcome. Below is a summary of the main findings from the data available:

- In 2003, the West Coast had fewer active GP's per population than the national ratio.
- Between 2002-2008, the average life expectancy of West Coast women was on par with the national average, while West Coast men's life expectancy was just below the national average.
- For most periods since 2003/04 the West Coast economy has experienced year on year growth at a greater rate than the national economy.
- The West Coast has similar levels of employment to national figures, although average incomes are still below the national average.
- Visitor satisfaction surveys done in 2007 and 2008 at iconic West Coast national features indicated a 90-93% level of visitor satisfaction.
- Between 1996-2008 West Coast rivers, streams, and bathing beaches have generally shown good to excellent quality on most measures and comparisons.
- Between 2006 and 2007 there was a 29% increase in the number of school leavers with NCEA Level 2 qualifications, compared with the national average of a 10% increase.
- The percentage of enrolments at Early Childhood Centres is similar to the national average.
- Between 2002-2008 the West Coast had a higher crime resolution rate than the national average.
- Buller is on par with the average number of motor vehicle crashed for small rural areas, Grey is below it, and Westland is above the average.
- Adult participation in sport or active recreation activities on the West Coast is on par with national figures.
- The percentage of West Coasters doing voluntary work for an organisation or group was higher between 2001-2006 than the national average.

A full copy of the "Progress Report on Community Outcomes 2006 – 2009" is available on Council's website www.wcrc.govt.nz

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.



Ngai Tahu Appointed Members of the Resource Management Committee: Terry Scott (left) Te Runanga O Makaawhio Representative, and Rick Barber (right) Te Runaka O Ngati Waewae Representative.

Statement of Compliance and Responsibility

Compliance

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

Responsibility

1. The Council and management of the West Coast Regional Council accept responsibility for the preparation of the annual financial statements and the judgements used in them.
2. The Council and management of the West Coast Regional Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.
3. In the opinion of the Council and management of the West Coast Regional Council, the annual financial statements for the year ended 30 June 2010 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: 26 October 2010

Report by Audit New Zealand

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Audit Report

To the readers of West Coast Regional Council's financial statements and service provision information for the year ended 30 June 2010

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 the audit on her behalf. The audit covers the financial statements, the non-financial performance information that comprises the statement of service performance and contextual information about Council's contribution to community outcomes and the Regional Council's compliance with the other requirements of Schedule 10 of the Local Government Act 2002 that are included in the annual report of the Regional Council for the year ended 30 June 2010.

Unqualified opinion

In our opinion:

- The financial statements of the Regional Council on pages 12 to 63:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the Regional Council's financial position as at 30 June 2010; 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 44 to 63:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the Regional Council's levels of service provision for the year ended 30 June 2010, including:
 - the levels of service provision as measured against the intended levels of service provision adopted in the long-term council community plan; and
 - the reasons for any significant variances between the actual service provision and the expected service provision.
- The Regional Council has complied with the other requirements of Schedule 10 of the Local Government Act 2002 that are applicable to the annual report, and that are included in the Regional Council's financial statements and service provision information, and on pages 5 to 6 under the heading Community Outcomes.

The audit was completed on 26 October 2010, 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, the non-financial 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, the non-financial 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, the non-financial performance information and the other requirements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether the significant management and system 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 financial and service provision data;
- reviewing significant estimates and judgements made by the Council;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied;
- determining the appropriateness of the reported non-financial performance information within the Council's framework for reporting performance; and
- determining whether all required disclosures are adequate.

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

We evaluated the overall adequacy of the presentation of information in the financial statements, the non-financial 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 and non-financial performance information 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 2010. They must also fairly reflect the results of its operations and cash flows for the year ended on that date. The non-financial performance information must fairly reflect the Regional Council's levels of service provision for the year ended 30 June 2010.

The Council is also responsible for meeting the other requirements of Schedule 10 of the Local Government Act 2002 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, the non-financial 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 New Zealand Institute of Chartered Accountants.

Other than the audit and in carrying out 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 for year ended 30 June 2010

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 2010. The financial statements were authorised for issue by Council on 26 October 2010.

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.

Changes in Accounting Policies

There have been no changes in accounting policies during the year.

Council has adopted the following revisions to accounting standards during the year, which have only a presentational or disclosure effect:

- NZ IAS 1 *Presentation of Financial Statements* (revised 2007) replaces NZ IAS 1 *Presentation of Financial Statements* (issued 2004). 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. Council has decided to prepare a single statement of comprehensive income for the year ended 30 June 2010 under the revised standard. Financial statement information for the year ended 30 June 2009 has been restated accordingly. Items of other comprehensive income presented in the statement of comprehensive income were previously recognised directly in the statement of changes in equity.
- Amendments to NZ IFRS 7 *Financial Instruments: Disclosures*. The amendments introduce a three level fair value disclosure hierarchy that distinguishes fair value measurements by the significance of valuation inputs used. A maturity analysis of financial assets is also required to be prepared if this information is necessary to enable users of the financial statements to evaluate the nature and extent of liquidity risk. The transitional provisions of the amendment do not require disclosure of comparative information in the first year of application.

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 24 *Related party Disclosures* (revised 2009) replaces NZ IAS 24 *Related Party Disclosures* (issued 2004). The revised standard simplifies the definition of a related party, clarifying its intended meaning and eliminates inconsistencies from the definition.

- NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement.

Council has not yet assessed the effect of these new or revised standards and expects that they will not be early adopted.

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

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

Interest income is recognised using the effective interest method.

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

Borrowing costs

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

Finance leases

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

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

The 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 surplus or deficit.

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 surplus or deficit.

Derivative Financial Instruments and Hedge Accounting

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

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

The associated gains or losses of derivatives that are not hedge accounted are recognised in the surplus or deficit. The Council designates certain derivatives as either:

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

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

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

The full fair value of a non-hedge accounted foreign exchange derivative is classified as current if the contract is due for settlement within 12 months of balance date; otherwise, foreign exchange derivatives are classified as non-current. The portion of the fair value of a non-hedge accounted interest rate derivative that is expected to be realised within 12 months of the balance date is classified as current, with the remaining portion of the derivative classified as non-current.

Fair value hedge

The gain or loss from remeasuring the hedging instrument at fair value, along with the changes in the fair value on the hedged item attributable to the hedged risk, is recognised in the surplus or deficit. Fair value hedge accounting is only applied for hedging fixed interest risk on borrowings.

If the hedge relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to the surplus or deficit over the period to maturity.

Cash flow hedge

The portion of the gain or loss on a hedging instrument that is determined to be an effective hedge is recognized in other comprehensive income, and the ineffective portion of the gain or loss on the hedging instrument is recognised in the surplus or deficit as part of finance costs.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised in other comprehensive income are reclassified into the surplus or deficit in the same period or periods during which the asset acquired or liability assumed affects the surplus or deficit. However, if it is expected that all or a portion of a loss recognised in other comprehensive income will not be recovered in one or more future periods, the amount that is not expected to be recovered is reclassified to the surplus or deficit.

When a hedge of a forecast transaction subsequently results in the recognition of a non financial asset or a non-financial liability, or a forecast transaction for a non-financial asset or non financial liability becomes a firm commitment for which fair value hedge accounting is applied, the associated gains and losses that were recognised in other comprehensive income will be included in the initial cost or carrying amount of the asset or liability.

If a hedging instrument expires or is sold, terminated, exercised, or revoked, or it no longer meets the criteria for hedge accounting, the cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive income from the period when the hedge was effective will remain separately recognised in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive income from the period when the hedge was effective is reclassified from equity to the surplus or deficit.

Other 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 surplus or deficit.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. Council fund manager 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 unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the surplus or deficit.

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

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.

WCRC has adopted 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 surplus or deficit. 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 surplus or deficit.

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 surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Subsequent costs

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

Depreciation

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

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

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

Some assets purchased prior to 1 July 2002 are depreciated using the diminishing value method. The value of those assets is less than 2% 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 the most recent market based rating valuations. Valuations are as at 1 September 2009 (Grey District area land), 1 September 2007 (Westland District area land), and 1 September 2008 (Buller District area land).

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

At fair value determined on a replacement cost basis by a staff member and peer reviewed by an independent river control engineer. At balance date WCRC assesses the carrying value of its infrastructural assets to ensure that they do not materially differ from the assets' fair values. The most recent valuation was 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 2009.

Accounting for revaluations:

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

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

INTANGIBLE ASSETS

Software acquisition and development

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

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

Amortisation

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

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

	Estimated life	Rate
Computer Software	3.3 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 asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

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

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

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

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 comprehensive income, a reversal of the impairment loss is also recognised in the statement of comprehensive income.

For assets not carried at a revalued amount (other than goodwill) the reversal of an impairment loss is recognised in the statement of comprehensive income.

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 comprehensive income 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 27.

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 LTCCP/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 26 discloses an analysis of the exposure of WCRC in relation to the estimates and uncertainties surrounding the future Quarry restoration liability.

Statement of Comprehensive Income for Year ended 30 June 2010

Actual 2009	Cost of Services	Notes	Actual 2010	Budget 2010
339,884	Governance		356,756	384,003
2,107,595	Regulatory Consents & Compliance		1,758,100	1,686,568
458,472	Planning Processes		551,841	589,954
627,195	Environmental Monitoring		621,669	737,163
83,557	Emergency Management		108,192	131,612
1,377,809	River, Drainage & Coastal Protection		4,585,319	5,153,434
388,693	Vector Management Administration		0	0
895,235	Regional Share of Vector Controls		848,889	754,862
4,105,974	Vector Control services Business Unit		3,069,302	3,325,436
89,767	Other		3,632	0
10,474,181		3,4,5,6	12,013,700	12,763,032
	Less Income			
1,898,585	General Rates		1,928,034	1,913,000
60,302	Penalties		64,927	75,000
-280,124	Investment and Dividend Income		894,098	775,000
1,511,765	Regulatory Consents & Compliance		1,091,627	976,191
172,692	Planning Processes		77,688	169,350
26,174	Environmental Monitoring		10,718	0
34,345	Emergency Management		46,797	50,000
1,223,274	River, Drainage & Coastal Protection		1,593,889	1,092,618
655,900	Vector Management Administration		0	0
367,903	Regional Share of Vector Controls		574,737	575,000
4,639,355	Vector Control Services Business Unit		3,641,841	3,737,800
10,310,171		1,2	9,924,356	9,363,959
-164,010	Net Surplus / (Deficit) for year		-2,089,344	-3,399,073
492,000	Property, Plant & Equipment Revaluation Gains		9,601,913	4,899,000
0	Movement in Cash Flow Hedge Reserve		-165,619	0
327,990	Total Comprehensive Income		7,346,950	1,499,927

(Refer Page 62 for explanation of variances)

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

Statement of Changes in Equity for Year Ended 30 June 2010

Actual 2009		Actual 2010	Budget 2010
53,468,526	Balance 1 July	53,796,516	53,365,648
327,990	Comprehensive Income	7,346,950	1,499,927
327,990	Total recognised income/(-expense) for year	7,346,950	1,499,927
53,796,516	Balance 30 June	61,143,466	54,865,575

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

Statement of Financial Position as at 30 June 2010

Actual 2009	ASSETS	Notes	Actual 2010	Budget 2010
	Current Assets			
1,444,574	Cash & Cash equivalents	8	71,401	276,256
1,494,711	Receivables	9	3,890,702	1,280,000
90,426	Inventories	10	124,311	290,000
1,806,405	Other Financial Assets	11	1,961,520	1,500,000
69,755	Derivative Financial Assets	17	104,849	0
4,905,871	Total Current Assets		6,152,783	3,346,256
	Non-Current Assets			
43,138,481	Property, Plant & Equipment	12	53,026,208	48,094,883
45,911	Intangible Assets	13	73,863	60,609
8,637,785	Other Financial Assets	11	8,531,631	8,354,754
51,822,177	Total Non-Current Assets		61,631,702	56,510,246
56,728,048	Total Assets		67,784,485	59,856,502
	LIABILITIES			
	Current Liabilities			
112,752	Borrowings	16	140,511	151,257
2,171,284	Payables	14	3,589,683	1,300,000
230,255	Employee Benefit Liabilities	15	271,636	170,000
0	Derivative Financial Liabilities		0	0
2,514,291	Total Current Liabilities		4,001,830	1,621,257
	Non-Current Liabilities			
11,585	Employee Benefit Liabilities	15	12,418	10,000
319,856	Borrowings	16	2,404,453	3,269,670
0	Derivative Financial Liabilities		165,618	0
85,800	Future Quarry Restoration	25	56,700	90,000
417,241	Total Non-Current Liabilities		2,639,189	3,369,670
2,931,532	Total Liabilities		6,641,019	4,990,927
	EQUITY			
20,472,883	Ratepayers Equity	18(a)	18,157,524	17,405,299
2,407,867	Rating Districts	18(b)	1,361,459	1,494,904
22,714,725	Revaluation Reserve	18(c)	32,316,638	27,613,000
0	Hedge Accounting Reserve	18(g)	-165,618	0
-36,374	Tb Special Rate	18(f)	-34,554	7,888
152,415	Quarry Account	18(e)	302,017	-15,366
8,085,000	Investment Growth Reserve	18(d)	9,206,000	8,359,850
53,796,516	Total Equity		61,143,466	54,865,575
56,728,048	Total Liabilities and Equity		67,784,485	59,856,502

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

Statement of Cash Flows for the Year Ended 30 June 2010

Actual 2009	Notes	Actual 2010	Budget 2010
	Cashflow from Operating Activities		
	Cash was provided from:		
2,899,820	Rates	3,321,394	3,416,547
7,882,479	Other Income	3,733,190	5,172,412
33,888	Other Investment Income	20,248	775,000
10,816,187		7,074,832	9,363,959
	Cash was Disbursed to:		
10,916,488	Payments to Suppliers & Employees	10,378,731	12,242,126
40,503	Interest Paid	65,806	237,141
79,151	Net GST Movement	298,675	0
11,036,142		10,743,212	12,479,267
-219,955	Net Cash Flow from Operations	19	-3,668,380
	Cashflow from Investing Activities		
	Cash was provided from:		
207,367	Redemption of Investments	800,000	1,005,096
60,515	Sale of Fixed Assets	22,978	0
267,882		822,978	1,005,096
	Cash was Disbursed to:		
343,635	Purchase of Fixed assets	603,840	400,000
0	Investments Purchased	10,205	359,850
343,635		614,045	759,850
-75,753	Net Cash Flow from Investing	208,933	245,246
	Cashflow from Financing Activities		
	Cash was provided from:		
75,000	Loan Raised	2,200,000	3,100,000
75,000		2,200,000	3,100,000
	Cash was Disbursed To:		
193,024	Loan Principal Repaid	113,726	153,862
193,024		113,726	153,862
-118,024	Net Cash Flow from Financing	2,086,274	2,946,318
-413,732	Total Increase in Cash Held	-1,373,173	76,256
1,858,306	Opening Balance of Cash Resources	1,444,574	200,000
1,444,574	Closing Balance of Cash Resources	8	276,256

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

Notes to the Financial Statements

1	Actual 2009	Rates Revenue	Actual 2010
	1,898,585	General Rates	1,928,034
		Targeted Rates attributable to activities:	
	625,803	River, Drainage & Coastal Erosion	814,711
	367,903	Tb Pest Management	574,737
	25,622	Regional Emergency Management	40,689
	<u>2,917,913</u>	Total Rates Revenue	<u>3,358,171</u>
	0	Rates Remissions	0
	<u>2,917,913</u>	Rates Revenue net of remissions	<u>3,358,171</u>
2	Actual 2009	Other Revenues	Actual 2010
		Investment Income:	
	-411,394	Realised Gains/-Losses (Price)	50,466
	-706,734	Unrealised Gains/-Losses(Price)	250,672
	31,963	Exchange Rate Variations	35,094
	606,078	Interest	388,110
	199,963	Dividends	169,756
	<u>-280,124</u>	Total Investment Income	<u>894,098</u>
		Other Income:	
	612,194	User Charges	779,178
	126,122	Land Transport NZ Govt Grants	64,023
	53,213	Ministry for the Environment Grants	20,713
	10,531	Other Local Authority contributions	1,670
	5,295,255	Animal Health Board	3,641,841
	1,417,652	Regulatory	878,057
	154,415	Infringements, Fines	278,497
	3,000	Other	8,108
	<u>7,392,258</u>		<u>6,566,185</u>
3	Actual 2009	Other -Gains /Losses	Actual 2010
	1,876	Disposal of property, plant, equipment	2,254
	<u>1,876</u>	Total	<u>2,254</u>
4	Actual 2009	Employee Benefit Expenses	Actual 2010
	3,046,154	Salaries and wages	3,094,756
		Employer contributions to multi-employer defined benefit plans	0
	19,851	Increase in Annual Leave liability	32,658
	2,423	Increase in Long Service Leave provision	833
	4,624	Increase in Alternative Holidays Provision	1,521
	3,234	Increase in Time in Lieu Liability	-2,919
	10,243	Increase in accrued payroll	10,121
	<u>3,086,529</u>		<u>3,136,970</u>

5	2009 Actual	Other Expenses	2010 Actual
		Fees paid to Auditor (Audit NZ)	
	61,400	Fees for Financial statement audit	61,400
	0	Impairment of receivables	2,347
	102,833	Minimum Lease payments Operating Leases	77,105
	7,181,040	Other Operating expenses	8,667,818
	<u>7,345,273</u>		<u>8,808,670</u>
6	Actual 2009	Finance Costs	Actual 2010
	40,503	Interest on borrowings	65,806
	<u>40,503</u>		<u>65,806</u>
7	Actual 2009	Tax Expense	Actual 2010
	0	Current tax expense	0
	0	Adjustments to current tax in prior years	0
	0	Deferred tax expense	0
	<u>0</u>	Income Tax expense	<u>0</u>
		Reconciliation	
	-164,010	Surplus / (deficit) before tax	-2,089,344
	49,203	Tax @ 30%	626,803
	-49,203	Tax Effect of Non taxable income	-626,803
	<u>0</u>	Prior year adjustment	<u>0</u>
	<u>0</u>	Income Tax expense	<u>0</u>
8	Actual 2009	Cash & Cash Equivalents	Actual 2010
	140,632	Cash at bank and in hand	70,406
	1,303,942	Short term deposits maturing 3 months or less from date of acquisition	995
	<u>1,444,574</u>		<u>71,401</u>
		The carrying value of short term deposits with maturity dates of 3 months or less approximates their fair value.	
9	Actual 2009	Trade and Other Receivables	Actual 2010
	283,982	Rates Receivables	308,868
	728,118	Other Receivables	3,080,059
	151,989	Other Receivables accrued	101,014
	103,062	Prepayments	276,291
	227,560	Revenue work in progress	126,817
	1,494,711		3,893,049
	0	Less provision for impairment of receivables	-2,347
	<u>1,494,711</u>		<u>3,890,702</u>
	0	Non current	0
	1,494,711	Current	3,890,702
	<u>1,494,711</u>		<u>3,890,702</u>

The major concentration of credit risk is with the Animal Health Board Inc. receivables which amounted to \$2,610,859 @ 30 June 2010 (\$367,314 @ 30 June 2009). 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 2010 (and 2009) 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.

Movements in the provision for impairment of receivables are as follows

Actual 2009		Actual 2010
58,821	@ 1 July	0
0	Additional provision made during year.	2,347
-58,821	Receivables written off during period.	0
<u>0</u>	@ 30 June	<u>2,347</u>

10	Actual 2009	Inventories	Actual 2010
	26,198	Poison and pest supplies	17,066
	49,603	Rock in Quarries	89,727
	14,625	Stationery and Office supplies	17,518
	<u>90,426</u>		<u>124,311</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 2009	Other Financial Assets	Actual 2010
		Current	
	1,806,405	Financial Assets at fair value through profit or loss	1,961,520
	0	Financial Assets at fair value through equity	0
	0	Held to maturity investments	0
	0	Loans and receivables	0
	<u>1,806,405</u>		<u>1,961,520</u>
		Non Current	
	8,637,785	Financial Assets at fair value through profit or loss	8,531,631
	0	Financial Assets at fair value through equity	0
	0	Held to maturity investments	0
	0	Loans and receivables	0
	<u>8,637,785</u>		<u>8,531,631</u>
	10,444,190	Total Current and Non Current	10,493,151
		By Asset Class	
	Actual 2009		Actual 2010
	6,627,292	Fixed Interest	5,595,475
	1,119,911	Australasian Equities	1,808,788
	1,217,885	International Equities	1,916,355
	581,675	Property Equities	526,329
	897,427	Alternative Asset Classes	646,204
	<u>10,444,190</u>	Total	<u>10,493,151</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 - Council Operational Assets

	Cost/Revaluation 1 July 09	Carrying amount 1 July 09	Current year additions	Current year disposals	Current year impairment	Transfer depreciation on disposal	Current year depreciation	Revaluation surplus	Cost/revaluation 30 June 10	Accumulated depreciation/impairment 30 June 10	Carrying amount 30 June 10
2010											
Land	1690000	0	0	0	0	0	0	243000	1933000	0	1933000
Buildings	1511773	-181873	8995	0	0	0	-41526	0	1520768	-223399	1297369
Plant & equipment	2104636	-1464627	202347	-452901	0	444925	-212868	0	1854082	-1232570	621512
Vehicles	155154	-80228	144476	-21316	0	4060	-34930	0	278314	-111098	167216
	4758260	-1726728	355818	-474217	0	448985	-289324	243000	5586164	-1567067	4019097
Council Infrastructure Assets - River, Drainage & Coastal Protection Assets											
Canavans Knob	287501	0	0	0	0	0	0	51668	339169	0	339169
Coal Creek	1487637	0	0	0	0	0	0	490045	1977682	0	1977682
Franz Josef	2279282	0	0	0	0	0	0	558788	2838070	0	2838070
Inchbonnie	1982922	0	244552	0	0	0	0	376783	2604257	0	2604257
Kaniere	329521	0	0	0	0	0	0	37629	367150	0	367150
Karamea	2249839	0	0	0	0	0	0	1099484	3349323	0	3349323
Kongahu Swamp	463404	0	0	0	0	0	0	137127	600531	0	600531
Kowhitirangi	2998123	0	0	0	0	0	0	1046109	4044232	0	4044232
Lower Waiho	1344657	0	0	0	0	0	0	474032	1818689	0	1818689
Matainui Creek	38639	0	0	0	0	0	0	12636	51275	0	51275
Nelson Creek	1636314	0	0	0	0	0	0	505337	2141651	0	2141651
Raft Creek	240097	0	0	0	0	0	0	38103	278200	0	278200
Redjacks	364868	0	0	0	0	0	0	104100	468968	0	468968
Taramakau Settlement	6973850	0	0	0	0	0	0	914360	7888210	0	7888210
Vine Creek	1357196	0	0	0	0	0	0	267634	1624830	0	1624830
Waitangitaona	1429127	0	0	0	0	0	0	432083	1861210	0	1861210
Wanganui	11534714	0	0	0	0	0	0	2436066	13970780	0	13970780
Okuru	535059	0	0	0	0	0	0	174180	709239	0	709239
Hokitika South Bank	694378	0	0	0	0	0	0	70907	765285	0	765285
Punakaiki	1176518	0	0	0	0	0	0	131842	1308360	0	1308360
	39403646	0	244552	0	0	0	0	9358913	49007111	0	49007111
TOTAL	44865209	-1726728	600370	-474217	0	448985	-289324	9601913	54593275	-1567067	53026208

2009	Cost/revaluation 1 July 08	Accumulated Depreciation/ Impairment 1 July 08	Carrying amount 1 July 08	Current year additions	Current yr disposals	Current yr impairment	Transfer Depreciation on disposal	Current year depreciation	Revaluation surplus	Cost/ Revaluation 30 June 09	depreciation/ impairment 30 June 09	Carrying amount 30 June 09
Land	1198000	0	1198000	0	0	0	0	0	492000	1690000	0	1690000
Buildings	1508919	-140734	1368185	2854	0	0	0	-41139	0	1511773	-181873	1329900
Plant & equipment	1947397	-1352511	594886	322848	-165609	0	103218	-238553	0	2104636	-1464627	640009
Vehicles	103944	-58868	45076	51210	0	0	0	-21360	0	155154	-80228	74926
	4758260	-1552113	3206147	376912	-165609	0	103218	-277833	492000	5461563	-1726728	3734835
Council Infrastructure Assets - River, Drainage & Coastal Protection Assets												
Canavans Knob	287501	0	287501	0	0	0	0	0	0	287501	0	287501
Coal Creek	1487637	0	1487637	0	0	0	0	0	0	1487637	0	1487637
Franz Josef	2279282	0	2279282	0	0	0	0	0	0	2279282	0	2279282
Inchbonnie	1982922	0	1982922	0	0	0	0	0	0	1982922	0	1982922
Kaniere	329521	0	329521	0	0	0	0	0	0	329521	0	329521
Karamea	2249839	0	2249839	0	0	0	0	0	0	2249839	0	2249839
Kongahu Swamp	463404	0	463404	0	0	0	0	0	0	463404	0	463404
Kowhitirangi	2998123	0	2998123	0	0	0	0	0	0	2998123	0	2998123
Lower Waiho	1344657	0	1344657	0	0	0	0	0	0	1344657	0	1344657
Matainui Creek	38639	0	38639	0	0	0	0	0	0	38639	0	38639
Nelson Creek	1636314	0	1636314	0	0	0	0	0	0	1636314	0	1636314
Raft Creek	240097	0	240097	0	0	0	0	0	0	240097	0	240097
Redjacks	364868	0	364868	0	0	0	0	0	0	364868	0	364868
Taramakau Settlement	6973850	0	6973850	0	0	0	0	0	0	6973850	0	6973850
Vine Creek	1357196	0	1357196	0	0	0	0	0	0	1357196	0	1357196
Waitangitona	1429127	0	1429127	0	0	0	0	0	0	1429127	0	1429127
Wanganui	11534714	0	11534714	0	0	0	0	0	0	11534714	0	11534714
Okuru	535059	0	535059	0	0	0	0	0	0	535059	0	535059
Hokitika South Bank	694378	0	694378	0	0	0	0	0	0	694378	0	694378
Punakaiki	1176518	0	1176518	0	0	0	0	0	0	1176518	0	1176518
	39403646	0	39403646	0	0	0	0	0	0	39403646	0	39403646
Total	44161906	-1552113	42609793	376912	-165609	0	103218	-277833	492000	44865209	-1726728	43138481

13 Intangible Assets 2010

	Cost 1 July 2009	Accumulated Amortisation/ Impairment 1 July 2009	Carrying Amount 1 July 2009	Current year additions	Current year disposals	Current Year impairment	Transfer Amortisation on disposal	Current year amortisation	Revaluation Surplus	Cost/ Revaluation 30 June 2010	Accumulated Amortisation/ Impairment 30 June 2010	Carrying Amount 30 June 2010
Computer Software	238988	-193077	45911	40779	-11622	0	11622	-12827	0	268145	-194282	73863
Other	0	0	0	0	0	0	0	0	0	0	0	0
	238988	-193077	45911	40779	-11622	0	11622	-12827	0	268145	-194282	73863

Intangible Assets 2009

	Cost 1 July 2008	Accumulated Amortisation/ Impairment 1 July 2008	Carrying Amount 1 July 2008	Current Year additions	Current Year disposals	Current Year impairment	Transfer Amortisation on disposal	Current year amortisation	Revaluation Surplus	Cost/ Revaln 30 June 2009	Accumulated Amortisation/ Impairment 30 June 2009	Carrying Amount 30 June 2009
Computer Software	220514	-179592	40922	18474	0	0	0	-13485	0	238988	-193077	45911
Other	0	0	0	0	0	0	0	0	0	0	0	0
	220514	-179592	40922	18474	0	0	0	-13485	0	238988	-193077	45911

14	Actual 2009	Trade and Other Payables	Actual 2010
	1,215,566	Trade Payables	1,885,994
	403,400	Deposits and bonds	446,552
	463,517	Accrued Expenses	374,313
	15,000	Other Revenue in Advance	823,679
	73,801	Rates in advance	59,145
	0	Due to related parties	0
	<u>2,171,284</u>		<u>3,589,683</u>

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

15	Actual 2009	Employee Benefit Liabilities	Actual 2010
	18,874	Accrued payroll	28,995
	192,315	Annual Leave	224,973
	11,585	Long Service Leave	12,418
	14,442	Time in Lieu	11,523
	4,624	Alternative Holidays	6,145
	0	Sick Leave	0
	<u>241,840</u>		<u>284,054</u>
	230,255	Current	271,636
	11,585	Non Current	12,418
	<u>241,840</u>		<u>284,054</u>

16	Actual 2009	Borrowing	Actual 2010
		Reconciliation	
		Opening Balance 1 July	
	136,818	Lease Liabilities	103,878
	0	Lower Waiho	45,294
	316,218	Punakaiki Seawall Loan	283,436
	<u>453,036</u>		<u>432,608</u>
		Borrowed	
	75,000	Lower Waiho	0
	0	Greymouth Floodwalls	2,100,000
	0	Inchbonnie	100,000
	97,596	Lease Liabilities	26,082
	<u>172,596</u>		<u>2,226,082</u>
		Repaid	
	-130,536	Lease Liabilities	-39,768
	-29,706	Lower Waiho	-38,526
	-32,782	Punakaiki Seawall Loan	-35,432
	<u>-193,024</u>		<u>-113,726</u>

	Closing Balance 30 June	
103,878	Lease Liabilities	90,193
45,294	Lower Waiho	6,768
0	Greymouth Floodwalls	2,100,000
0	Inchbonnie	100,000
283,436	Punakaiki Seawall Loan	248,003
<u>432,608</u>		<u>2,544,964</u>

Actual 2009	Current	Actual 2010
77,340	Term Loans - Lower Waiho and Punakaiki Seawall	45,060
0	Greymouth Floodwalls.	63,318
35,412	Lease Liabilities	32,133
<u>112,752</u>		<u>140,511</u>
	Non Current	
251,392	Term Loans - Lower Waiho and Punakaiki Seawall	209,712
0	Greymouth Floodwalls.	2,136,681
68,464	Lease Liabilities	58,060
<u>319,856</u>		<u>2,404,453</u>
<u>432,608</u>	Total Borrowings	<u>2,544,964</u>

Fixed Rate Debt

Lower Waiho Rating District Loan maturity August 2010.	6,768
Lease liabilities for whole term of Lease.	90,193
Term Loans for 10 years from Nov 2005. Maturity November 2010	248,003
Rate fixed for 5 years to November 2010 – Punakaiki Seawall.	
Greymouth Floodwall. Interest Rate Swap Agreement for 5 years	900,000
Inchbonnie Rating District. Interest Rate Swap Agreement for 5 years	100,000
Greymouth Floodwall. Interest Rate Swap Agreement for 10 years	1,000,000
Total Fixed Rate	<u>2,344,964</u>

Floating Rate debt

Floating rate - Greymouth Floodwalls	<u>200,000</u>
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Security

All bank borrowing is secured to Westpac NZ by a general Deed of charge over rates income. Finance Lease Liabilities are effectively secured as the rights to the leased asset revert to the Lessor in the event of default.

Maturity Analysis and effective interest rates

112,752	< 1 Year	140,511
9.21%	weighted average interest rate	8.77%
319,856	> 1 year	2,404,453
8.49%	weighted average interest rate	7.75%
<u>432,608</u>	Total	<u>2,544,964</u>
319,856	Fair Value of non current borrowings	2,404,453

Analysis of Finance Lease Liabilities		
Actual 2009	Minimum Lease Payments Due	Actual 2010
45,891	Not later than 1 year	41,620
80,567	Later than 1 year: not later than 5	64,159
0	Later than 5 years	0
<u>126,458</u>		<u>105,779</u>
	Less:	
-22,580	Future finance charges	-15,586
<u>103,878</u>	Present value of minimum lease payments	<u>90,193</u>
2009	Present value of minimum lease payments payable	2010
35,413	Not later than 1 year	32,133
68,465	Later than 1 year: not later than 5	58,060
0	Later than 5 years	0
<u>103,878</u>		<u>90,193</u>
35,413	Current	32,133
<u>68,465</u>	Non Current	<u>58,060</u>
<u>103,878</u>		<u>90,193</u>

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 Derivative Financial Instruments

Actual 2009		Actual 2010
	Current Assets	
69,755	Foreign Exchange Hedge	104,849
0	Non Current assets	0
<u>69,755</u>	Total Derivative Financial Instrument Assets	<u>104,849</u>
	Current Liabilities	
0	Non Current assets	0
0	Interest Rate Swaps – Cash Flow Hedges	165,619
<u>0</u>	Total Derivative Financial Instrument Liabilities	<u>165,619</u>

Fair value

Interest rate swaps

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

Forward foreign exchange contracts

The fair values of forward foreign exchange contracts have been determined using a discounted cash flows valuation technique based on quoted market prices. The inputs into the valuation model are from independently sourced market parameters such as currency rates. Most market parameters are implied from instrument prices.

Interest rate swaps

The notional principal amounts of the two outstanding interest rate swap contracts for the Council were \$2 million (2009 nil).

At 30 June 2010, the fixed interest rates of the two cash flow hedge interest rate swaps were 6.36% and 6.69%

Gains and losses recognised in other comprehensive income and the hedging reserve in equity (note 18 (g)) on interest rate swap contracts as at 30 June 2010 will be released to the surplus or deficit as interest is paid on the underlying debt.

Council currently has no fair value hedges.

Forward foreign exchange contracts

The notional principal amounts of outstanding forward foreign exchange contracts were \$AUS \$1,779,788 and \$US 721,560

18	Actual 2009	Equity	Actual 2010
(a)		Ratepayers Equity	
	19,987,141	Balance 1 July	20,472,883
	-164,010	Surplus transferred	-2,089,344
	5,152	Net Transfers (to)/from Rating District Equity	1,046,408
	-11,902	Transfers(to)/from Tb Targeted Rate Balance	-1,820
	311,161	Transfers(to)/from Tb Targeted Rate Balance	0
	-169,659	Transfers(to)/from Quarry Account	-149,603
	515,000	Transfers(to)/from Investment Growth Re-	-1,121,000
	<u>20,472,883</u>	<u>Balance 30 June</u>	<u>18,157,524</u>
(b)		Rating District Equity (River, Drainage & Coastal Protection Schemes)	
	2,413,020	Balance 1 July	2,407,867
	963,291	Revenue	1,134,932
	-983,062	Expenditure	-4,065,086
	0	Capital Expenditure	-244,552
	75,000	Loan raised	2,200,000
	-60,382	Loan Principal repaid	-71,702
	<u>2,407,867</u>	<u>Balance 30 June</u>	<u>1,361,459</u>
(c)		Asset Revaluation Reserves	Actual 2010
(i)		Infrastructural Assets	
	22,122,725	Opening Balance	22,122,725
	0	Revaluation gains / (losses)	9,358,913
	<u>22,122,725</u>		<u>31,481,638</u>
(ii)		Land	Actual 2010
	100,000	Opening Balance	592,000
	492,000	Revaluation gains / (losses)	243,000
	<u>592,000</u>		<u>835,000</u>
	<u>22,714,725</u>	Total Revaluation Reserve	<u>32,316,638</u>
(d)		Investment Growth Reserve	Actual 2010
	8,600,000	Balance 1 July	8,085,000
	-515,000	Transfer (to) / from Ratepayers Equity	1,121,000
	<u>8,085,000</u>	<u>Balance 30 June</u>	<u>9,206,000</u>
(e)		Quarry Account	Actual 2010
	-17,245	Balance 1 July	152,415
	169,659	Transfer (to) / from Ratepayers Equity	149,602

	152,415	Balance 30 June	302,017
(f)	Actual 2009	Tb Pest Management	Actual 2010
	262,885	Balance 1 July	-36,374
	-299,259	Transfer (to) / from Ratepayers Equity	1,820
	-36,374	Balance 30 June	-34,554
(g)	Actual 2009	Derivatives Hedge Reserve	Actual 2010
	0	Balance 1 July	0
	0	Transfer (to) / from Ratepayers Equity	-165,618
	0	Balance 30 June	-165,618

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

19 Reconciliation of net surplus/(deficit) to net cash flow from operating activities

	Actual 2009		Actual 2010
(i)	-164,010	Reported Surplus (Deficit) for the year	-2,089,344
(ii)		Add non cash items:	
	291,318	Depreciation	302,151
	101,217	Unrealised Foreign Exchange Gains/Losses	-35,094
	706,734	Unrealised Price -Gains/Losses	-250,672
	-178,421	Unrealised Hedging Gains/Losses	0
	1,876	Gains/Losses on sale of assets included in Investing Activities	2,254
	2,423	Movement in employee entitlements (non current)	833
	-45,846	Item Classified as Investing activity – Movement in capital creditors	11,228
	-316,586	Portfolio interest, dividends & gains	-588,084
	562,715		-557,384
(iii)		Movements in working capital items	
		current assets	
	68,026	accounts receivable & accruals	-2,131,900
	210,075	inventories	-33,885
		current liabilities	
	-817,610	accounts payable and accruals	1,442,808
	-79,151	Net GST movement	-298,675
	-618,660		-1,021,652
	-219,955	Net Cashflows from Operating Activities	-3,668,380

20	Actual 2009	Capital Commitments and operating leases.	Actual 2010
	0	Capital expenditure contracted for at 30 June but not yet incurred for property, plant and equipment.	0
	0		0
	75,050	Non-cancellable operating leases as lessee:	
	45,771	not later than 1 year	36,399
	0	Later than 1 year but not later than 5 years	10,150
	0	Later than 5 years	0
	<u>120,821</u>		<u>46,549</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.

21	Contingencies	
Actual 2009	Contingent Liabilities	Actual 2010
Nil		\$90,000

Potential Riskpool calls in July 2011 and July 2012 amount to approximately \$90,000 regarding "Weather-tight" Home Liabilities to be levied due on Council membership by Riskpool.

Actual 2009	Contingent Assets	Actual 2010
Nil		Nil

22 Key Personnel Remuneration Disclosures in accordance with NZ IAS 24 and Local Government Act 2002, schedule 10, part 18 (1), (a), (b), (c)

ye 30/6/09	Salaries	Superannuation	Vehicle	ye 30/6/10
Councillors				
61,950	Chairman	63,800		63,800
30,975	Deputy Chairman	31,900		31,900
25,275	Councillor	26,040		26,040
25,275	Councillor	26,040		26,040
25,275	Councillor	26,040		26,040
25,275	Councillor	26,040		26,040
25,275	Councillor	26,040		26,040
<u>25,275</u>	Councillor	<u>26,040</u>		<u>26,040</u>
219,300		225,900		225,900

189,466	Chief Executive	174,032	3,491	16,677	194,200
445,227	4 Second Tier Managers	432,229	15,087	12,628	459,944
<u>853,993</u>		<u>832,161</u>	<u>18,578</u>	<u>29,305</u>	<u>880,044</u>

The above remuneration comprises salaries and other short term benefits.

23. Related Party Transaction

There were no such transactions during the year to 30 June 2010 other than in note 22 above.
(2009 Nil)

24. Severance Payments

No severance payments were made during the year to 30 June 2010.
(2009 nil)

25. Events After Balance Date of 30 June 2010.

None

26. Future Quarry Restoration Liability @ 30 June 2010

Council has obtained advice regarding the extent of potential future Quarry restoration liabilities and has calculated a liability of \$56,700 using a net present value approach to discounting future cash outflows. Council did further analysis during the year and was able to better estimate the remaining life of each Quarry. This resulted in a reduction of the estimated future restoration liability from \$85,800 to \$56,700.

(2009 \$85,800)

27. 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.

(a) 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.

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.

Management of interest rate cash flow risk.

Council most recent and largest long term borrowing is at floating rates which have effectively been converted into fixed rates using interest rate swaps with Westpac NZ. Such interest rate swaps have the economic effect of converting borrowings at floating rates into fixed rates that are generally lower than those available if Council borrowed at fixed rates directly. Under the interest rate swap agreements, Council agrees with Westpac to exchange at specific intervals the difference between fixed contract rates and floating rate interest amounts calculated by reference to agreed notional principal amounts.

(b) 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.

(c) 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 facilities available to \$250,000 with its banker and a multi option credit line amounting to \$3,000,000 (\$2,200,000 utilised by term borrowing @ 30 June 2010)

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

(d)

Actual 2009	Financial Instruments	Actual 2010
	Financial Assets	
	Fair Value Through Profit and Loss – Held for trading	
	Categories	
69,755	Derivative Financial Asset	104,849
	Other Financial Assets	
6,627,292	Fixed Interest	5,595,475
1,119,911	Australasian Equities	1,808,788
1,217,885	International Equities	1,916,355
581,675	Property Equities	526,329
897,427	Alternative Asset Classes	646,204
10,444,190	Total Financial Assets	10,493,151
	at Fair Value Through Profit & Loss	
0	Available for Sale	0
	Loans and Receivables	
1,444,574	Cash & cash Equivalents	71,401
1,494,711	Debtors & Other Receivables	3,895,967
2,939,285		3,967,368
0	Held to Maturity	0
0	Fair Value Through Equity	0
13,453,230	Total Financial Assets	14,565,368

Financial Liabilities

0	Fair Value Through Profit and Loss -Held for Trading	0
0	Derivative Financial Liabilities	0
	Financial Liabilities at Amortised Cost	
2,171,284	Creditors & Other Payables	3,589,683
	Borrowings	
328,730	Term Loans	2,454,772
103,878	Finance Lease Liabilities	90,193
2,603,892	Total financial Liabilities at Amortised Cost	6,134,648
2,603,892	Total Financial Liabilities	6,134,648

Actual 2009	Maximum Exposure to Credit Risk	Actual 2010
	Financial Instruments	
140,632	Cash at Bank Westpac	70,406
1,303,942	Cash on Call Deposits Westpac	995
1,494,711	Debtors & Other Receivables	3,895,967
6,627,292	Fixed Interest	5,595,475
9,566,577		9,562,843

(e) Counterparties with Credit Ratings (Standard & Poor's)

Actual 2009			Actual 2010
	Fixed Interest		
0	A-1+	Government Guarantee	1,292,581
0	A-2+		0
0	A-3+		0
1,599,768	AAA	Government Guarantee	1,139,364
0	AAA		80,485
572,769	AA	Government Guarantee	3,386
738,989	AA		150,745
568,789	AA-	Government Guarantee	0
1,017,521	AA-		1,367,823
199,088	A+		0
756,942	A		634,961
201,393	A-		157,075
146,618	BBB+		151,269
447,364	BBB-	Government Guarantee	0
0	BB	Government Guarantee	137,447
0	B	Government Guarantee	240,000
154,172	Unrated Government Guarantee		0
223,879	Unrated – no prior defaults		240,339
6,627,292			5,595,475
	Cash at bank		
140,632	A-1+	Government Guarantee	70,406
	On call Deposit Account		
1,303,942	A-1+	Government Guarantee	995

(f) Sensitivity of Financial Instrument Risk

Interest Rate Risk

As at 30 June 2010 it is estimated that a two percentage point increase in market interest rates would increase the Council's surplus by approximately \$56,000.

This calculation is based on a reassessment of the fair values of financial assets that are held for trading (30 June 2009 \$166,000).

Currency Risk

The Council is exposed to currency risk on its investment portfolio to both US \$ and Australian \$.

It is estimated that a ten percent increase/decrease in the value of the New Zealand dollar against both the US\$ and Australian\$ would decrease/increase the Council's surplus by approximately \$55,000 (30 June 2009 \$125,000/\$153,000).

(g) Contractual Maturity Analysis of Financial Liabilities

Council 2010	Carrying Amount	Contractual Cash Flows	< 1 year	1-2 years	2 - 5 years	> 5 years
Creditors & Other Payables	3,589,683	3,589,683	3,589,683	0	0	0
Net Position of Derivative Financial Liabilities	0	0	0	0	0	0
Term Loan	100,000	106,929	24,052	82,877	0	0
Term Loan	900,000	966,905	87,070	879,835	0	0
Term Loan	1,000,000	1,077,637	99,181	978,456	0	0
Term Loan	200,000	214,848	19,334	195,514	0	0
Term Loan	6,768	6,822	6,822	0	0	0
Term Loan	232,125	285,350	52,680	52,680	158,040	21,950
Term Loan	15,879	19,565	3,612	3,612	10,836	1,505
	<u>2,454,772</u>	<u>2,678,056</u>	<u>292,751</u>	<u>2,192,974</u>	<u>168,876</u>	<u>23,455</u>
Finance Lease Liability	68,465	80,566	31,187	31,187	18,192	0
Finance Lease Liability	21,728	25,213	10,433	10,433	4,347	0
	<u>90,193</u>	<u>105,779</u>	<u>41,620</u>	<u>41,620</u>	<u>22,539</u>	<u>0</u>
Total Financial Liabilities	<u>6,134,648</u>	<u>6,373,518</u>	<u>3,924,054</u>	<u>2,234,594</u>	<u>191,415</u>	<u>23,455</u>

Council 2009	Carrying Amount	Contractual Cash Flows	< 1 year	1-2 years	2 - 5 years	> 5 years
Creditors & Other Payables	2,171,285	2,171,285	2,171,285	0	0	0
Net Position of Derivative Financial Liabilities	0	0	0	0	0	0
Term Loan	45,294	47,754	40,932	6,822	0	0
Term loan	265,282	338,030	52,680	52,680	158,040	74,630
Term Loan	18,154	23,177	3,612	3,612	10,836	5,117
	<u>328,730</u>	<u>408,961</u>	<u>97,224</u>	<u>63,114</u>	<u>168,876</u>	<u>79,747</u>
Finance Lease Liability	89,558	111,753	31,187	31,187	49,379	0
Finance Lease Liability	7,984	8,247	8,247	0	0	0
Finance Lease Liability	3,576	3,638	3,638	0	0	0
Finance Lease Liability	2,760	2,819	2,819	0	0	0
	<u>103,878</u>	<u>126,458</u>	<u>45,891</u>	<u>31,187</u>	<u>49,379</u>	<u>0</u>
Total Financial Liabilities	<u>2,603,893</u>	<u>2,706,704</u>	<u>2,314,400</u>	<u>94,301</u>	<u>218,255</u>	<u>79,747</u>

(h)
Fair Value Hierachy under NZ IFRS 7 Financial Instruments: Disclosures

For those financial instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

Level 1.

Quoted Market Values. Financial Instruments with quoted prices for identical instruments in active markets.

Level 2.

Valuation techniques using observable inputs. Financial Instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3.

Valuation techniques with significant non-observable inputs. Financial instruments are valued using models where one or more significant inputs are not observable.

	Total	Level 1	Level 2	Level 3
Fixed Interest	5,595,475	3,054,826	1,625,880	914,769
Australasian Equities	1,808,788	1,808,788	0	0
International Equities	1,916,355	619,373	1,296,982	0
Property Equities	526,329	526,329	0	0
Alternative Asset Classes	646,204	639,159	0	7,045
Derivative Hedge asset	104,849	0	104,849	0
Total Financial Assets	10,598,000	6,648,475	3,027,711	921,814

(i)

Contractual Maturity Analysis of Financial Assets

	Total	< 1 year	1 – 2 years	2 – 5 years	> 5 years
Fixed Interest	5,595,475	1,882,572	652,925	997,129	2,062,849
Australasian Equities	1,808,788	1,808,788	0	0	0
International Equities	1,916,355	1,916,355	0	0	0
Property Equities	526,329	526,329	0	0	0
Alternative Asset Classes	646,204	646,204	0	0	0
Derivative Hedge asset	104,849	104,849	0	0	0
	10,598,000	6,885,097	652,925	997,129	2,062,849
Cash & Cash Equivalents	71,401	71,401	0	0	0
Debtors & Other Receivables	3,895,967	3,895,967	0	0	0
Total Financial Assets	14,565,368	10,852,465	652,925	997,129	2,062,848

28. Capital Management

WCRC capital is its ratepayer's 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.

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.

29. Cash Bond

West Coast Regional Council has received an \$892,000 (2009 \$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.

Governance

Background

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

Key Changes from the 2009/2010 Long Term Council Community Plan.

None.

Performance Targets	Achieved / Progress																								
Conduct eleven monthly meetings of Council and the Resource Management Committee, plus other scheduled meetings and scheduled workshops during the year with 80% attendance by all Councillors.	<p><u>Achieved</u></p> <table border="1"> <thead> <tr> <th><u>Councillor</u></th> <th><u>Number attended</u></th> <th><u>%</u></th> </tr> </thead> <tbody> <tr> <td>Scarlett</td> <td>14 out of 14</td> <td>100%</td> </tr> <tr> <td>Ewen</td> <td>13 out of 14</td> <td>93%</td> </tr> <tr> <td>Davidson</td> <td>14 out of 14</td> <td>100%</td> </tr> <tr> <td>Chinn</td> <td>14 out of 14</td> <td>100%</td> </tr> <tr> <td>Robb</td> <td>14 out of 14</td> <td>100%</td> </tr> <tr> <td>Birchfield</td> <td>14 out of 14</td> <td>100%</td> </tr> <tr> <td>Archer</td> <td>14 out of 14</td> <td>100%</td> </tr> </tbody> </table> <p>Eleven Council meetings occurred in the reporting period plus two special meetings and one workshop.</p>	<u>Councillor</u>	<u>Number attended</u>	<u>%</u>	Scarlett	14 out of 14	100%	Ewen	13 out of 14	93%	Davidson	14 out of 14	100%	Chinn	14 out of 14	100%	Robb	14 out of 14	100%	Birchfield	14 out of 14	100%	Archer	14 out of 14	100%
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Robb	14 out of 14	100%																							
Birchfield	14 out of 14	100%																							
Archer	14 out of 14	100%																							
Prepare and notify the Council's Annual Plan by 31 May each year in accordance with the procedures outlined in the Local Government Act 2002.	Not achieved. The approved 2010 / 11 Annual Plan was adopted at the June 2010 Council meeting.																								
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.	Achieved. The audited 2009 Annual Report was adopted by Council on 13 October 2009.																								
Publish an informative Council newsletter twice a year to be circulated to all ratepayers, with their rate demand, in March and September.	Achieved. Newsletters were issued in September 2009 and March 2010.																								
Maintain the Council website up-to-date at all times, as the Council's primary information transfer point and an information resource for the community.	Achieved. Website reviewed and improvements made in March and June.																								
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. Good attendance by Makaawhio's representative.																								

Actual	Cost of Services Statement for year ended 30 June 2010	Actual	Budget
2008/09	Governance	2009/10	2009/10
	Operating Expenditure		
323,814	Governance	338,085	356,869
16,070	Community Consultation	18,671	27,134
<u>339,884</u>	Total Operating Expenditure	<u>356,756</u>	<u>384,003</u>
<u>0</u>	Operating Revenue	<u>0</u>	<u>0</u>
	Funding Requirements		
-339,884	Operating Surplus / -Deficit to be funded	-356,756	-384,003
0	Capital Expenditure		0
<u>-339,884</u>	Total Funding Required	<u>-356,756</u>	<u>-384,003</u>
	Funded by:		
339,884	General Rates and Investment Income	356,756	384,003
<u>339,884</u>	Total Funding	<u>356,756</u>	<u>384,003</u>

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

Under the Maritime Transport Act 1994 the 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 party responsible to clean up spills in order to minimise environmental impacts.

Key Changes from the Long Term Council Community Plan for 2009/19

Nil

Resource Consent Processing Targets	Achieved / Progress
Process at least 95% of non-notified resource consent applications within the statutory timeframes	Not achieved. 93.6% (320/342) of applications were processed within the timeframes. Most of the applications that weren't processed within the timeframes were lodged in the later part of the year, when there was a noticeable increase in application numbers/workload.
Work with consent applicants to seek to reduce the need for formal requests for further information under Section 92 of the RMA	Achieved. A total of 14 Section 92 requests were made in relation to the consent applications being processed in the reporting period, compared with 17 in the previous year.
Complete staff reports for all notified consent applications within 10 working days of receipt of all required information	Achieved for 9 out of the 10 notified consent applications processed during year.
Respond to enquiries on resource consent processes and requirements within 10 working days	Achieved except for 4 out 364 enquiries, with close to 90% of the enquiries being responded to within 2 days. [A new system for recording written enquiries was implemented on 1 September 2009.]

Compliance Monitoring Targets	Achievements/Progress
Process at least 95% of mining work programmes ¹ within 20 working days of receipt.	Achieved. All 61 work programmes received were processed within 20 days.
Release 100% of bonds within four months of the surrender, forfeiture or expiry of the corresponding mining licence or permit, provided that rehabilitation requirements have been met	Achieved. 7 bonds were released in the reporting period, all within the four month target.
Review bond levels for all large-scale ² mines by 2011 and set new bond levels to better reflect the environmental effects/risks of those mines.	In progress. The reviews of the bonds for Solid Energy's mine sites commenced, but had not been completed by the end of the reporting period. The bond review for Oceana Gold's Globe Progress Mine was completed and resulted in an increase in the bond.

¹This target assumes the work programme is submitted with all necessary information provided.

²Large Scale in this case means with a current bond exceeding \$100,000.

³Major, in this situation, means the project costs more than approx. \$200,000.

Inspect every consent and/or mining licence for operating mining activities at least once annually, and where problems are identified follow up to ensure compliance is achieved and/or environmental effects are reduced.	Achieved. 145 mine inspections were undertaken during the reporting period for compliance with resource consent conditions. These inspections covered all of the 61 mines (excluding quarries and gravel extraction sites) that were operating during the year. Where problems were identified these were followed up.
Inspect all new consents that involve major ³ construction works after completion of those works, and follow up to ensure compliance is achieved.	Achieved. The Arahura Bridge was completed during the reporting period, along with the day lighting of the rail tunnel near Stillwater and several other bridge constructions. There were no issues identified requiring follow up to achieve compliance.
Inspect all consents for whitebait stands at least once every two years to check consent compliance and ensure that any environmental effects are no more than minor.	Not achieved. Whitebait stands were not inspected in some rivers because there were no significant issues regarding whitebait stands in those rivers.
Inspect every dairy shed effluent discharge at least once every three years, depending on compliance, and work with farmers so that consent compliance is achieved and environmental effects are managed.	Achieved. All dairy farms were inspected during the previous 3 years and in the 2009/10 year 377 of the 385 operating dairy farms were visited at least once. Where problems were identified these were followed up by further visits. There were 50 such follow up inspections. In total there were 427 inspections including follow up visits.
Assess farm compliance in the Lake Brunner catchment annually, in recognition of the need for stricter environmental management in this sensitive lake catchment, and follow up to ensure compliance is achieved.	Achieved. All 21 farms were inspected, and a field day on effluent management was held in April 2010.
Operate a 24-hour complaints service, responding to all complaints and report all complaints to the monthly Resource Management Committee.	Achieved. 224 complaints were received and responded to during the reporting period.
Respond to breaches of the RMA, regional plan rules or resource consents by taking enforcement action through abatement notices, infringement notices or recommend prosecution in accordance with Council Enforcement Policy.	Achieved. 20 abatement and 27 infringement notices were issued, and prosecutions were laid in relation to 4 illegal activities, during the reporting period.

Marine Oil Spill Response Targets	Achievements/Progress
Maintain a team of at least 25 Maritime NZ (MNZ) trained personnel at all times to deal with marine oil spills and terrestrial hazardous substance spills.	Achieved. Currently there are 27 trained personnel, and 2 Regional On Scene Commanders.
Respond within 4 hours to all terrestrial hazardous substance spills, and where necessary use Council or MNZ spill equipment to manage containment and clean up to minimise adverse environmental impacts.	Achieved. The most significant spill during the reporting period was the 4,000 litre spill of Copper Chromium Arsenic at IPL Ltd.
Ensure response equipment is maintained quarterly to a level ready to respond to a Tier 2 marine oil spill response.	Achieved. The equipment was inspected 4 times during the reporting period.
Contribute to four yearly reviews of the Tier 2 Marine Oil Spill Response Plan within statutory timeframes in 2009/10, and 2014/15, or as agreed with MNZ.	Achieved. The Tier 2 Plan is current.

Terrestrial Spill Response Targets	Achievements/Progress
Review the Contingency and Procedure Plan for terrestrial hazardous substance spill responses in 2009/10 and 2014/15.	Not achieved. The review will be a priority in the first quarter of the 2010/11 year.

Actual	Cost of Services Statement for year ended 30 June 2010	Actual	Budget
2008/09		2009/10	2009/10
	Consents & Compliance		
	Operating Expenditure		
988,943	Resource Consent Processing	593,987	484,370
137,963	Consents Support	160,500	154,220
19,925	Consents Review	22,639	34,131
16,334	Consent Appeals	44,549	29,095
106,947	Consent Enquiries	93,280	95,464
11,717	Building Act - Dams	12,636	14,751
37,896	Whitebait Stand Compliance	45,850	39,885
203,493	Compliance Monitoring	192,326	256,920
105,604	Compliance Monitoring Support	97,892	133,606
47,846	Compliance Enquiries	51,870	46,094
20,368	Mining Licence Compliance	10,965	37,513
31,911	Mining Licence Support	31,470	31,498
108,775	Dairy Farm Monitoring	95,351	75,453
97,235	Complaints	114,927	124,553
124,903	Enforcement Appeals	153,396	55,939
47,735	Oil Spill response	36,462	73,076
2,107,595	Total Operating Expenditure	1,758,100	1,686,568
	Operating Revenue		
1,511,765	User Charges	1,091,627	976,191
0	Subsidies	0	0
0	Targeted Rates	0	0
1,511,765	Total Operating Revenue	1,091,627	976,191
	Funding requirements		
-595,830	Operating Surplus / -Deficit to be funded	-666,473	-710,377
0	Capital Expenditure	0	0
-595,830	Total Funding Required	-666,473	-710,377
	Funded by:		
595,830	General Rates & Investment Income	666,473	710,377
0	Depreciation Funds	0	0
595,830	Total Funding	666,473	710,377

Planning Processes

Background

The Council has a number of Resource Management Act regional plans that manage the effects of activities on air, water, land and the coastal marine area in a consistent and integrated manner. 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 review after 10 years of being operative.

The Biosecurity Act enables the regional council 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.

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 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 from the Long Term Council Community Plan for 2009/19

None.

Planning Performance Targets	Achievements/Progress
Commence landowner consultation on a second Variation to the Land & Riverbed Management Plan relating to Significant Wetlands and notify the Variation by December 2009.	Achieved. Variation 2 was notified in June 2009.
Commence consultation on the Variation merging of the Land and Riverbed, Water, and Discharge to Land Plans by December 2009 and notify by December 2010.	Achieved - Consultation on the proposed Lake Brunner changes commenced in July 2009. Several meetings have been held with stakeholders in the catchment regarding the proposed changes. Consultation was undertaken with the District Councils in Nov/Dec 2009 on possible changes to the permitted sewage effluent discharge to land rule. Public notification of the merged plan is expected by October 2010.
Commence a full review of the Regional Policy Statement by February 2010	Achieved - Assessment begun of what new provisions need to be added to give effect to new National Policy Statements, National Environmental Standards, and Resource Management Act requirements for electricity transmission and infrastructure.
Prepare and disseminate information for resource users on rules, and best practice, as detailed in the annual communications programme.	Achieved. Two coastal hazard information pamphlets have been prepared and disseminated. Website maintained and updated as needed. Two Council newsletters distributed plus information displays in foyer.

<p>Investigate and respond where appropriate to central government policies or plans that may impact on West Coast interests, within required timeframes, and provide ongoing policy advice to Council as and when needed.</p>	<p>Achieved. Responded to the Review of Air Quality National Environmental Standard. Attended the Board of Inquiry on the National Policy Statement on Freshwater Management. Assessed the National Policy Statement on Electricity Transmission. Reported back on the Summary of the Select Committee's Report on the Resource Management (Simplifying and Streamlining) Amendment Bill 2009. Policy advice provided on the proposed plan merge of the Discharge to Land, Land and Riverbed Management, and Water Management Plans and also Variation 2 (Wetlands).</p>
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Transport Planning Targets	Achievements/Progress
<p>Facilitate at least two public Regional Transport Committee (RTC) meetings per year and arrange working group meetings as requested by the Committee.</p>	<p>Not achieved. The RTC met on 17 November 2009. A second meeting has not been held due to a delay in the release of NZ Transport Agency material. Therefore there was no requirement for the RTC to meet prior to the end of June 2010. The RTAG met on 28 August.</p>
<p>Complete a review of the Regional Land Transport Strategy (RLTS) within the timeframe set under Transport legislation, to a standard acceptable to the Regional Transport Committee</p>	<p>In progress. The review of the RLTS has commenced in line with timeframes set within the legislation. The RTC has extended the review timeline. It is anticipated that the draft RLTS will be available for consultation by December 2010 depending on the timing of contributions from external stakeholders.</p>
<p>Participate, with the three district councils, NZ Police, and others in the West Coast Road Safety Co-ordinating Committee.</p>	<p>Achieved. The Road Safety Committee met on 27 August for the Annual General Meeting. Normal meetings have been held on the 27th August, 2nd December, 31st March, and 29th June. Meeting frequency has been reduced to three meetings per year. The Council funds 'Bikewise' activities which have included the development of the "Homelink" road safety workbook for schools, and involvement in the Mayoral Cycle Challenge in Greymouth. Further promotion of the safe cycling message (helmets & visibility) is programmed for April/May.</p>
<p>Implement the total mobility programme where taxi services exist, ensuring at least 90% of users rate the overall service and value for money as good, very good or excellent</p>	<p>Achieved. 98% of users rated the service and value for money as good, very good, or excellent.</p>

Actual	Cost of Services Statement for the year ended 30 June 2010	Actual	Budget
2008/09		2009/10	2009/10
	Planning Processes		
	Operating Expenditure		
680	Regional Policy Statement	22,520	48,981
42,896	Land & Riverbed mgmt Plan	193,912	20,943
12,455	Discharge Contaminants to Land	9,314	0
270	Air Quality Plan	0	0
6,800	Water Mgmt Plan	15,774	73,735
422	Pest Mgmt Strategy	756	4,019
60,368	Responses	21,719	42,210
14,357	Regional Coastal Plan	48,424	33,948
38,600	Policy & Plan Implementation & Review	45,049	42,127
15,491	Public Enquiries	27,259	38,305
448	Biological Controls	489	8,694
14,466	Waste Management	18,570	26,432
34,597	Waste Minimisation Project	487	0
8,680	Pest Strategy Implementation	8,460	11,869
14,781	Biodiversity Promotion	17,430	0
17,469	Total Mobility Admin	8,200	17,099
54,755	Total Mobility	55,930	65,750
69,472	Regional Land Transport Admin	29,112	65,998
7,538	Passenger Transport Admin	6,593	8,426
43,927	Safety Programme	21,843	81,418
458,472	Total Operating Expenditure	551,841	589,954
	Operating Revenue		
10,713	User Charges	3,670	0
161,979	Subsidies	74,018	169,350
0	Targeted Rates		0
172,692	Total Operating Revenue	77,688	169,350
	Funding Requirements		
-285,780	Operating Surplus / -Deficit to be funded	-474,153	-420,604
0	Capital Expenditure	0	0
-285,780	Total Funding Required	-474,153	-420,604
	Funded by:		
285,780	General Rates & Investment Income	474,153	420,604
0	Depreciation Funds	0	0
285,780	Total Funding	474,153	420,604

Environmental Monitoring

Background

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.

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 from the Long Term Council Community Plan for 2009/19

None.

Hydrology Performance Targets	Achievements/Progress
<p>Provide a continuous flood monitoring service for the five rivers monitored and respond in accordance with the flood-warning manual and ensure 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).</p>	<p>Not achieved.</p> <p>Karamea River: A sensor malfunctioned in December 2009. A ground and helicopter check was done to assess the situation. An alarm malfunctioned in January 2010. Alarm settings were reconfigured and tested.</p> <p>Haast River: The Mt Deelaw repeater was down in November 2009 and was repaired on 8 December 2009). This site is a secondary flood warning site and is not one of the five key flood warning rivers monitored.</p> <p>An investigation into additional reporting tools from hydrotel has been completed. Transcripts of communication failures can now be generated. A forthcoming software upgrade will eliminate the additional step between hydrotel and the internet for generating graphs of the data - the webpage will soon be directly integrated with hydrotel.</p>
<p>Review the flood-warning manual annually and liaise with work groups as required.</p>	<p>Achieved. Work groups have been liaised with and contacts updated. Technical section has been completely revised, some sections removed and new sections added. This task was completed in February.</p>

Water Quality Performance Targets	Achievements/Progress
<p>Complete all regular water sampling programmes and prepare State of the Environment (SoE) reports for surface water quality by June 2011, June 2014 and June 2017; plus an annual Lake Brunner summary report every December, for Council's web site.</p>	<p>Achieved. State of the Environment (SoE) water quality monitoring is up to date with all four sampling rounds completed.</p> <p>The Contact Recreation water quality monitoring programme has been reviewed and revised in accordance with the Ministry for the Environment microbiological water quality guidelines for marine and freshwater recreational areas 2003. The Contact Recreation exceedance protocols were also updated in December 2009.</p> <p>Lake Brunner SoE monitoring was reviewed and monitoring of the central lake site was increased to monthly sampling. The Brunner water Quality Update has been redone for data up until May 2010.</p> <p>Lakes Haupiri will be sampled bi-monthly until a satisfactory detailed data record has been established.</p> <p>The West Coast Lake water quality survey was completed. The scope of this report has been expanded with more data added that requires incorporation into the results – it will be completed by September 2010.</p> <p>Investigations of Totara Lagoon and the Arahura Mussel Beds were undertaken. The Totara Lagoon results were presented to Council in December 2009 and the Arahura Mussel Beds report is being finalised.</p>
<p>Complete all regular water sampling programmes and prepare reports on groundwater quality and quantity in 2009, 2012, 2015, and 2018 for Council's web site.</p>	<p>Achieved. The Groundwater Report was presented to Council in June 2009.</p> <p>All 2009 / 2010 sampling has been completed. Further sampling of a wider group of wells has commenced as of winter 2010. Sampling will be twice yearly for three years, prior to review of sampling frequency.</p>
<p>Report monthly summer contact recreation results to Council, and to media, and complete any follow-up investigations required by Council as they arise.</p>	<p>Achieved. The Contact Recreation sampling programme has been completed. Council asked for follow up reports on the Orowaiti Lagoon and Seven Mile Creek sites which were presented at the April Council meeting.</p>
Air Quality Performance Targets	Achievements/Progress
<p>Continue wintertime ambient air quality monitoring in Reefton and provide monthly summary reports to Council during winter months.</p>	<p>Achieved. There were 17 exceedences over the 2009 winter monitoring period and results were reported to Council meeting in July, August and September. There were 9 exceedences in May and June 2010.</p>
Potentially Contaminated Sites Targets	Achievements/Progress
<p>Maintain the 'Sites Associated with Hazardous Substances' (SAHS) database, ensure District Councils and land buyers have access to up to date information and assist landowners to securing external funding to investigate or remediate high priority SAHS sites, where landowners are interested and funding is available.</p>	<p>Achieved. The database is maintained with all SAHS classifications updated according to the newly reviewed WCRC Contaminated Land Strategy.</p> <p>Funding from the Contaminated Sites Remediation Fund was obtained to assist with the investigation of the Totara Lagoon in relation to potential historic PCP contamination. Further investigations were completed in Bittern Creek, Ruatapu's western drain, and the Ruatapu dredge pond.</p>

Actual	Cost of Services Statement for year ended 30 June 2010	Actual	Budget
2008/09	Environmental Monitoring	2009/10	2009/10
	Operating Expenditure		
290,960	Hydrology	282,769	356,612
8,462	Ground Water Monitoring	6,366	22,656
280,887	Surface Water Quality Monitoring	288,562	316,635
22,969	Contaminated Sites	25,675	14,667
17,618	Air Quality Monitoring	15,354	26,593
6,299	Information and general	2,943	0
627,195	Total Operating Expenditure	621,669	737,163
	Operating Revenue		
640	User Charges	0	0
25,534	Subsidies	10,718	0
0	Targeted Rates	0	0
26,174	Total Operating Revenue	10,718	0
	Funding Requirements		
-601,021	Operating Surplus / -Deficit to be funded	-610,951	-737,163
-62,522	Capital Expenditure	-59,654	-108,000
-663,543	Total Funding Required	-670,605	-845,163
	Funded by:		
601,021	General Rates & Investment Income	610,951	737,163
62,522	Depreciation Funds	59,654	108,000
663,543	Total Funding	670,605	845,163

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.

Key Changes from the Long Term Council Community Plan for 2009/19

None.

Performance Targets	Achievements/Progress
Review the current CDEM Plan by April 2010, including input from the district councils and other agencies.	Achieved. The review was completed and consultation has been undertaken. The draft, incorporating amendments as a result of submissions, was adopted 21 June 2010 by the West Coast Civil Defence Group and has now been submitted to the Minister for sign off.
Prepare and organise the distribution of public information linked to the development and release of the national public information programme.	Achieved. The main public education initiative has been Exercise Shakeout, run in conjunction with Exercise Ru Whenua in September 2009. New CDEM banner displays have been obtained for the West Coast CDEM Group to assist with public displays. These were displayed in the WCRC foyer for one month.
Maintain a ready-to-operate headquarters in preparation for potential emergencies, in accordance with the Group Plan and Group Controllers Guide.	Achieved. The Emergency Operations Centre continues to remain ready for activation as required. Exercise Ru Whenua tested the arrangements for responding to events.
Train at least 30 Council staff as EOC personnel so that we have three shifts of EOC staff trained and exercised in case of a regional emergency.	Achieved. Exercise Ru Whenua assisted with further training staff in the roles required to respond in an event. 35 staff participated in the exercise (includes 3

Actual	Cost of Services Statement for year ended 30 June 2010	Actual	Budget
2008/09	Emergency Management	2009/10	2009/10
	Operating Expenditure		
70,654	Civil Defence Response	88,771	89,356
12,903	Natural Hazards	19,421	42,256
<u>83,557</u>	Total Operating Expenditure	<u>108,192</u>	<u>131,612</u>
	Operating Revenue		
3,967	User Charges		
4,756	Subsidies	6,108	10,000
25,622	Targeted Rates	40,689	40,000
<u>34,345</u>		<u>46,797</u>	<u>50,000</u>
	Funding Requirements		
-49,212	Operating Surplus / -Deficit to be funded	-61,395	-81,612
0	Capital Expenditure	0	0
<u>-49,212</u>	Total Funding Required	<u>-61,395</u>	<u>-81,612</u>
	Funded by		
49,212	General Rates & Investment Income	61,395	81,612
0	Depreciation Funds	0	0
<u>49,212</u>	Total Funding	<u>61,395</u>	<u>81,612</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 from the Long Term Council Community Plan for 2009/19

Greymouth Floodwalls Upgrade. The upgrade costs were budgeted at \$4,000,000 in the LTCCP, with borrowing of \$2,700,000. The final cost was approximately \$3,300,000 and borrowing amounted to \$2,100,000.

Inchbonnie. Capital expenditure of \$200,000 and borrowing of \$400,000 was identified in the LTCCP. Actual capital expenditure amounted to \$244,552 and borrowing was limited to \$100,000.

Performance Targets	Achievements/Progress
Oversee implementation of the quarry management plans, and review those plans by 2011.	Achieved. Action points are being completed as demand for rock allows. Camelback, Blackball, Whataroa, and Inchbonnie quarries have been developed into 'benched' quarries.
Monitor and review quarry contracts and permits and visit sites to ensure Health and Safety and other legal requirements are met.	Achieved. Health and Safety plans updated annually and completed. Three site visits have been undertaken.
Obtain rock from quarries to facilitate river protection works within two weeks of any request, and at a cost in line with the relative operating cost of each quarry without subsidy from general rates.	Achieved. Stockpiles are maintained in active quarries to meet this target. The Quarries generated a \$149,603 surplus during the year. There was no subsidy from general rates.
Review Rating District Asset Management Plans in 2009/10, 2012/13, and 2015/16 – or earlier where information indicates a significant change from what is stated in the asset management plan or where communities support an early review of the service levels of existing infrastructure.	Achieved. All Asset Management Plans have been reviewed and the Infrastructure asset valuations updated as at 31 December 2009.
Organise and oversee maintenance of all rating district infrastructural assets to the service level consistent with the Asset Management Plan of each Rating District, or whatever level the community and the Council decide on as an acceptable risk.	Achieved. Inspections carried out, discussed with the rating districts, including works to be carried out. All rating districts are maintained in line with the service levels stated in the LTCCP.
Participate in the Greymouth Floodwall Committee, undertake annual maintenance works, and complete the upgrade of the floodwall by December 2010.	In progress. The Floodwall Committee meeting was held in October 2009. With the exception of a couple of minor tasks the upgrade was complete as at the end of June 2010.
Assist with organising and securing infrastructure loans for major capital works as and when required.	Achieved. Loan arrangements secured for Inchbonnie and Greymouth Rating Districts. The loans of \$2,100,000 (Greymouth Floodwalls) and \$100,000 (Inchbonnie) were fully drawn down @ 30 June 2010.
Provide civil engineering advice on Council's behalf for consent applications and compliance matters within statutory timeframes.	Achieved. Advice has been sought and provided for six applications since recording began in December 2009.

Actual	Cost of Services Statement for year ended 30 June 2010	Actual	Budget
2008/09	River, Drainage & Coastal Protection	2009/10	2009/10
	Operating Expenditure		
983,071	Works Within Rating Districts	4,065,086	4,729,782
114,145	Rating District Management	116,325	115,786
14,696	Asset Mgmt Plans	15,454	21,657
4,613	Inspections	6,644	12,934
38,252	Technical Services	41,167	58,355
197,855	Quarries	309,354	173,366
25,177	River Cross Sections	31,289	41,554
1,377,809	Total Operating Expenditure	4,585,319	5,153,334
	Operating Revenue		
229,949	User Charges Rating Districts	320,221	121,071
367,522	User Charges Quarries	458,957	158,000
625,803	Targeted Rates	814,711	813,547
1,223,274	Total Operating Revenue	1,593,889	1,092,618
	Funding Requirements		
-154,535	Operating Surplus / -Deficit to be funded	-2,991,430	-4,060,816
0	Capital Expenditure	-244,552	-200,000
-169,667	Transfers to Rating District Reserves	0	0
0	Transfers to Quarry Account Reserves	-149,603	0
-324,202	Total Funding Required	-3,385,585	-4,260,816
	Funded by:		
0	Loan Raised	2,200,000	3,100,000
127,319	Transfers from Rating District Reserves	974,706	895,164
0	Transfers from Quarry Account Reserves	0	15,366
0	Depreciation Funds	0	0
196,883	General Rates & Investment Income	210,879	250,286
324,202	Total Funding	3,385,585	4,260,816

Vector Control Services Business Unit

Background:

Vector Control Services (VCS) specialises in competing for and completing ground and aerial possum control contracts for the Animal Health Board (AHB).

Operating as a business unit has enabled service delivery functions of the Council such as vector (possum) control and other 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.

Staff of the business unit are also trained and equipped for urgent or emergency work.

VCS competes on the open market for possum control work. VCS has the capability to compete for other contract work as appropriate, to maintain a profitable business and provide a reasonable return to Council.

Key Changes from the Long Term Council Community Plan for 2009/19

Nil.

Performance Targets	Achievements/Progress
Tender for, and win, sufficient contracts to provide or exceed the annual budgeted return to Council.	Achieved and exceeded. Actual Budgeted surplus of \$572,539 compared to budgeted \$412,364.
Meet the performance objectives and contractual obligations set by the Animal Health Board for ground and aerial pest control contracts.	Partly achieved. 21 out of 24 blocks passed, one re-monitor required on one block. Two limited input re-works required.
Keep sufficient pest plant work records to assist the review of the Pest Plant Management Strategy.	Achieved. One complaint received and actioned.
Have staff available as a response unit for marine and terrestrial pollution spill events as per the Memorandum Of Understanding between the Council's Compliance section, Maritime New Zealand and Vector Control Services dated 11 November 2005.	Achieved. Seven staff trained to meet this target.
Maintain oil spill response equipment to the level required in the West Coast Tier 2 Oil Spill Response Plan.	Achieved. Quarterly inspections and maintenance programme carried out.
Develop new business areas as appropriate, complementary to existing roles.	Achieved. Providing research assistance, operational management, GIS and consent processing to Landcare Research and project management services. Providing monitoring services to DOC.

Actual	Cost of Services Statement for year ended 30 June 2010	Actual	Budget
2008/09		2009/10	2009/10
Vector Control Services Business Unit			
Operating Expenditure			
4,105,974	External expenditure	3,069,302	3,325,436
<u>12,915</u>	Internal expenditure	<u>8,256</u>	<u>0</u>
<u>4,118,889</u>	Total Operating Expenditure	<u>3,077,558</u>	<u>3,325,436</u>
Operating Revenues			
4,639,355	External Revenue	3,641,841	3,737,800
<u>12,915</u>	Internal Revenue	<u>8,256</u>	<u>0</u>
<u>4,652,270</u>	Total Operating Revenues	<u>3,650,097</u>	<u>3,737,800</u>
Funding Requirements			
533,381	Operating Surplus / -Deficit to be funded	572,539	412,364
-533,381	Transfer to Retained earnings	-572,539	-412,364
<u>-116,360</u>	Capital Expenditure	<u>-91,922</u>	<u>-22,000</u>
<u>-116,360</u>	Total Funding required	<u>-91,922</u>	<u>-22,000</u>
Funded by:			
116,360	Depreciation Funds	91,922	22,000
<u>0</u>	Transfer from Retained earnings	<u>0</u>	<u>0</u>
<u>116,360</u>	Total Funding	<u>91,922</u>	<u>22,000</u>

Major Budget Variations

Explanation of Major Budget Variances

Expenditure	Actual	Budget	Variance
Planning Processes	551,841	589,954	-38,113
<p>The wetlands variation to the land and riverbed management plan has cost \$194,000 compared to the budgeted \$20,943. This is however offset by actual costs of other plans being less than budgeted, especially the Regional Policy Statement, Water Management Plan.</p> <p>Transport costs are substantially less than budget due to the reduced Road Safety Programme funded by the Council, and other Transport costs being substantially less than budgeted.</p>			
Environmental Monitoring	610,882	737,163	-126,281
<p>Expenditure is below budget as less external consultancy work was needed than was budgeted for. More work was able to be carried out "in house" at lower cost.</p>			
Emergency Management	108,192	131,612	-23,420
<p>This activity was underspent as "Envirolink" funding of \$20,000 was obtained for alpine fault avoidance zone hazard mapping and \$20,000 for the project on landslide risk.</p>			
River, Drainage & Coastal Protection	4,585,319	5,153,434	-568,115
<p>This activity was underspent because the final costs of the Greymouth Floodwalls upgrade cost \$700,000 less than the \$4,000,000 budgeted figure.</p> <p>Expenditure on Quarries was \$136,000 more than budgeted but that was matched by more revenue than budgeted.</p>			
Regional Share of Vector Controls	848,889	754,862	94,027
<p>The actual cost of the regional share exceeded budget due to additional regional share funding approved by Council subsequent to the LTCCP budget process, to be funded from retained earnings.</p>			
VCS Business Unit	3,069,302	3,325,436	-256,134
<p>Actual costs for the aerial contracts undertaken by the Unit were less than budgeted.</p>			
Other			
Riskpool call	55,050	-	
Portfolio management	58,581	-	
	113,631	-	113,631
Revenue			
Investment Income	894,098	775,000	119,098
<p>Investment returns were substantially better than budgeted.</p>			
Regulatory, Consents & Compliance.	1,091,627	976,191	115,436
<p>Income exceeds budget mainly due to prosecution fines received.</p>			
Planning Processes	77,688	169,350	-91,662
<p>Refer comments regarding Planning Expenditure above.</p> <p>The actual subsidy revenue receivable from the NZ Transport Agency is substantially less than budgeted due to reduced programme expenditure.</p>			
River, Drainage & Coastal Protection	1,593,889	1,092,618	501,271
<p>Quarry revenue exceeded budget by \$300,000 due to demand for rock.</p> <p>Local contributions towards unforeseen rating district works exceeded budget by \$200,000</p>			

Statement of Financial Position

Current Assets	6,152,783	3,346,256	2,806,527
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Current assets @ 30 June 2010 included;

- Cash \$71,400 compared to budgeted \$276,000.

- Receivables amounted to \$3.890 million compared to budgeted \$1.280 million.

This was due to receivables amounting to \$2.610 million from the Animal Health Board.

They requested Council to bring forward the invoicing from July 2010 to June 2010.

- Derivative financial assets (ie favourable hedge position) of \$105,000 not budgeted for.

- Inventories \$166,000 less than budgeted.

-Other Financial Assets (current portion of Investments) amounted to \$1.960 million compared to \$1.500 million budgeted.

Non Current Assets

Property, Plant, Equipment	53,026,208	48,094,883	4,931,325
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Property, Plant, Equipment revaluations amounted to \$9.6 million compared to the expected \$4.7 million. This was mainly regarding the revaluation of Rating District Infrastructure assets @ 31 December 2009.

Other Financial Assets	8,531,631	8,354,754	176,877
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Current Liabilities	4,001,830	1,621,257	2,380,573
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Actual current liabilities @ 30 June 2010 exceeded budgeted amount due to;

- Payables \$2.290million higher than budgeted due to accrued Greymouth Floodwall upgrade costs and costs relating to AHB aerial contracts.

Non Current Liabilities	2,639,189	3,369,670	-730,481
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Term borrowing was \$900,000 less than budgeted, mainly due to reduced costs of Greymouth Floodwall upgrade.

Derivative Financial Instruments interest rate hedge liability of \$165,618 not anticipated.

