

# West Coast Regional Council

## Annual Report

July 1 2012 to June 30 2013





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## Chairman's Report

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I am pleased to introduce you to the West Coast Regional Council Annual Report for the year to 30 June 2013.

The operating surplus was \$1,561,000 compared to the budgeted \$741,000.

This included a payment of \$535,000 from the Ministry of Civil Defence and Emergency Management relating to the December 2010 flood events. Council also achieved a 10% return on its investment portfolio for the year.

Other highlights of the 2012/13 year included;

- 206 mine inspections were undertaken.
- All 384 dairy farms in the region were inspected.
- 17 farm plans completed in the Lake Brunner catchment.
- Ministry for the Environment funding secured for Lake Brunner waterway enhancement projects.
- Council funded insulation and clean heating work for 172 homes under the Warm West Coast scheme.

Ross Scarlett  
Chairman

## Directory & Councillors

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**Council Office** 388 Main South Road, Paroa, Greymouth

**Postal Address** P.O. Box 66, Greymouth, 7805  
Phone 03 768 0466  
Fax 03 768 7133  
Email [info@wcrc.govt.nz](mailto:info@wcrc.govt.nz)  
Web [www.wcrc.govt.nz](http://www.wcrc.govt.nz)

The Council has seven Councillors, representing the following constituencies:

### **Buller Constituency**

Ross Scarlett – Council Chairman  
Terry Archer - Councillor

### **Grey Constituency**

Ian Cummings - Councillor  
Andrew Robb - Councillor  
Allan Birchfield - Councillor

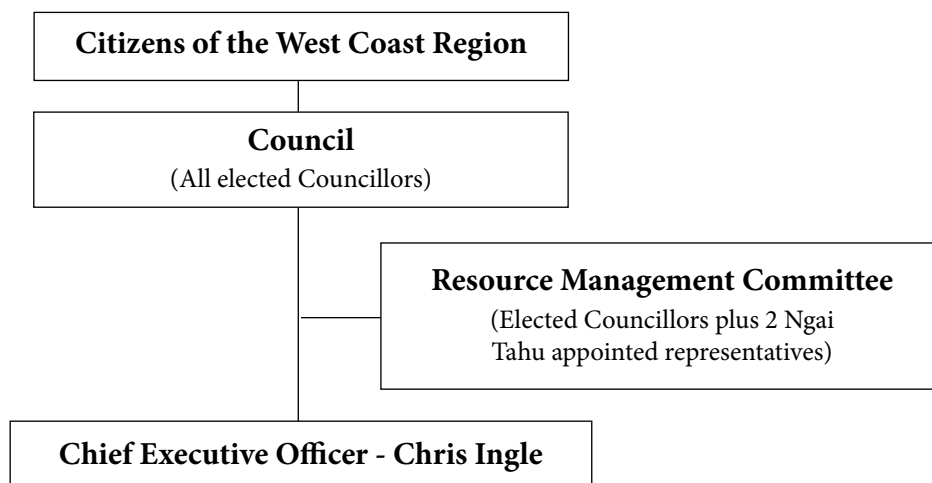
### **Westland Constituency**

Bryan Chinn – Council Deputy Chair, Resource Management Committee Chair  
Duncan Davidson - Councillor



**Left to Right:** Andrew Robb, Terry Archer, Bryan Chinn, Ross Scarlett, Duncan Davidson, Allan Birchfield, Ian Cummings

## Council Organisation Structure



Division	Manager	Functions
CEO's Office	Chris Ingle	Civil Defence Emergency Management Regional Transport Planning
Corporate Services	Robert Mallinson	Accounting Services Corporate Planning Rating Administration Information Technology
Consents & Compliance	John (Jackie) Adams	Resource Consent Processing Compliance Monitoring & Enforcement Environmental Incident Complaints Oil Spill & Pollution Response
Planning & Environmental	Michael Meehan	RMA Plan Preparation and Review State of Environment Monitoring Flood Warning & Natural Hazards Quarry & Rating District Management Oil Spill Response
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 environmental or pest management
Total Staff		48

## Community Outcomes

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In the Long Term Plan 2012-2022 the West Coast Regional Council identified the following three high-level Community Outcomes:

**Economy:** A thriving, resilient and innovative economy is promoted, which creates many opportunities for growth, wealth generation and employment.

**Environment:** The high quality and distinctive character of our environment is retained.

**Safety:** A region that is safe place to live, with strong community spirit and cohesion.

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

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

### Measurement of Progress towards achievement of Community Outcomes

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

Council has not undertaken any such measurement during the year.

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

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

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

## Statement of Compliance and Responsibility

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### 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 2013 fairly reflects the financial position and operations of the West Coast Regional Council.



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A Robb  
Chairperson



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C. Ingle  
Chief Executive Officer



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R.J. Mallinson  
Corporate Services Manager

Dated: 31 October 2013



# Report by Audit New Zealand

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AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

## Independent Auditor's Report

### To the readers of West Coast Regional Council's annual report for the year ended 30 June 2013

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 audit:

- the financial statements of the Regional Council that comprise:
  - the statement of financial position as at 30 June 2013 on page 24;
  - the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ending 30 June 2013 on pages 22 to 23 and page 25; and
  - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 13 to 21, pages 26 to 50 and pages 79 to 81.
- the statement of service provision of the Regional Council and each group of activities carried out by the Regional Council on pages 51 to 69;
- the funding impact statements in relation to each group of activities of the Regional Council on pages 71 to 78;
- the statements about budgeted and actual capital expenditure in relation to each group of activities of the Regional Council on page 34; and
- the funding impact statement of the Regional Council on page 70.

In addition, the Auditor-General has appointed me to report on whether the Regional Council's annual report complies with the Other Requirements of schedule 10 of the Local Government Act 2002, where applicable, by including:

- information about:
  - reserve funds on pages 40 to 41;
  - remuneration paid to the elected members and certain employees of the Regional Council on page 43;
  - employee staffing levels and remuneration on page 43; and
  - severance payments on page 44.

- a report on the activities undertaken by the Regional Council to establish and maintain processes to provide opportunities for Maori to contribute to the Council's decision-making processes on page 6; and
- a statement of compliance signed by the chairperson of the Council, and by the Regional Council's chief executive on page 7.

## **Opinion**

### **Audited information**

In our opinion:

- the financial statements of the Regional Council on pages 13 to 50 and pages 79 to 81:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect:
    - the Regional Council's financial position as at 30 June 2013; and
    - the results of its operations and cash flows for the year ended on that date.
- the statement of service provision of the Regional Council on pages 51 to 69:
  - complies with generally accepted accounting practice in New Zealand; and
  - fairly reflects the Regional Council's levels of service for the year ended 30 June 2013, including:
    - the levels of service as measured against the intended levels of service adopted in the long-term plan; and
    - the reasons for any significant variances between the actual service and the expected service.
- the funding impact statements in relation to each group of activities of the Regional Council on pages 71 to 78, fairly reflects by each group of activities, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the Regional Council's long-term plan.
- the statements about budgeted and actual capital expenditure in relation to each group of activities of the Regional Council on page 34, fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the Regional Council's long-term plan or annual plan.
- the funding impact statement of the Regional Council on pages 70, fairly reflects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the Regional Council's annual plan.

## **Compliance with the other requirements of schedule 10**

In our opinion, which is not an audit opinion, the Regional Council's annual report complies with the *Other Requirements* of schedule 10 that are applicable to the annual report.

Our audit was completed on 31 October 2013. This 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 our responsibilities, and we explain our independence.

## **Basis of opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the information we audited is free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and the statement of service provision. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Regional Council's preparation of the information we audited that fairly reflect the matters to which they relate. We consider internal control in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Regional Council's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of all disclosures in the information we audited;
- determining the appropriateness of the reported the statement of service provision within the Council's framework for reporting performance; and
- the overall presentation of the information we audited.

We did not examine every transaction, nor do we guarantee complete accuracy of the information we audited.

When reporting on whether the annual report complies with the *Other Requirements* of schedule 10 of the Local Government Act 2002, our procedures were limited to making sure the information required by schedule 10 was included in the annual report, where relevant,

and identifying material inconsistencies, if any, with the information we audited. This work was carried out in accordance with International Standard on Auditing (New Zealand) 720; *The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements*. As a result we do not express an audit opinion on the Regional Council's compliance with the requirements of schedule 10.

We did not evaluate the security and controls over the electronic publication of the information we are required to audit and report on. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate evidence to provide a basis for our opinion.

## **Responsibilities of the Council**

The Council is responsible for preparing:

- financial statements and the statement of service provision that:
  - comply with generally accepted accounting practice in New Zealand;
  - fairly reflect the Regional Council's financial position, financial performance and cash flows; and
  - fairly reflect its service performance, including achievements compared to forecast.
- funding impact statements in relation to each group of activities that fairly reflects by each group of activities the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the Regional Council's long-term plan;
- statements about budgeted and actual capital expenditure in relation to each group of activities that fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the Regional Council's long-term plan or annual plan;
- a funding impact statement that fairly reflects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the Regional Council's annual plan; and
- the other information in accordance with the requirements of schedule 10 of the Local Government Act 2002.

The Council is responsible for such internal control as it determines is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The Council is also responsible for the publication of the annual report, whether in printed or electronic form.

The Council's responsibilities arise under the Local Government Act 2002.

## **Responsibilities of the Auditor**

We are responsible for expressing an independent opinion on, the information we are required to audit, and whether the Council has complied with the Other Requirements of

schedule 10, and reporting that opinion to you. Our responsibility arises under section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

## **Independence**

When carrying out this audit, which includes our report on the Other Requirements, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. Other than this audit, which includes our report on the *Other Requirements*, 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 2013

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## 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 2013. The financial statements were authorised for issue by Council on 31 October 2013.

## 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

- 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. Council adopted NZ IAS 24 as from 1 July 2011.

## 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 IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following 3 main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 on the classification and measurement of financial assets has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The financial liability requirements are the same as those of NZ IAS 39, except for when an entity elects to designate a financial liability at fair value through the surplus/deficit. The new standard is required to be adopted for the year ended 30 June 2016. However, as a new Accounting Standards Framework will apply before this date, there is no certainty when an equivalent standard to NZ IFRS 9 will be applied by public benefit entities.

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, the Council will be eligible to apply the reduced disclosure regime (Tier 2 reporting entity) of the public sector Public Benefit Entity Accounting Standards. The effective date for the new standards for public sector entities is for reporting periods beginning on or after 1 July 2014. Therefore, the Council will transition to the new standards in preparing its 30 June 2015 financial statements. The Council has not assessed the implications of the new Accounting Standards Framework at this time.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new

NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standard Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

### **Investment in Associate**

An associate is an entity over which the Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. The investment in an associate is initially recognised at cost and the carrying amount in the Council's financial statements is assessed, at the end of each reporting period, for any indications that its value is impaired. If there are indications that its value is impaired then a full assessment is undertaken and its carrying value reduced by the amount of the impairment.

### **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 finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

### **Operating leases**

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

### **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 net realisable value.

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

The associated gains or losses of derivatives that are not hedge accounted are recognised in the surplus or deficit. 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 re-measuring 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 surplus or deficit.
- Loans and receivables.

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

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. Council fund manager 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. Westpac valuations use the redemption unit price to value init trust products. The value of a unit is based on the net value of the relevant fund. 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 surplus or deficit**

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

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

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

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 for 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, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit. Loans and receivables are classified as “trade and other receivables” in the statement of financial position.

### **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.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

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

Property, plant and equipment consists of:

*Operational assets* - These include land, buildings, plant and equipment, and motor vehicles.

*Infrastructure assets* - Infrastructure assets are the river, drainage and coastal protection systems owned by WCRC. They include rock protection work and stopbanks.

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

### **Additions**

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

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

### **Disposals**

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

### **Subsequent costs**

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



## Depreciation

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

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

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

Some assets purchased prior to 1 July 2002 are depreciated using the diminishing value method. The value of those assets is less than 1% 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:*

This is revalued on a cyclical 3-year basis at fair value as determined from the most recent market based rating valuations. Valuations are as at 1 September 2012 (Grey District area land), 1 September 2011 (Westland District area land), and 1 September 2010 (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 2012.

## 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.

## **Mining Rights**

Mining rights are recognised at cost on acquisition. Mining rights potentially have an indefinite life and are not amortised, but are instead tested for impairment annually.

## **Amortisation**

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

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

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

## **Impairment of non-financial assets**

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

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

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

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

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

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 the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at a revalued amount (other than goodwill) the reversal of an impairment loss is recognised in the surplus or deficit.

## **Investment Property**

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

After initial recognition, all investment property is measured at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of the investment property are recognised in the surplus or deficit.

## **Employee benefits**

### *Short-term benefits*

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

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

### *Long-term benefits:*

#### Long service leave

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

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

### **Superannuation schemes**

#### *Defined contribution schemes*

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

### **Provisions**

WCRC recognises a provision for future expenditure of uncertain 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
- Derivatives hedging reserve.

### **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 34.

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

### **Cost allocation**

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

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

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

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

In preparing these financial statements WCRC has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. 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 32 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 2013

2012		Notes	2013	2013
Actual	Cost of Services		Actual	Budget
358,264	Governance		356,865	383,511
3,092,695	Resource Management		2,705,516	2,674,896
267,078	Transport		125,305	150,854
363,833	Hydrology & Floodwarning Services		433,113	398,825
166,749	Emergency Management		138,704	134,185
1,663,426	River, Drainage & Coastal Protection		1,540,405	1,262,165
902,137	Regional Share of Vector Controls		762,207	887,144
2,369,820	Vector Control services Business Unit		3,065,621	1,495,250
260,983	Other		0	0
<u>9,444,985</u>		4,5,6,7	<u>9,127,736</u>	<u>7,386,830</u>
	Less Income			
3,678,809	Rates	1	3,706,192	3,701,061
66,831	Penalties		57,548	70,000
297,702	Subsidies & Grants	2	704,534	109,500
165,731	Investment Income	2	1,230,011	904,500
1,636,094	Resource Management		1,107,629	1,073,500
434,463	River, Drainage & Coastal Protection		465,561	274,000
3,459,506	Vector Control Services Business Unit	2	3,417,490	1,995,250
<u>9,739,136</u>		1,2,3	<u>10,688,965</u>	<u>8,127,811</u>
294,151	Net Surplus / (Deficit) for year		1,561,229	740,981
-21,000	Property, Plant & Equipment Revaluation Gains	13	3,003,718	5,546,541
-70,165	Movement in Cash Flow Hedge Reserve	24 (g)	83,743	0
<u>202,986</u>	<u>Total Comprehensive Income</u>		<u>4,648,690</u>	<u>6,287,522</u>

(Refer Page 79 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 2013

Actual 2012	Notes	Actual 2013	Budget 2013
62,524,151	Balance 1 July	62,727,137	63,555,192
202,986	Comprehensive Income	4,648,690	6,287,522
<u>62,727,137</u>	<u>Balance 30 June</u>	<u>67,375,827</u>	<u>69,842,714</u>

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

## Statement of Financial Position as at 30 June 2013

Actual 2012	ASSETS	Notes	Actual 2013	Budget 2013
	<b>Current Assets</b>			
71,191	Cash & Cash equivalents	9	84,789	-60,874
1,969,543	Receivables	10	2,209,437	1,500,000
1,043,627	Inventories	11	813,359	100,000
0	Loan Advances		38,883	17,990
2,961,069	Other Financial Assets	12	1,740,388	1,500,000
0	Derivative Financial Assets	21	0	0
6,045,430	Total Current Assets		4,886,856	3,057,116
	<b>Non-Current Assets</b>			
53,317,671	Property, Plant & Equipment	13	56,334,966	58,570,713
315,222	Intangible Assets	14	312,507	552,000
0	Investment Property	15	263,672	0
0	Loan Advances		457,525	232,010
0	Investment in Associate	22	490,000	0
0	Investment in Council Controlled Company	23	180,000	0
9,353,661	Other Financial Assets	12	10,465,502	11,496,193
62,986,554	Total Non-Current Assets		68,504,172	70,850,916
<b>69,031,984</b>	<b>Total Assets</b>		<b>73,391,028</b>	<b>73,908,032</b>
	<b>LIABILITIES</b>			
	<b>Current Liabilities</b>			
1,002,301	Borrowings	20	887,733	181,000
2,506,619	Payables	18	1,559,331	1,225,000
309,519	Employee Benefit Liabilities	19	292,723	300,000
39,013	Derivative Financial Liabilities	21	0	0
3,857,452			2,739,787	1,706,000
	<b>Non-Current Liabilities</b>			
14,513	Employee Benefit Liabilities	19	15,788	15,000
2,101,712	Borrowings	20	3,012,200	2,284,318
261,170	Derivative Financial Liabilities	21	177,426	0
70,000	Future Quarry Restoration	32	70,000	60,000
2,447,395			3,275,414	2,359,318
6,304,847	<b>Total Liabilities</b>		6,015,201	4,065,318
	<b>EQUITY</b>			
19,004,722	Ratepayers Equity	24(a)	19,703,993	19,072,172
1,263,132	Rating Districts	24(b)	1,333,665	1,616,693
32,295,638	Revaluation Reserve	24i	35,299,357	37,863,179
-261,170	Hedge Accounting Reserve	24(g)	-177,426	0
39,344	Tb Special Rate	24(f)	120,332	-1,144
338,758	Quarry Account	24(e)	308,446	312,314
9,477,000	Investment Growth Reserve	24(d)	10,111,000	10,320,000
569,713	Catastrophe Fund	24(h)	676,460	659,500
62,727,137	<b>Total Equity</b>		67,375,827	69,842,714
<b>69,031,984</b>	<b>Total Liabilities and Equity</b>		<b>73,391,028</b>	<b>73,908,032</b>

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

## Statement of Cash Flows for the Year Ended 30 June 2013

2012 Actual	Notes	2013 Actual	2013 Budget
	Cashflow from Operating Activities		
	Cash was provided from:		
3,684,530	Rates	3,651,591	3,688,561
5,766,506	Other Income	4,997,720	3,534,750
66,968	Other Investment Income	3,450	904,500
9,518,004		8,652,761	8,127,811
	Cash was Disbursed to:		
9,944,106	Payments to Suppliers & Employees	8,774,386	6,884,171
179,145	Interest Paid	192,975	170,919
94,187	Net GST Movement	-72,476	
10,217,438		8,894,885	7,055,090
-699,434	Net Cash Flow from Operations	-242,124	1,072,721
	Cashflow from Investing Activities		
	Cash was provided from:		
800,000	Redemption of Investments	1,348,084	0
5,343	Sale of Fixed Assets	62,242	14,699
805,343		1,410,326	14,699
	Cash was Disbursed to:		
758,479	Purchase of Fixed assets	732,419	468,500
1,519,124	Investments Purchased	721,697	621,913
2,277,603		1,454,116	1,089,693
-1,472,260	Net Cash Flow from Investing	-43,790	-1,074,994
	Cashflow from Financing Activities		
	Cash was provided from:		
1,707,000	Loan Raised	1,401,690	250,000
1,707,000			
	Cash was Disbursed To:		
	Loans Advanced	496,408	250,000
1,002,071	Loan Principal Repaid	605,770	158,601
1,002,071		1,102,178	408,601
704,929	Net Cash Flow from Financing	299,512	-158,601
-1,466,765	Total Increase in Cash Held	13,598	-160,874
1,537,956	Opening Balance of Cash Resources	71,191	100,000
71,191	Closing Balance of Cash Resources	84,789	-60,874

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

## Notes to the Financial Statements

1	Actual 2012	Rates Revenue	Actual 2013
	1,982,899	<i>General Rates</i>	2,031,822
		<i>Targeted Rates attributable to activities:</i>	
	991,863	River, Drainage & Coastal Erosion	971,103
	653,410	Tb Pest Management	652,643
	50,637	Regional Emergency Management	50,624
	3,678,809	Total Rates Revenue	3,706,192
	0	Rates Remissions	0
	3,678,809	Rates Revenue net of remissions	3,706,192
2	Actual 2012	Other Revenues	Actual 2013
		<i>Investment Income:</i>	
	396,618	Realised Gains/-Losses (Price)	464,712
	-611,642	Unrealised Gains/-Losses(Price)	471,884
	-181,801	Exchange Rate Variations	-14,528
	293,425	Interest	194,252
	269,131	Dividends	113,691
	165,731	Total Investment Income	1,230,011
		<i>Other Income:</i>	
	757,704	User Charges	522,208
	189,979	Subsidies & Grants – NZ Transport Agency.	58,354
	68,072	Subsidies & Grants – Department of Conservation	76,452
	39,651	Subsidies & Grants – Ministry Civil defence & Emergency Mgmt	569,728
	21,244	Other Local Authority contributions	0
	3,459,506	Animal Health Board	3,417,490
	1,293,790	Regulatory	1,018,228
	66,650	Infringements, Fines	90,302
	0	Other	0
	6,060,327		6,982,773

### 3 Reclassification of Income

Council has changed the presentation of items within income to comply with the new presentation requirements of the Local Government (Financial Reporting) regulations 2011. The effect of these changes are shown as follows;

	< reclassification	reclassification >	Actual 2012/13 >
Rates	2,031,822	1,674,370	3,706,192
Penalties	57,548	0	57,548
Subsidies & Grants	0	704,534	704,534
Investment income	1,230,011	0	1,230,011
Resource Management	1,184,081	-76,452	1,107,629
Transport	58,354	-58,354	0
Emergency Management	84,727	-84,727	0
River, Drainage, Coastal	1,972,289	-1,506,728	465,561
Regional share Vector	652,643	-652,643	0
Controls			

Vector Control Services Business Unit	3,417,490	0	3,417,490
	<u>10,688,965</u>	<u>0</u>	<u>10,688,965</u>

	< reclassification	reclassification	<b>Budget 2012/13</b> > reclassification
Rates	2,020,000	1,681,061	3,701,061
Penalties	70,000	0	70,000
Subsidies & Grants	0	109,500	109,500
Investment income	904,500	0	904,500
Resource Management	1,073,500	0	1,073,500
Transport	87,500	-87,500	0
Emergency Management	72,000	-72,000	0
River, Drainage, Coastal Regional share Vector	1,255,061	-981,061	274,000
Controls	650,000	-650,000	0
Vector Control Services Business Unit	1,995,250		1,995,250
	<u>8,127,811</u>	<u>0</u>	<u>8,127,811</u>

	< reclassification	reclassification	<b>Actual 2011/12</b> > reclassification
Rates	1,982,899	1,695,910	3,678,809
Penalties	66,831	0	66,831
Subsidies & Grants	0	297,702	297,702
Investment income	165,731	0	165,731
Regulatory	1,614,850	-1,614,850	0
Resource Management	0	1,636,094	1,636,094
Planning Processes	279,295	-279,295	0
Emergency Management	90,288	-90,288	0
River, Drainage, Coastal Regional share Vector	1,426,326	-991,863	434,463
Controls	653,410	-653,410	0
Vector Control Services Business Unit	3,459,506	0	3,459,506
	<u>9,739,136</u>	<u>0</u>	<u>9,739,136</u>

<b>4</b>	<b>Actual 2012</b>	<b>Other –Gains /Losses</b>	<b>Actual 2013</b>
	-6,193	Disposal of property, plant, equipment	-52,909
	<u>-6,193</u>	Total	<u>-52,909</u>

<b>5</b>	<b>Actual 2012</b>	<b>Employee Benefit Expenses</b>	<b>Actual 2013</b>
	3,346,635	Salaries and wages	3,559,426
	0	Employer contributions to multi-employer defined benefit plans	0
	17,042	Increase in Annual Leave liability	-4,427
	899	Increase in Long Service Leave provision	1,276
	-1,416	Increase in Alternative Holidays Provision	1,063
	-775	Increase in Time in Lieu Liability	3,200

	13,761	Increase in accrued payroll	5,140
	<u>3,376,146</u>		<u>3,565,678</u>
<b>6</b>	<b>Actual 2012</b>	<b>Other Expenses</b>	<b>Actual 2013</b>
		Fees paid to Auditor (Audit NZ)	
	64,100	Fees for Financial statement audit	66,100
	0	Impairment of receivables	27,442
	11,921	Minimum Lease payments Operating Leases	5,600
	<u>5,819,866</u>	Other Operating expenses	<u>5,322,850</u>
	<u>5,895,887</u>		<u>5,421,992</u>
<b>7</b>	<b>Actual 2012</b>	<b>Finance Costs</b>	<b>Actual 2013</b>
	179,145	Interest on borrowings	192,975
	<u>179,145</u>		<u>192,975</u>
<b>8</b>	<b>Actual 2012</b>	<b>Tax Expense</b>	<b>Actual 2013</b>
	0	Current tax expense	0
	0	Adjustments to current tax in prior years	0
	<u>0</u>	Deferred tax expense	<u>0</u>
	<u>0</u>	Income Tax expense	<u>0</u>
		<b>Reconciliation</b>	
	294,151	Surplus / (deficit) before tax	1,561,229
	82,362	Tax @ 28%	437,144
	-82,362	Tax Effect of Non taxable income	-437,144
		Prior year adjustment	
	<u>0</u>	Income Tax expense	<u>0</u>
<b>9</b>	<b>Actual 2012</b>	<b>Cash &amp; Cash Equivalents</b>	<b>Actual 2013</b>
	71,191	Cash at bank and in hand	84,789
	0	Short term deposits maturing 3 months or less from date of acquisition	0
	<u>71,191</u>		<u>84,789</u>
		The carrying value of short term deposits with maturity dates of 3 months or less approximates their fair value.	
<b>10</b>	<b>Actual 2012</b>	<b>Trade and Other Receivables</b>	<b>Actual 2013</b>
	284,961	Rates Receivables	348,589
	1,191,808	Other Receivables	442,639
	146,660	Other Receivables accrued	809,144
	94,431	Prepayments	98,410
	<u>264,683</u>	Unbilled revenue	<u>551,097</u>
	1,982,543		2,249,879
	-13,000	Less provision for impairment of receivables	-40,442
	<u>1,969,543</u>		<u>2,209,437</u>
	0	Non current	0
	<u>1,969,543</u>	Current	<u>2,209,437</u>
	1,969,543		2,209,437

<b>Ageing Profile</b>		
1,513,841	Current	1,804,681
172,996	30 days past due	41,042
3,970	60 days past due	8,758
0	90 days past due	9,171
291,736	> 90 days past due	386,227
<u>1,982,543</u>		<u>2,249,879</u>
-13,000	Provision for impairment	-40,442
<u>1,969,543</u>		<u>2,209,437</u>

The major concentration of credit risk is with the Animal Health Board Inc. receivables which amounted to \$164,862 @ 30 June 2013 (\$592,085 @ 30 June 2012). These amounts were subsequently paid in the ordinary course of business.

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

As at 30 June 2013 all overdue receivables have been assessed for impairment and appropriate provisions applied. Council has recourse under the Local Government (Rating) Act 2002 to recover overdue rates. However, provision has been made for specific rates debts that may be unenforceable under section 65 of the Local Government (Rating) Act 2002.

With regard to non rates receivables, 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**

<b>Actual 2012</b>		<b>Actual 2013</b>
13,000	@ 1 July	13,000
0	Additional provision made during year.	27,442
0	Receivables written off during period.	0
<u>13,000</u>	@ 30 June	<u>40,442</u>

<b>11 Actual 2012 Inventories</b>	<b>Actual 2013</b>
592,585 Poison and pest supplies	206,114
436,302 Rock in Quarries	590,346
14,740 Stationery and Office supplies	16,899
<u>1,043,627</u>	<u>813,359</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.

<b>12 Actual 2012 Other Financial Assets</b>	<b>Actual 2013</b>
<b>Current</b>	
2,961,069 Financial Assets at fair value through profit or loss	1,740,388
0 Financial Assets at fair value through equity	0
0 Held to maturity investments	0
0 Loans and receivables	0
<u>2,961,069</u>	<u>1,740,388</u>
<b>Non Current</b>	
9,353,661 Financial Assets at fair value through profit or loss	10,465,502
0 Financial Assets at fair value through equity	0
0 Held to maturity investments	0
0 Loans and receivables	0
<u>9,353,661</u>	<u>10,465,502</u>
<u>12,314,730</u>	<u>12,205,890</u>
	<b>Total Current and Non Current</b>

<b>Actual 2012</b>	<b>By Asset Class</b>	<b>Actual 2013</b>
4,898,862	Fixed Interest	6,745,906
2,980,533	Australasian Equities	1,852,541
2,713,659	International Equities	2,412,634
753,131	Property Equities	616,448
968,545	Alternative Asset Classes	578,361
<u>12,314,730</u>	Total	<u>12,205,890</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.



**13 Property, Plant and equipment – Council Operational Assets**

<b>2013</b>	Cost/Revaluation 1 July 12	Accumulated depreciation/impairment 1 July 12	Carrying amount 1 July 12	Current year additions	Current year disposals	Current year impairment	Transfer depreciation on disposal	Current year depreciation	Revaluation surplus	Cost/revaluation June 13	Accumulated depreciation/impairment 30 June 13	Carrying amount 30 June 13
Land	1912000	0	1912000	0	0	0	0	0	-59000	1853000	0	1853000
Buildings	1538774	-295134	1243640	0	0	0	0	-36707	1538774	1538774	-331841	1206933
Plant & equipment	1884660	-1410580	474080	170607	-123680	123680	123680	-175629	1931587	1931587	-1462529	469058
Vehicles	659810	-1522116	507594	180480	-31111	21778	21778	-115841	809179	809179	-246279	562900
	5995244	-1857930	4137314	351087	-154791	0	145458	-328177	-59000	6132540	-2040649	4091891
<b>Council Infrastructure Assets - River, Drainage &amp; Coastal Protection Assets</b>												
Canavans Knob	339169	0	339169	0	0	0	0	0	1302	340471	0	340471
Coal Creek	1977682	0	1977682	0	0	0	0	0	230329	2208011	0	2208011
Franz Josef	3011316	0	3011316	0	0	0	0	0	155893	3167209	0	3167209
Inchbonnie	2604257	0	2604257	0	0	0	0	0	190766	2795023	0	2795023
Kaniere	367150	0	367150	0	0	0	0	0	24540	391690	0	391690
Karamea	3349323	0	3349323	0	0	0	0	0	207310	3556633	0	3556633
Kongahu Swamp	600531	0	600531	0	0	0	0	0	600531	600531	0	600531
Kowhitirangi	4044232	0	4044232	0	0	0	0	0	26663	4070895	0	4070895
Lower Waitohu	1818689	0	1818689	0	0	0	0	0	156100	1974789	0	1974789
Matainui Creek	51275	0	51275	0	0	0	0	0	0	51275	0	51275
Nelson Creek	2141651	0	2141651	0	0	0	0	0	140617	2282268	0	2282268
Raft Creek	278200	0	278200	0	0	0	0	0	2474	280674	0	280674
Redjacks	468968	0	468968	0	0	0	0	0	67037	536005	0	536005
Taramakau Settlement	7888210	0	7888210	0	0	0	0	0	406111	8294321	0	8294321
Vine Creek	1624830	0	1624830	0	0	0	0	0	87457	1712287	0	1712287
Waitangitona	1861210	0	1861210	0	0	0	0	0	302111	2163321	0	2163321
Wanganui	13970780	0	13970780	0	0	0	0	0	716203	14686983	0	14686983
Okuru	709239	0	709239	0	0	0	0	0	70686	779925	0	779925
Hokitika South Bank	765285	0	765285	0	0	0	0	0	140074	905359	0	905359
Punakaiki	1308360	0	1308360	0	0	0	0	0	137045	1445405	0	1445405
	49180357	0	49180357	0	0	0	0	0	3062718	52243075	0	52243075
<b>TOTAL</b>	<b>55175601</b>	<b>-1,875,930</b>	<b>53317671</b>	<b>351087</b>	<b>-154791</b>	<b>0</b>	<b>145458</b>	<b>-328177</b>	<b>3003718</b>	<b>58375615</b>	<b>-2040649</b>	<b>56334966</b>

	Cost/revaluation 1 July 11	Accumulated Depreciation/Impairment 1 July 11	Carrying amount 1 July 11	Current year additions	Current yr disposals	Current yr impairment	Transfer Depreciation on disposal	Current year depreciation	Revaluation surplus	Cost/ Revaluation 30 June 12	depreciation/ impairment 30 June 12	Carrying amount 30 June 12
<b>2012</b>												
Land	1933000	0	1933000			0			-21000	1912000	0	1912000
Buildings	1520768	-264993	1255775	26500	-8494	0	7644	-37785	0	1538774	-295134	1243640
Plant & equipment	1742451	-1214486	527965	142209	0	0	0	-196094	0	1884660	-1410580	474080
Vehicles	439023	-73996	365027	220787	0	0	0	-78220	0	659810	-152216	507594
	5635242	-1553475	4081767	389496	-8494	0	7644	-312099	-21000	5995244	-1857930	4137314
<b>Council Infrastructure Assets – River, Drainage &amp; Coastal Protection Assets</b>												
Canavans Knob	339169	0	339169	0	0	0	0	0	0	339169	0	339169
Coal Creek	1977682	0	1977682	0	0	0	0	0	0	1977682	0	1977682
Franz Josef	2838070	0	2838070	173246	0	0	0	0	0	3011316	0	3011316
Inchbonnie	2604257	0	2604257	0	0	0	0	0	0	2604257	0	2604257
Kaniere	367150	0	367150	0	0	0	0	0	0	367150	0	367150
Karamea	3349323	0	3349323	0	0	0	0	0	0	3349323	0	3349323
Kongahu Swamp	600531	0	600531	0	0	0	0	0	0	600531	0	600531
Kowhitirangi	4044232	0	4044232	0	0	0	0	0	0	4044232	0	4044232
Lower Waiho	1818689	0	1818689	0	0	0	0	0	0	1818689	0	1818689
Matainui Creek	51275	0	51275	0	0	0	0	0	0	51275	0	51275
Nelson Creek	2141651	0	2141651	0	0	0	0	0	0	2141651	0	2141651
Raft Creek	278200	0	278200	0	0	0	0	0	0	278200	0	278200
Redjacks	468968	0	468968	0	0	0	0	0	0	468968	0	468968
Taramakau Settlement	7888210	0	7888210	0	0	0	0	0	0	7888210	0	7888210
Vine Creek	1624830	0	1624830	0	0	0	0	0	0	1624830	0	1624830
Waitangitona	1861210	0	1861210	0	0	0	0	0	0	1861210	0	1861210
Wanganui	13970780	0	13970780	0	0	0	0	0	0	13970780	0	13970780
Okuru	709239	0	709239	0	0	0	0	0	0	709239	0	709239
Hokitika South Bank	765285	0	765285	0	0	0	0	0	0	765285	0	765285
Punakaiki	1308360	0	1308360	0	0	0	0	0	0	1308360	0	1308360
	49007111	0	49007111	0	0	0	0	0	0	49180357	0	49180357
<b>Total</b>	<b>54642353</b>	<b>-1553475</b>	<b>53088878</b>	<b>562742</b>	<b>-8494</b>	<b>0</b>	<b>7644</b>	<b>-312099</b>	<b>-21000</b>	<b>55175601</b>	<b>-1857930</b>	<b>53317671</b>

<b>14 Intangible Assets 2013</b>		Cost 1 July 2012	Accumulated Amortisation/ Impairment 1 July 2012	Carrying Amount 1 July 2012	Current year additions	Current year disposals	Current year impairment	Transfer Amortisation on disposal	Current year amortisation	Revaluation Surplus	Cost/ Revaluation 30 June 2013	Accumulated Amortisation/ Impairment 30 June 2013	Carrying Amount 30 June 2013
Computer Software		524115	-208893	315222	204824	-359197	0	-172675	-21017	0	369742	-57235	312507
		524115	-208893	315222	204824	-359197	0	-172675	-21017	0	369,742	-57235	312507
<b>Intangible Assets 2012</b>		Cost 1 July 2011	Accumulated Amortisation/ Impairment 1 July 2011	Carrying Amount 1 July 2011	Current Year additions	Current Year disposals	Current Year impairment	Transfer Amortisation on disposal	Current year amortisation	Revaluation Surplus	Cost/ Revaln 30 June 2012	Accumulated Amortisation/ Impairment 30 June 2012	Carrying Amount 30 June 2012
Computer Software		294826	-208321	86505	0	0	0	0	-572	0	294826	-208893	85933
Work in progress		0	0	0	229289	0	0	0	0	0	229289	0	229289
		294826	-208321	86505	229289	0	0	0	-572	0	524115	-208893	315222

Council holds mining licences acquired at nil cost. As at balance date (30 June 2013) these mining licences had a fair value of \$987,000.

<b>15 Actual 2012 Investment Property</b>		<b>Actual 2013</b>
0	1 July	<b>0</b>
0	Additions from acquisitions	262,372
0	Disposals	0
0	Transfer to inventory	0
0	Fair value gains / (losses) on valuation	0
0	30 June	262,372

<b>16 Actual 2012</b>	<b>Depreciation and Amortisation Expense by Groups of Activities</b> (Required by Local Government (Financial Reporting) Regulation 2011)	<b>Actual 2013</b>
20,764	Resource Management	14,758
40,084	Hydrology & Floodwarning Services	55,520
6,557	Emergency Management	4,804
4,472	River, Drainage & Coastal Protection	5,958
71,800	Vector Control Services Business Unit	85,228
143,677		166,268
168,995	Corporate not directly related to Groups of Activities	182,925
312,672		349,193

**Statement of Significant Capital Acquisitions**

<b>17</b>	<b>Actual 2011/12</b>	<b>Group of Activities</b>	<b>of Classification</b>	<b>Description</b>	<b>Actual 2012/13</b>	<b>LTP 2012/13</b>
	0	Regulatory	Improve levels of service	Plant	0	10,000
	111,213	Resource Mgmt	Replace existing assets	Plant	52,568	71,500
	0	Resource Mgmt	Improve levels of service	Other	0	32,000
	107,530	VCS Business Unit	Replace existing assets	Vehicles	139,367	45,000
	5,196	VCS Business Unit	Replace existing assets	Plant	10,188	0
	739	River, Drainage, Coastal protection	Replace existing assets	Plant Protection	3,558	0
	173,246		Improve levels of service	infrastructure	0	0
	397,924				205,681	158,500
		Not directly related to Groups of Activities				
	25,556	Corporate	Replace existing assets	IT Equipment	46,009	20,000
	229,289	Corporate	Improve levels of service	Software	204,824	260,000
	0	Corporate	Replace existing assets	Software	0	30,000
	26,005	Corporate	Replace existing assets	Plant	58,284	127,000
	113,257	Corporate	Replace existing assets	Vehicle	41,113	0
	394,107				350,230	437,000
	<b>792,031</b>	<b>TOTAL</b>			<b>555,911</b>	<b>595,500</b>

<b>18</b>	<b>Actual 2012</b>	<b>Trade and Other Payables</b>	<b>Actual 2013</b>
	951,396	Trade Payables	817,187
	460,645	Deposits and bonds	496,277
	545,161	Accrued Expenses	183,358
	495,790	Other Revenue in Advance	0
	53,627	Rates in advance	62,509
	0	Due to related parties	0
	<u>2,506,619</u>		<u>1,559,331</u>
	Trade and other payables are non interest bearing and are normally settled on monthly terms, therefore the carrying value of trade and other payables approximates their fair value		
<b>19</b>	<b>Actual 2012</b>	<b>Employee Benefit Liabilities</b>	<b>Actual 2013</b>
	55,612	Accrued payroll	60,752
	234,649	Annual Leave	213,597
	14,513	Long Service Leave	15,788
	13,875	Time in Lieu	13,220
	5,383	Alternative Holidays	5,154
	0	Sick Leave	0
	<u>324,032</u>		<u>308,511</u>
	309,519	Current	292,723
	14,513	Non Current	15,788
	<u>324,032</u>		<u>308,511</u>
<b>20</b>	<b>Actual 2012</b>	<b>Borrowing</b>	<b>Actual 2013</b>
		<b>Reconciliation</b>	
		Opening Balance 1 July	
	58,060	Lease Liabilities	21,669
	0	Westpac Short Term Loan	400,000
	82,877	Inchbonnie	64,423
	2,048,291	Greymouth Floodwalls	1,993,267
	209,856	Punakaiki Seawall Loan	167,654
	<u>2,399,084</u>		<u>3,104,013</u>
		<b>Borrowed</b>	
	0	Warm West Coast	600,000
	0	Strategic Investments	750,000
	1,707,000	Westpac short term loans	0
	0	Lease Liabilities	51,690
	<u>1,707,000</u>		<u>1,401,690</u>
		<b>Repaid</b>	
	-36,391	Lease Liabilities	-25,101

-850,000	Westpac short term loans	-457,000
0	Lower Waiho	
-55,024	Greymouth Floodwalls	-58,607
-18,454	Inchbonnie	-19,888
-42,202	Punakaiki Seawall Loan	-45,174
<u>-1,002,071</u>		<u>-605,770</u>
	Closing Balance 30 June	
21,669	Lease Liabilities	48,258
857,000	Westpac short term loans	400,000
1,993,267	Greymouth Floodwalls	1,934,660
64,423	Inchbonnie	44,535
167,654	Punakaiki Seawall Loan	122,480
0	Warm West Coast	600,000
0	Strategic Investments	750,000
<u>3,104,013</u>		<u>3,899,933</u>
<b>Actual</b>	<b>Current</b>	<b>Actual 2013</b>
<b>2012</b>		
45,137	Punakaiki Seawall	48,174
58,607	Greymouth Floodwalls	62,475
19,888	Inchbonnie	21,434
857,000	Westpac short term loans	400,000
0	Warm West Coast	60,000
0	Strategic Investments	284,500
21,669	Lease Liabilities	11,150
<u>1,002,301</u>		<u>887,733</u>
	<b>Non Current</b>	
122,517	Punakaiki Seawall	74,306
1,934,660	Greymouth Floodwalls.	1,872,185
44,535	Inchbonnie	23,101
0	Warm West Coast	540,000
0	Strategic Investments	465,500
0	Lease Liabilities	37,108
<u>2,101,712</u>		<u>3,012,200</u>
<u>3,104,013</u>	<b>Total Borrowings</b>	<u>3,899,933</u>

**Fixed Rate Debt**

21,669	Lease liabilities for whole term of Lease	48,258
167,654	Punakaiki Seawall Loan	122,480
858,102	Greymouth Floodwall. Interest Rate Swap Agreement for 5 years	834,681
955,160	Greymouth Floodwall. Interest Rate Swap Agreement for 10 years	929,971
64,424	Inchbonnie Rating District. Interest Rate Swap Agreement for 5 years	44,535

0	Warm West Coast. Interest Rate Swap Agreement for 5 years	600,000
2,067,009	Total Fixed Rate	2,579,925

**Floating Rate debt**

180,004	Greymouth Floodwalls	170,008
0	Strategic Investments	750,000
857,000	Westpac short term loans	400,000
1,037,004		1,320,008

**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**

1,002,301	< 1 Year	887,733
4.44%	weighted average interest rate	4.41%
2,101,712	> 1 year	2,752,200
7.31%	weighted average interest rate	6.45%
3,104,013	Total	3,899,933
2,101,712	Fair Value of non current borrowings	3,272,200

**Analysis of Finance Lease Liabilities**

<b>Actual 2012</b>	<b>Minimum Lease Payments Due</b>	<b>Actual 2013</b>
22,539	Not later than 1 year	16,319
0	Later than 1 year: not later than 5	43,518
0	Later than 5 years	0
22,539		59,837
-870	Less: Future finance charges	-11,579
21,669	Present value of minimum lease payments	48,258
	<b>Present value of minimum lease payments payable</b>	
21,669	Not later than 1 year	11,150
0	Later than 1 year: not later than 5	37,108
0	Later than 5 years	0
21,669		48,258
21,669	Current	11,150
0	Non Current	37,108
21,669		48,258

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 13.

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.

21	<b>Derivative Financial Instruments</b>	
<b>Actual 2012</b>		<b>Actual 2013</b>
	<b>Current Assets</b>	
0	Foreign Exchange	0
	Hedges	
0	<b>Non Current assets</b>	0
0	Total Derivative Financial Instrument Assets	0
	<b>Current Liabilities</b>	
39,013	Foreign Exchange	0
	Hedges	
	<b>Non Current Liabilities</b>	
261,170	Interest Rate Swaps – Cash Flow Hedges	177,426
300,183	Total Derivative Financial Instrument Liabilities	177,426

These liabilities are classified as Level 2 under the NZ IFRS 7 Fair value Hierarchy

Fair Value Hierarchy 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.



## 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 three outstanding interest rate swap contracts for the Council @ 30 June 2013 were;

- \$927,501 fixed interest rate 6.69%
- \$878,139 fixed interest rate 6.36%
- \$600,000 fixed interest rate 3.88%

Total \$2,405,640 (2012 \$1,875,278)

Gains and losses recognised in other comprehensive income and the hedging reserve in equity (note 24 (g)) on interest rate swap contracts as at 30 June 2013 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

There were no outstanding forward foreign exchange contracts as at 30 June 2013.

(2012 \$AUS 661,702 and \$US 1,012,806)

22	2012	Investment in Associate	2013
	\$		\$
		Assets	
	0		1,000,000
	0	Liabilities	0
	0	Net Assets	1,000,000
	0	Council share 49%	490,000
23		Investment in Council Controlled Organisation	
	0	Council Investment in Regional Software Holdings Ltd	180,000
		Council owns 400 shares (4%)	
	0		180,000

<b>24</b>	<b>Actual 2012</b>	<b>Equity</b>	<b>Actual 2013</b>
<b>(a)</b>		<b>Ratepayers Equity</b>	
	18,577,120	Balance 1 July	19,004,722
	294,151	Surplus transferred	1,561,229
	277,069	Net Transfers (to)/from Rating District Equity	-70,534
	-38,307	Transfers(to)/from Tb Targeted Rate Balance	-80,988
	40,402	Transfers(to)/from Quarry Account	30,312
	424,000	Transfers(to)/from Investment Growth Reserve	-634,000
	-569,713	Transfers(to)/from Catastrophe Fund	-106,478
	<u>19,004,722</u>	<u>Balance 30 June</u>	<u>19,703,993</u>

<b>(b) Rating District Equity (River, Drainage &amp; Coastal Protection Schemes)</b>			
	1,540,201	Balance 1 July	1,263,132
	1,063,807	Revenue	1,201,637
	-1,054,656	Expenditure	-1,015,532
	-173,246	Capital Expenditure	0
	0	Loan raised	0
	0	Other movements	5,209
	-112,974	Loan Principal repaid	-120,781
	<u>1,263,132</u>	<u>Balance 30 June</u>	<u>1,333,665</u>

Rating District Equity represents the unspent credit balance with regard to the 26 River, Drainage & Coastal Protection Rating Districts. These balances were originally raised by targeted rates can only be spent within these Rating Districts

<b>(c)</b>	<b>Actual 2012</b>	<b>Asset Revaluation Reserves</b>	<b>Actual 2013</b>
		<b>Infrastructural Assets</b>	
	31,481,638	Opening Balance	31,481,638
	0	Revaluation gains / (losses)	3,062,719
	<u>31,481,638</u>		<u>34,544,357</u>
		<b>Land</b>	
	835,000	Opening Balance	814,000
	-21,000	Revaluation gains / (losses)	-59,000
	<u>814,000</u>		<u>755,000</u>
	<u>32,295,638</u>	<b>Total Revaluation Reserve</b>	<u>35,299,357</u>

<b>(d)</b>	<b>Actual 2012</b>	<b>Investment Growth Reserve</b>	<b>Actual 2013</b>
	9,901,000	Balance 1 July	9,477,000
	-424,000	Transfer (to) / from Ratepayers Equity	634,000
	<u>9,477,000</u>	Balance 30 June	<u>10,111,000</u>

This reserve represents the balance of the managed funds portfolio, less amounts attributable to rating district balances. These funds are invested in accordance with Council Investment Policy with the objectives of generating income and capital growth.

<b>(e)</b>	<b>Actual 2012</b>	<b>Quarry Account</b>	<b>Actual 2013</b>
	379,160	Balance 1 July	338,758
	-40,402	Transfer (to) / from Ratepayers Equity	-30,312
	<u>338,758</u>	Balance 30 June	<u>308,446</u>

This reserve represents the accumulated profits (and losses) of the Council Quarry activities.

<b>(f)</b>	<b>Actual 2012</b>	<b>Tb Pest Management</b>	<b>Actual 2013</b>
	1,037	Balance 1 July	39,344
	38,307	Transfer (to) / from Ratepayers Equity	80,988
	<u>39,344</u>	Balance 30 June	<u>120,332</u>

This reserve is the credit balance of the TB Pest Management rate. These balances were originally raised by targeted rates and can only be spent on funding the Council's regional share of the cost of vector controls undertaken by Tbfree New Zealand Ltd.

<b>(g)</b>	<b>Actual 2012</b>	<b>Derivatives Hedge Reserve</b>	<b>Actual 2013</b>
	-191,005	Balance 1 July	-261,170
	-70,165	Transfer (to) / from Ratepayers Equity	83,744
	<u>-261,170</u>	Balance 30 June	<u>-177,426</u>

<b>(h)</b>	<b>Actual 2012</b>	<b>Catastrophe Fund</b>	<b>Actual 2013</b>
	0	Balance 1 July	569,713
	569,713	Transfer (to) / from Ratepayers Equity	106,747
	<u>569,713</u>	Balance 30 June	<u>676,460</u>

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

<b>25 Reconciliation of net surplus/(deficit) to net cash flow from operating activities</b>			
	<b>Actual 2012</b>	<b>Actual 2013</b>	
(i)	294,151	Reported Surplus (Deficit) for the year	1,561,229
(ii)		<b>Add non cash items:</b>	
	312,671	Depreciation and Amortisation	349,194
	181,801	Unrealised Foreign Exchange –Gains/Losses	0
	215,024	Unrealised Price –Gains/Losses	0
	-6,193	-Gains/Losses on sale of assets included in Investing Activities	0
	899	Movement in employee entitlements (non current)	1,275
	36,629	Item Classified as Investing activity – Movement in capital creditors	-53,411
	-480,243	Portfolio interest, dividends & gains	-1,226,561
	<u>260,588</u>		<u>-929,503</u>
(iii)		<b>Movements in working capital items</b>	
		<b>current assets</b>	
	660,992	Accounts receivable & accruals	-217,497
	-856,874	Inventories	230,268
		<b>current liabilities</b>	
	-1,058,291	accounts payable and accruals	-886,621
	<u>-1,254,173</u>		<u>-873,850</u>
	<u>-699,434</u>	<b>Net Cash flows from Operating Activities</b>	<u>-242,124</u>

<b>26</b>	<b>Actual 2012</b>	<b>Capital Commitments and operating leases.</b>	<b>Actual 2013</b>
	35,386	Capital expenditure contracted for at 30 June but not yet incurred for property, plant and equipment.	0
	<u>0</u>		<u>0</u>
		Non-cancellable operating leases as lessee:	
	0	not later than 1 year	4,000
	0	Later than 1 year but not later than 5 years	0
	0	Later than 5 years	0
	<u>0</u>		<u>4,000</u>

<b>27 Contingencies</b>		
<b>Actual 2012</b>	<b>Contingent Liabilities</b>	<b>Actual 2013</b>
0		0
<b>Actual 2012</b>	<b>Contingent Assets</b>	<b>Actual 2013</b>
0		0

**28 (a) Key Personnel Remuneration Disclosures in accordance with NZ IAS 24 and Local Government Act 2002, schedule 10, clause 32 (1), (a), (b), (c )**

Ye 30/6/12		Salaries	Superannuation	Vehicle	ye 30/6/13
	<b>Councillors</b>				
67,995	Chairman R Scarlett	67,995	0	0	67,995
32,537	Deputy Chairman B Chinn	33,025	0	0	33,025
26,561	Councillor D Davidson	26,959	0	0	26,959
26,561	Councillor A Robb	26,959	0	0	26,959
26,561	Councillor T Archer	26,959	0	0	26,959
26,561	Councillor A Birchfield	26,959	0	0	26,959
26,561	Councillor I Cummings	26,959	0	0	26,959
<u>233,337</u>		<u>235,815</u>			<u>235,815</u>
200,031	Chief Executive	182,665	3,652	14,030	200,347
489,272	4 Second Tier Managers	456,562	12,801	11,492	480,855
<u>922,640</u>		<u>875,042</u>	<u>16,453</u>	<u>25,522</u>	<u>917,017</u>

*The above remuneration comprises salaries and other short term benefits.*

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

@ 30/6/12		@ 30/6/13
26.24	< \$60,000	23.16
10.00	>\$60,000 < \$80,001	14.00
9.00	> \$80,000 <\$120,001	9.00
2.00	> \$140,000 <\$220,001	2.00
<u>47.24</u>		<u>48.16</u>
44.00	Full time employees (either on 37.50 or 40.00 hour / week contracts)	45.00
3.24	Part time employees (based on full time equivalents "fte's")	3.16
<u>47.24</u>	Total fte's	<u>48.16</u>
6.00	Head count of part time employees	6.00
44.00	Head count of full time employees	45.00

### **29. Related Party Transaction**

Payments to elected Councillors acting as Hearing Commissioners amounted to \$11,625. These amounts are in addition to the amounts paid to elected Councillors disclosed in Note 28 (a) above. (2012 \$26,825)

### **30. Severance Payments**

No severance payments were made during the year to 30 June 2013. (2012 nil)

### **31. Events After Balance Date of 30 June 2013.**

#### Investment Portfolio Returns 1 July 2013 to 31 August 2013

The Westpac portfolios earned \$143,707 for the two months to 31 August 2013.

#### Greymouth Floodwall

In late 2010 the upgrade to the Greymouth Floodwall was completed which included the raising of existing floodwalls using both earth bunds and a concrete floodwall. This was a significant cost to the community, but ensured that the town and surrounding areas were adequately protected from flooding.

In June 2011 Council was alerted to visual cracking around the joints on the concrete floodwall at Blaketown Lagoon. Council immediately assessed these and undertook a visual inspection of all joints along the entire structure.

It noted cracking and spalling of joints at various locations along the concrete floodwall. Council sought advice from the designer and supervisor of the works as to the causation and potential remediation work required.

Council had concerns regarding the adequacy of this advice and so engaged a construction dispute resolution specialist with concrete works experience to investigate the causation of the cracking, obtain and collate information from various experienced industry suppliers, contractors and consultants and provide a suitable solution to the problem.

This has led to recent successful joint repairs trials being undertaken.

Investigations to date give Council concerns over the joint design, concrete specification and adherence to industry guidelines in the design and construction of the floodwall.

It is very important to note that the floodwall will protect the town in the event of a flood. The problems identified potentially affect the lifetime of the wall and the maintenance requirements in the future.

Council is now working through a legal process to rectify the issues highlighted to ensure that the community receives value for their significant investment.

### **32. Future Quarry Restoration Liability at 30 June 2013**

Assessed liability as at 30 June 2013 \$70,000.

This liability is calculated using a net present value approach to discounting future cash flows. (2012 \$70,000)

### **33. 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 surplus or deficit. 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.

WCRC borrows is to

- (i) Help finance the construction of river, drainage and coastal protection works.
- (ii) Fund Warm West Coast Scheme.
- (iii) Fund strategic investments.

As per Note 20,

- (i) \$2.58 million of Council borrowings is at fixed rates for fixed terms so as to provide some certainty to the ratepayer groups that are rated to repay this borrowing.
- (ii) \$1.32 million is on floating rate terms.

##### **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 by ensuring Council is invested in a diversified portfolio including Cash, Bonds, Equities etc.

*Management of interest rate cash flow risk.*

Council's 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 Westpac Bank. The SIPO limits the amount of credit exposure to various institutions with regard to the Forsyth Barr Ltd managed funds. Council Investment policy permits direct investments with NZ registered banks.

#### **(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 Plan (LTP).

WCRC has overdraft facilities available to \$500,000 with its banker and a multi option credit line amounting to \$4,000,000 (\$3,729,000 utilised @ 30 June 2013)

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

<b>(d)</b>		
<b>Actual 2012</b>	<b>Financial Instruments</b>	<b>Actual 2013</b>
	<b><u>Financial Assets</u></b>	
	<b>Fair Value Through Profit and Loss – Held for trading</b>	
	<b>Categories</b>	
0	Derivative Financial Asset	0
	<b>Other Financial Assets</b>	
4,898,862	Fixed Interest	6,745,906
2,980,533	Australasian Equities	1,852,541
2,713,659	International Equities	2,412,634
968,545	Property Equities	616,448
753,131	Alternative Asset Classes	578,361
12,314,730	<b>Total Financial Assets</b>	12,205,890
	<b>at Fair Value Through Profit &amp; Loss</b>	
0	Available for Sale	0
	<b>Loans and Receivables</b>	
71,191	Cash & cash Equivalents	84,789
1,969,543	Debtors & Other Receivables	2,209,437
2,040,734		2,294,226
0	Held to Maturity	0
0	Fair Value Through Equity	0
14,355,464	<b>Total Financial Assets</b>	14,500,116
	<b><u>Financial Liabilities</u></b>	
0	Fair Value Through Profit and Loss –Held for Trading	0
0	<b>Derivative Financial Liabilities</b>	0
	<b>Financial Liabilities at Amortised Cost</b>	
2,506,619	Creditors & Other Payables	1,559,331
	Borrowings	
3,082,344	Term Loans	3,851,675



21,669	Finance Lease Liabilities	48,258
5,610,632	Total financial Liabilities at Amortised Cost	5,459,264
5,610,632	Total Financial Liabilities	5,459,264
	Maximum Exposure to Credit Risk	
	Financial Instruments	
71,191	Cash at Bank Westpac	84,789
0	Cash on Call Deposits Westpac	0
1,969,543	Debtors & Other Receivables	2,209,437
4,898,862	Fixed Interest	6,745,906
6,889,576		9,040,132

<b>(e) Counterparties with Credit Ratings (Standard &amp; Poor's)</b>		
<b>Actual 2012</b>		<b>Actual 2013</b>
	Fixed Interest	
300,941	A-1+	
1,307,321	AA+ Government Guarantee	1,246,121
1,726,428	AA	341,589
298,706	AA-	4,341,674
486,600	A+	486,591
107,420	A	105,915
0	A-	224,016
496,792	BBB+	0
174,654	Unrated – no prior defaults	0
4,898,862		6,745,906
	Cash at bank	
71,191	A-1+	84,789
	On call Deposit Account	
0	A-1+	0

## **(f) Sensitivity of Financial Instrument Risk**

### **Interest Rate Risk**

As at 30 June 2013 it is estimated that a two percentage point increase in market interest rates would increase the Council's surplus by approximately \$267,062

This calculation is based on a reassessment of the fair values of financial assets that are held for trading (30 June 2012 \$249,000).

### **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 the Australian\$ would decrease/increase the Council's surplus by approximately \$223,124

(30 June 2012 \$113,000).

**(g) Contractual Maturity Analysis of Financial Liabilities**

	Carrying Amount	Contractual Cash Flows	< 1 year	1-2 years	2 – 5 years	> 5 years
<b>Council 2013</b>						
Creditors & Other Payables	1,559,331	1,559,331	1,559,331			
Westpac Short Term Advance	400,000	400,000	400,000			
Net Position of Derivative Financial Liabilities	177,426	177,426	0	46,719	1,915	128,792
Term Loans	3,451,675	5,274,516	683,155	408,799	987,148	3,195,414
Finance Lease Liabilities	48,258	59,837	16,319	16,319	27,199	
<b>Total Financial Liabilities</b>	<b>5,636,690</b>	<b>7,471,110</b>	<b>2,658,805</b>	<b>471,837</b>	<b>1,145,054</b>	<b>3,195,414</b>
<b>Council 2012</b>						
Creditors & Other Payables	2,506,619	2,506,619	2,506,619	0	0	0
Westpac Short Term Advance	857,000	857,000	857,000			
Net Position of Derivative Financial Liabilities	300,183	300,183	39,013	0	79,879	181,291
Term Loans	2,225,344	3,854,739	281,796	281,411	707,551	2,583,981
Finance Lease Liabilities	21,669	22,539	22,539	0	0	0
<b>Total Financial Liabilities</b>	<b>5,910,815</b>	<b>7,541,080</b>	<b>3,706,967</b>	<b>281,411</b>	<b>787,430</b>	<b>2,765,272</b>

**(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

- Level 1. Quoted Market Values. Financial Instruments with quoted prices for identical instruments in active
- Level 2. Valuation techniques using observable inputs. Financial Instruments with quoted prices for similar
- Level 3. Valuation techniques with significant non-observable inputs. Financial instruments are valued

	Total	Level 1	Level 2	Level 3
<b>30 June 2013</b>				
Fixed Interest	6,745,906	4,466,748	2,279,158	0
Australasian Equities	1,852,541	1,969	1,850,572	0
International Equities	2,412,634	0	2,412,634	0
Property Equities	616,448	0	616,448	0
Alternative Asset Classes	578,361	0	578,361	0
<b>Total Financial Assets</b>	<b>12,205,890</b>	<b>4,468,717</b>	<b>7,737,173</b>	<b>0</b>
<b>30 June 2012</b>				
Fixed Interest	4,898,862	2,869,172	2,029,690	
Australasian Equities	2,980,533	2,980,533		
International Equities	2,713,658	2,713,658		
Property Equities	968,545	968,545		
Alternative Asset Classes	753,132		753,132	
<b>Total Financial Assets</b>	<b>12,314,730</b>	<b>9,531,908</b>	<b>2,782,822</b>	

**(i)**  
**Contractual Maturity Analysis of Financial Assets**

30 June 2013	Total	< 1 Year	1 – 2 Years	2 – 5 Years	> 5 Years
Fixed Interest	6,745,907	3,971,683	128,483	1,487,055	1,158,686
Australasian Equities	1,852,541	1,852,541			
International Equities	2,412,634	2,412,634			
Property Equities	616,448	616,448			
Alternative Asset Classes	578,360	578,360			
Derivative Hedge asset	0	0			
	12,205,890	9,431,666	128,483	1,487,055	1,158,686
Cash & Cash Equivalents	84,789	84,789	0	0	0
Debtors & Other Receivables	2,209,437	2,209,437	0	0	0
Total Financial Assets	14,500,116	11,725,892	128,483	1,487,055	1,158,686
30 June 2012	Total	< 1 Year	1 – 2 Years	2 – 5 Years	> 5 Years
Fixed Interest	4,898,862	2,655,729	122,677	836,366	1,284,090
Australasian Equities	2,980,533	2,980,533			
International Equities	2,713,658	2,713,658			
Property Equities	753,132	753,132			
Alternative Asset Classes	968,545	968,545			
Derivative Hedge asset	0	0			
	12,314,730	10,071,597	122,677	836,366	1,284,090
Cash & Cash Equivalents	71,191	71,191			
Debtors & Other Receivables	1,969,543	1,969,543			
Total Financial Assets	14,355,464	12,112,331	122,677	836,366	1,284,090

34. 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 LTP 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 LTP.

WCRC has the following Council created reserves.

- Investment Growth Fund.
- Quarry Account.
- Catastrophe Fund.

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.

## Governance

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

**Key Changes from the 2012/2022 Long Term Plan:** None.

Levels of Service	Measure	Performance Target	Achievement																								
	Number of public meetings held and individual Councillor attendance.	Conduct eleven monthly meetings of Council and the Resource Management Committee, plus other scheduled meetings and scheduled workshops during the year with at least 80% attendance by all Councillors.	<table border="1"> <thead> <tr> <th>Councillor</th> <th>Number attended</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Scarlett</td> <td>12 out of 13</td> <td>92%</td> </tr> <tr> <td>Chinn</td> <td>13 out of 13</td> <td>100%</td> </tr> <tr> <td>Davidson</td> <td>13 out of 13</td> <td>100%</td> </tr> <tr> <td>Cummings</td> <td>10 out of 13</td> <td>77%</td> </tr> <tr> <td>Robb</td> <td>13 out of 13</td> <td>100%</td> </tr> <tr> <td>Birchfield</td> <td>13 out of 13</td> <td>100%</td> </tr> <tr> <td>Archer</td> <td>13 out of 13</td> <td>100%</td> </tr> </tbody> </table>	Councillor	Number attended	%	Scarlett	12 out of 13	92%	Chinn	13 out of 13	100%	Davidson	13 out of 13	100%	Cummings	10 out of 13	77%	Robb	13 out of 13	100%	Birchfield	13 out of 13	100%	Archer	13 out of 13	100%
Councillor	Number attended	%																									
Scarlett	12 out of 13	92%																									
Chinn	13 out of 13	100%																									
Davidson	13 out of 13	100%																									
Cummings	10 out of 13	77%																									
Robb	13 out of 13	100%																									
Birchfield	13 out of 13	100%																									
Archer	13 out of 13	100%																									
Maintain a Council of elected representatives in accordance with statutory requirements and in a manner that promotes effective decision-making, transparency, and accountability to the West Coast regional community.	Compliance with statutory timeframes.	Prepare and notify the Council's Annual Plan or LTP Statement of Proposal by 31 May each year, and the Annual Report by 31 October, in accordance with the procedures outlined in the Local Government Act 2002.	<p>Achieved.</p> <p>The audited Annual Report to 30 June 2012 was adopted by Council on 9 October 2012.</p> <p>The 13/14 Annual Plan was notified in April 2013.</p>																								
	Timing and number of newsletters, and internet website based information related to public consultation processes.	Publish an informative Council newsletter twice a year to be circulated to all ratepayers, with their rate demand, in March and September and ensure required information is posted on the Council website when Council invites submissions on a new or revised policy document.	<p>Achieved.</p> <p>Both newsletters were circulated on time and all public processes during the year were supported by appropriate website information.</p>																								
Continue to support the contribution our two West Coast Runanga make to Council's decision-making processes; and continue to seek contributions from other Maori.	Attendance of Iwi appointees at Resource Management Committee meetings.	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.	<p>Achieved.</p> <p>In 2012/13 both Runanga were invited to attended committee meetings.</p>																								

<b>Actual 2011/12</b>	<b>Cost of Services Statement for year ended 30 June 2013 Governance</b>	<b>Actual 2012/13</b>	<b>Budget 2012/13</b>
	<u>Operating Expenditure</u>		
341,459	Governance	338,865	348,903
16,805	Community Consultation	18,000	34,608
<u>358,264</u>	<u>Total Operating Expenditure</u>	<u>356,865</u>	<u>383,511</u>
<u>0</u>	<u>Operating Revenue</u>	<u>0</u>	<u>0</u>
	<u>Funding Requirements</u>		
-358,264	Operating Surplus / -Deficit to be funded	-356,865	-383,511
0	Capital Expenditure	0	0
<u>-358,264</u>	<u>Total Funding Required</u>	<u>-356,865</u>	<u>-383,511</u>
	Funded by:		
358,264	General Rates and Investment Income	356,865	383,511
<u>358,264</u>	<u>Total Funding</u>	<u>356,865</u>	<u>383,511</u>

## Resource Management Activities

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### Background

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

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

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

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

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

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

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

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

**Key Changes from the Long Term Plan for 2012/22:** None

Levels of Service	Measure	Performance Target	Achievement
To maintain or enhance water quality in the West Coast's rivers.	Ammoniacal nitrogen, periphyton, clarity, turbidity and faecal coliforms are measured quarterly at 38 river sites. These parameters characterise the water quality of West Coast rivers and have been measured since 1996.	Improvement of these parameters, when compared with a baseline of 1996 data on water quality.	Achieved. Monitoring results from the last ten years show significantly improving trends for clarity, turbidity, periphyton, faecal coliforms and ammoniacal nitrogen.
To maintain or enhance water quality in the West Coast's rivers.	The number of compliant or non-compliant point source discharges to water, or discharges likely to enter water; and council's response to any non-compliance.	All significant consented discharges <sup>1</sup> are monitored at least annually, and all dairy sheds at least bi-annually depending on each individual compliance record. All non-compliances publicly reported to the Resource Management Committee and responded to using Council's Enforcement Policy.	Achieved. 206 mining inspection visits occurred for a total of 74 mine sites in the region. All 384 dairy farms in the region were inspected. All District Council landfills and sewage schemes have been monitored. All non-compliances were publicly reported to the Resource Management Committee. Appropriate enforcement action has been carried out when necessary in accordance with the Councils Enforcement Policy.
To maintain or enhance the water quality in Lake Brunner.	Environmental farm plans are produced for each participating farmer in priority catchments. One new catchment is intended to be initiated each year. The costs are shared with our industry partner, Westland Milk Products. The Lake Brunner, Orowaiti and Harris Creek catchments have already had farm plan programmes delivered.	A comprehensive environmental farm plan is completed for each participant, within the priority catchment identified for that year.	In progress. 17 of 19 farm plans are complete in the Lake Brunner catchment. The Lake Haupiri farm plan is completed. Council obtained Ministry for the Environment funding from their Freshwater Clean Up Fund to provide for lake Brunner waterway enhancement projects.
To maintain or enhance the water quality in Lake Brunner.	The trophic state of Lake Brunner is measured by the Trophic Level Index (TLI) which combines clarity, nutrient and algal measures. The rolling 5-year mean is compared with a 2002-2006 baseline mean.	The annual (rolling 5-year mean) TLI of Lake Brunner is less than the 2002-2006 TLI baseline mean of 2.79.	Not achieved. In March 2013 (from 31 March 2009 to 31 March 2013) the mean TLI of Lake Brunner was 2.9 which is more than the 2.79 baseline mean.

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



Levels of Service	Measure	Performance Target	Achievement
<p>To maintain or enhance the life supporting capacity and amenity value of the West Coast's rivers.</p>	<p>Instream macroinvertebrate community health (SQMCI) scores are measured at 29 river sites. The values for each site are calculated using five year rolling means and comparing them to baseline means calculated from data from 2005-2009.</p>	<p>Macroinvertebrate health index<sup>2</sup> (SQMCI) mean is higher, or no more than 20% lower, than the baseline mean.</p>	<p>Achieved. In 2013 mean SQMCI site scores at all sites were either higher than, or no more than 20% lower than, their baseline scores.</p>
	<p>16 swimming sites are sampled, ten times per summer season (fortnightly) for E coli (moderate-high risk &gt; 550) or Enterococci (moderate-high risk &gt; 280).</p>	<p>Scheduled swimming sites do not exceed the moderate-high risk threshold more than once during the summer sampling season.</p>	<p>Not achieved. In summer 2012/13 only one site (Buller River at Marrs Beach) had more than one moderate to high risk sampling event.</p>
<p>To protect human health from adverse impacts of poor groundwater quality.</p>	<p>28 Wells are monitored at least twice annually, 24 of which are used for human consumption. The guideline of 11.3mg/L of nitrate is used to protect human health, particularly for babies. The data from the year is averaged before comparing against the 11.3mg guideline.</p>	<p>In wells used for human consumption, nitrate levels remain below the health guideline of 11.3 mg/L.</p>	<p>Not achieved. In 2012/13 (annual data mean) the nitrate levels in 23 of the 24 wells used for human consumption were below 11.3 mg/L.</p>
<p>To protect human health from any adverse impacts of poor air quality in Reefton.</p>	<p>Reefton's air is monitored in accordance with the National Environmental Standard (NES) for air quality by measuring PM<sub>10</sub> (airborne particles smaller than ten micrometers, which affect human respiration). The threshold is a 24hr mean PM<sub>10</sub> of 50 micrograms/m<sup>3</sup>.</p>	<p>NES Requirement: 24hr PM<sub>10</sub> values do not exceed the NES threshold more than three times in one year, between 2016 &amp; 2020; whereas after 2020 only 1 exceedance per year is allowed.</p>	<p>Not achieved. In winter 2012, PM<sub>10</sub> measured in Reefton exceeded the NES threshold 27 times. For winter 2013, there have been 13 exceedances, as at 25 July.</p>

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

Levels of Service	Measure	Performance Target	Achievement
Compliance with the consent processing timeframes in the RMA and mining legislation.	Compliance with discounting regulations and mining timeframes.	Process all resource consent applications without incurring any cost to Council due to the RMA discounting regulations; and process at least 95% of mining work programmes <sup>3</sup> within 20 working days of receipt.	Achieved. Council has not incurred any costs due to RMA discounting regulations and 100% of mining work programs have been processed within 20 working days of receipt.
Respond to all genuine incident complaints received by the Council and take enforcement action where needed.	Number of complaints received and number of enforcement actions resulting from these.	Operate a 24-hour complaints service, assess and respond to all genuine complaints within 24 hours where necessary.	Achieved. A 24 hour environmental complaints service has been provided. Staff have responded to 146 genuine complaints.
Complete current regional plans to operative stage, and review them to maintain their community acceptability.	Statutory requirements for review.	Compliance with statutory requirements for the review of Council's plans and strategies.	Achieved. The Land and Water Plan has one appeal remaining which is currently before the Court. The operative RPS, Air and Coastal Plans are currently under review.
Advocate for the West Coast interests when external environmental policymaking may affect the West Coast.	Number of submissions made and number of successful advocacy outcomes.	Submit on all central or local government discussion documents, draft strategies, policies or Bills that may impact on West Coast interests, within required timeframes.	Achieved. Council has made submissions to the Local Government law reform process, the Productivity Commission, RMA reforms, and the Marine Transport law reform process; including presenting to two select committees.
Respond to marine oil spills in coastal waters in accordance with the Tier 2 Oil Spill Response Plan and maintain readiness for spill response.	Timing of responses & number of trained staff.	Respond within 4 hours to all spills, using Council or MNZ spill equipment to contain spills; plus ensure at least 25 staff are trained responders.	Achieved. Council responded to all 3 reported spills within the 4 hour period. Council currently has 26 staff trained as responders, with new staff from Westport to be trained in the new financial year.

<sup>3</sup> This target assumes the work programme is submitted with all necessary information provided.

<b>Actual Cost of Services Statement for year ended 30 June 2013</b>		<b>Actual</b>	<b>Budget</b>
<b>2011/12</b>	<b>Resource Management</b>	<b>2012/13</b>	<b>2012/13</b>
<u>Operating Expenditure</u>			
1,205,131	Resource Consents	988,159	908,859
17,017	Building Act – Dams	24,358	14,851
464,259	Compliance Monitoring	544,059	591,478
78,624	Dairy Farm Monitoring	90,133	88,032
112,010	Complaints	125,265	138,555
29,971	Enforcement	49,965	73,045
262,268	Hazardous Substance Spill Response	32,373	30,679
420,106	Regional Plans	225,246	456,924
23,639	Land Management Projects	115,200	0
70,226	Wetlands	129,247	0
375,864	Surface & Groundwater monitoring	348,083	342,391
20,070	Air Quality monitoring	7,738	15,530
13,510	Sites Associated with Hazardous Substances	25,690	15,182
<u>3,092,695</u>		<u>2,705,516</u>	<u>2,674,896</u>
<u>Operating Revenue</u>			
1,616,850	User Charges	1,107,629	1,073,500
68,072	Subsidies	76,452	0
0	Targeted Rates	0	0
<u>1,684,922</u>		<u>1,184,081</u>	<u>1,073,500</u>
<u>Funding requirements</u>			
-1,407,773	Operating Surplus / -Deficit to be funded	-1,521,435	-1,601,396
-2428	Capital Expenditure	-6,774	-10,000
<u><b>-1,410,201</b></u>		<u><b>-1,528,209</b></u>	<u><b>-1,611,396</b></u>
<u>Funded by</u>			
1,407,773	General Rates & Investment Income	1,521,435	1,601,396
2,428	Depreciation Funds	6,774	10,000
<u><b>1,410,201</b></u>		<u><b>1,528,209</b></u>	<u><b>1,611,396</b></u>

## Regional Transport Planning

### Background

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

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

**Key Changes from the Long Term Plan for 2012/22:** None.

Levels of Service	Measure	Performance Target	Achievement
Maintain a Regional Land Transport Strategy that delivers Council's transport functions in compliance with relevant legislation and is acceptable to our West Coast community.	An Operative Regional Land Transport Strategy.	Compliance with statutory requirements for the preparation, review and implementation of the Regional Transport Strategy and Programme.	Achieved. The Strategy review was completed in 2011. The Programme review was completed early in 2012. No strategy review was required during 2012/13.
Continue to fund the Total Mobility Programme according to New Zealand Transport Agency (NZTA) requirements.	User satisfaction, by 2 yearly survey.	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.	Achieved. In the last survey all users rated the overall service as good, very good or excellent.

<b>Actual Cost of Services Statement for the year ended 30 June 2013</b>		<b>Actual</b>	<b>Budget</b>
<b>2011/12 Transport</b>		<b>2012/13</b>	<b>2012/13</b>
<u>Operating Expenditure</u>			
9,600	Total Mobility Admin	5,879	13,795
79,315	Total Mobility	67,038	76,000
49,278	Regional Land Transport Admin	28,062	26,668
5,263	Passenger Transport Admin	6,873	7,087
123,622	Safety Programme	17,453	27,304
<u>267,078</u>	<b>Total Operating Expenditure</b>	<u>125,305</u>	<u>150,854</u>
<u>Operating Revenue</u>			
User Charges			
209,223	Subsidies	58,354	87,500
0	Targeted Rates	0	0
<u>209,223</u>	<b>Total Operating Revenue</b>	<u>58,354</u>	<u>87,500</u>
<u>Funding Requirements</u>			
-57,855	Operating Surplus / -Deficit to be funded	-66,951	-63,354
0	Capital Expenditure	0	0
<u>-57,855</u>	<b>Total Funding Required</b>	<u>-66,951</u>	<u>-63,354</u>
Funded by:			
57,855	General Rates & Investment Income	66,951	63,354
0	Depreciation Funds	0	0
<u>57,855</u>	<b>Total Funding</b>	<u>66,951</u>	<u>63,354</u>

## Hydrology and Flood Warning Services

### Background

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

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

**Key Changes from the Long Term Plan for 2012/22:** None.

Level of Service	Measure	Performance Targets	Achievement
Continue to provide flood warning to assist communities to assess risk of impending floods, for the five rivers (Karamea, Buller, Grey, Hokitika, and Waiho).	Availability of information about high flow events and the staff response to those.	Provide a continuous flood monitoring service for the five rivers monitored and respond in accordance with the flood-warning manual, ensuring real time data on river levels is available on the Council website.	Achieved. Flood monitoring service provided noting floods in all the major rivers during the reporting period.  Partly Achieved. Data was available on Council's website during flood events. The data uploads at intervals depending on the communication pathways and site specific technicalities.
	Complete the decision making on whether or not to install new warning system.	Assess the practicalities of installing a new flood warning system on the Mokihinui River, by July 2013, to warn those that live in Seddonville of impending river floods.	Not Achieved. Site visit has been undertaken and communications (radio) service assessed but a decision has not yet been made to proceed.

<b>Actual 2011/12</b>	<b>Cost of Services Statement for year ended 30 June 2013</b>	<b>Actual 2012/13</b>	<b>Budget 2012/13</b>
	<b>Hydrology &amp; Floodwarning</b>		
	<u>Operating Expenditure</u>		
363,833	Hydrology	433,113	398,825
<u>363,833</u>	<u>Total Operating Expenditure</u>	<u>433,113</u>	<u>398,825</u>
	<u>Operating Revenue</u>		
0	User Charges	0	0
0	Subsidies	0	0
0	Targeted Rates	0	0
<u>0</u>	<u>Total Operating Revenue</u>	<u>0</u>	<u>0</u>
	<u>Funding Requirements</u>		
-363,833	Operating Surplus / -Deficit to be funded	-433,113	-398,825
-57,097	Capital Expenditure	-45,794	-71,500
<u>-420,930</u>	<u>Total Funding Required</u>	<u>-478,907</u>	<u>-470,325</u>
	Funded by:		
363,833	General Rates & Investment Income	433,113	398,825
57,097	Depreciation Funds	45,794	71,500
<u>420,930</u>	<u>Total Funding</u>	<u>478,907</u>	<u>470,325</u>

## Emergency Management

### Background

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

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

The Regional Council is the administering authority for the West Coast CDEM Group. The West Coast CDEM Group Plan was prepared in 2005, was reviewed in 2010, and is due for another review in 2015.

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

Level of Service	Measure	Performance Targets	Achievement
Maintain a Civil Defence Plan that delivers efficient and effective management of the region's civil defence functions in compliance with the legislation and is acceptable to West Coast community desires.	Civil Defence Plan always operative.	Compliance with statutory requirements for the preparation, review and implementation of the Group CDEM Plan.	Achieved. The Group Plan was reviewed in 2010 and is fully operative.
	Number of trained staff.	Ensure at least 30 Council staff are trained as Emergency Operations Centre (EOC) personnel so that we have three shifts of EOC staff trained and exercised in case of a regional emergency.	Achieved. Currently over 30 Council staff are trained to operate the EOC.

**Key Changes from the Long Term Plan for 2012/22:** None.



<b>Actual</b>	<b>Cost of Services Statement for year ended 30 June 2013</b>		<b>Actual</b>	<b>Budget</b>
<b>2011/12</b>	<b>Emergency Management</b>		<b>2012/13</b>	<b>2012/13</b>
	<u>Operating Expenditure</u>			
112,050	Civil Defence Response		126,713	122,475
54,699	Natural Hazards		11,991	11,710
<u>166,749</u>	<u>Total Operating Expenditure</u>		<u>138,704</u>	<u>134,185</u>
	<u>Operating Revenue</u>			
0	User Charges			0
39,651	Subsidies		34,103	22,000
50,637	Targeted Rates		50,624	50,000
<u>90,288</u>			<u>84,727</u>	<u>72,000</u>
	<u>Funding Requirements</u>			
-76,461	Operating Surplus / -Deficit to be funded		-53,977	-62,185
0	Capital Expenditure		0	0
<u>-74,461</u>	<u>Total Funding Required</u>		<u>-53,977</u>	<u>-62,185</u>
	Funded by			
74,461	General Rates & Investment Income		53,977	62,185
0	Depreciation Funds		0	0
<u>74,461</u>	<u>Total Funding</u>		<u>53,977</u>	<u>62,185</u>

# River, Drainage and Coastal Protection Works

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## Background

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

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

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

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

Management plans have been prepared for each rock quarry. The speed of quarry development is driven by demand for rock, therefore the performance targets focus on the process for managing the quarries.

There generally appears to be sufficient rock in the existing quarries to supply the anticipated level of maintenance or additions to existing protection works in the existing Rating Districts, however there are not always rock sources close by to the flood and river protection works that need repair or maintenance.

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

**Key Changes from the Long Term Plan for 2012/22:** None.

Levels of Service for Quarries	Measure	Performance Targets	Achievement
Ensure efficient and effective management and safe operation of Council's quarries, delivering rock to any customers within ten working days with priority given to Council rating district customers.	Timing of delivering on rock requests.	Deliver on requests for rock within two weeks, and ensure sufficient stockpiled rock is available where practical.	Achieved. Rock has been provided within two weeks for all requests. Separate stockpiles of rock have been established at Camelback and Whataroa quarries.
	Number of site inspections to monitor contractor health and safety and performance.	Visit each active quarry site at least twice a year, when contractors are working the quarry (where possible), to ensure Health and Safety standards and other permit requirements are being adhered to.	Achieved. Quarries were visited frequently to ensure that Health and Safety standards are met.
Other Levels of Service  Meet or exceed the flood protection, drainage or erosion protection levels as described in the 'levels of service – background' section above.	Completion of rating district works and annual consultation meetings.	Complete all rating district meetings, and perform all repair and maintenance works as agreed at those meetings.	Achieved. All levels of service are currently being met and all rating district meetings were completed. Works required following the annual meetings is also complete.
	Proportion of schemes performing to their agreed service level.	Monitor all rating district infrastructural assets to ensure they perform to the service level consistent with the Asset Management Plan of each Rating District, or whatever level the community has decided is an acceptable risk.	Achieved. Annual inspections were completed in July 2012, with river cross section surveys being completed and reported to their rating district community on a 3 yearly cycle. An aerial inspection in South Westland was undertaken immediately following the January 2013 flood.
	Meet timeframes for plan review	Review Rating District Asset Management Plans in 2012/13, 15/16 and 18/19, or earlier where information indicates a significant change from what is stated in the asset management plan.	Not achieved. The majority of work has been completed on this review, however due to workload in particular the Hokitika Seawall project, the mapping has not been completed.

<b>Actual</b>	<b>Cost of Services Statement for year ended 30 June 2013</b>	<b>Actual</b>	<b>Budget</b>
<b>2011/12</b>	<b>River, Drainage &amp; Coastal Protection</b>	<b>2012/13</b>	<b>2012/13</b>
	<u>Operating Expenditure</u>		
1,014,323	Works Within Rating Districts	989,782	769,625
128,024	Rating District Management	191,589	153,975
2,257	Asset Mgmt Plans	11,643	12,092
6,113	Inspections	10,320	12,592
7,616	Technical Services	14,124	22,702
443,254	Quarries	299,805	249,668
61,839	River Cross Sections	23,142	41,511
<u>1,663,426</u>	<u>Total Operating Expenditure</u>	<u>1,540,405</u>	<u>1,262,165</u>
	<u>Operating Revenue</u>		
31,612	User Charges Rating Districts	196,068	26,000
402,851	User Charges Quarries	269,493	248,000
0	Subsidies	535,625	0
	User Charges Other	0	0
991,863	Targeted Rates	971,103	981,061
<u>1,426,326</u>	<u>Total Operating Revenue</u>	<u>1,972,289</u>	<u>1,255,061</u>
	<u>Funding Requirements</u>		
-237,100	Operating Surplus / -Deficit to be funded	431,184	-7,104
-173,985	Capital Expenditure	-3,558	0
-9,152	Transfers to Rating District Reserves	-713,014	-237,436
0	Transfers to Quarry Account Reserves	0	0
<u>-420,237</u>	<u>Total Funding Required</u>	<u>-284,668</u>	<u>-244,540</u>
	<u>Funded by:</u>		
173,246	Transfers from Rating District Reserves	0	0
40,403	Transfers from Quarry Account Reserves	30,312	0
739	Depreciation Funds	3,558	1,668
205,849	General Rates & Investment Income	250,818	242,872
<u>420,237</u>	<u>Total Funding</u>	<u>284,688</u>	<u>244,540</u>

## **Vector Control Services Business Unit**

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### **Background**

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

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

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

**Key Changes from the Long Term Plan for 2012/22:** None.

Levels of Service	Measure	Performance Targets	Achievement
<p>To produce a financial surplus (to offset general rates) by tendering for, winning and delivering on vector control contracts.</p>	<p>Achieve or exceed budgeted financial return.</p>	<p>Tender for, and win, sufficient contracts to provide or exceed the annual budgeted return to Council.</p>	<p>Achieved. Ground control team at full capacity for the contract year. 100% of ground control contracts are complete. Successfully delivered over 50,000 hectares of aerial contracts across three regions. Exceeded budgeted income.</p>
	<p>Number of contracts or blocks passed or failed.</p>	<p>Meet the performance objectives and contractual obligations set by the Animal Health Board, avoiding penalties for contract or block failures.</p>	<p>Achieved. 125 individual ground control results for the contract year with only one block failure recorded, which was reworked and passed with no penalty.</p>
<p>To provide marine oil spill and terrestrial hazardous substance spill support, and biosecurity response services for the MINZ, MPI and the Regional Council.</p>	<p>Availability of trained staff.</p>	<p>Have staff available as a response unit for marine and terrestrial pollution spill events as per the MOU dated 11 November 2005.</p>	<p>Achieved. Six trained staff are available.</p>
	<p>Availability of trained staff.</p>	<p>Have 4 staff plus a vehicle available for biosecurity emergencies, as per the National Biosecurity Capability Network agreement 2011.</p>	<p>Achieved. 4 staff and a vehicle are available to assist with a national biosecurity emergency.</p>
<p>Develop an RMA contracting service to assist mining and dairy sector clients to meet their RMA requirements.</p>	<p>Achievement of budgeted financial return.</p>	<p>Win sufficient work annually to cover costs and earn a moderate surplus for Council.</p>	<p>Achieved. New service is working well to date with 3 full time employees specialising in this new area of business. It is producing a surplus as forecast.</p>

<b>Actual</b>	<b>Cost of Services Statement for year ended 30 June 2013</b>	<b>Actual</b>	<b>Budget</b>
<b>2011/12</b>		<b>2012/13</b>	<b>2012/13</b>
<b>Vector Control Services Business Unit</b>			
<u>Operating Expenditure</u>			
2,369,820	External expenditure	3,065,621	1,495,250
206,626	Internal expenditure	10,123	0
<u>2,576,446</u>	<b>Total Operating Expenditure</b>	<u>3,075,744</u>	<u>1,495,250</u>
<u>Operating Revenues</u>			
3,459,506	External Revenue	3,417,490	1,995,250
206,626	Internal Revenue	10,123	0
<u>3,666,132</u>	<b>Total Operating Revenues</b>	<u>3,427,613</u>	<u>1,995,250</u>
<u>Funding Requirements</u>			
1,089,686	Operating Surplus / -Deficit to be funded	351,869	500,000
-1,089,686	Transfer to Retained earnings	-351,869	-500,000
-112,726	Capital Expenditure	-149,554	-45,000
<u>-112,726</u>	<b>Total Funding required</b>	<u>-149,554</u>	<u>-45,000</u>
Funded by:			
112,726	Depreciation Funds	149,554	45,000
0	Transfer from Retained earnings	0	0
<u>112,726</u>	<b>Total Funding</b>	<u>149,554</u>	<u>45,000</u>

## Funding Impact Statements Pursuant to the Local Government (financial Reporting) Regulations 2011

Annual Plan 2011/12	Annual Report 2011/12		Annual Report 2012/13	Long Term Plan 2012/13
<b>West Coast Regional Council</b>				
<b>Sources of Funding</b>				
1,980,000	1,982,899	General Rates	2,031,822	2,020,000
75,000	66,831	Rates Penalties	57,549	70,000
1,641,557	1,695,910	Targeted Rates	1,674,370	1,681,061
204,650	316,946	Subsidies & Grants	704,534	109,500
4,187,227	5,510,819	Fees & Charges	4,900,377	3,327,750
986,250	165,731	Income from Investments	1,230,011	904,500
12,500	0	Fines, Infringement Fees & Other Receipts	90,302	15,000
<b>9,087,184</b>	<b>9,739,136</b>	<b>Total Operating Funding (A)</b>	<b>10,688,965</b>	<b>8,127,811</b>
<b>Applications of Operating Funding</b>				
7,807,292	8,953,169	Payments to staff and suppliers	8,585,568	6,884,170
179,208	179,145	Finance costs	192,975	170,919
		Other operating funding applications		
<b>7,986,500</b>	<b>9,132,314</b>	<b>Total Applications of operating funding (B)</b>	<b>8,778,543</b>	<b>7,055,089</b>
1,100,684	606,822	<b>Surplus (deficit) of Operating Funding (A) - (B)</b>	1,910,422	1,072,722
<b>Sources of Capital Funding</b>				
		Subsidies and Grants	0	
		Development and Financial Contributions	0	
-146,060	704,929	Increase (decrease) in debt	795,920	-31,601
	5,343	Gross Proceeds Sale assets	62,242	
		Lump sum contributions	0	
<b>-146,060</b>	<b>710,272</b>	<b>Total Sources of capital funding (C)</b>	<b>858,162</b>	<b>-31,601</b>
<b>Applications of capital funding</b>				
		Capital expenditure-additional demand	0	
525,000	402,535	Capital expenditure-improved levels of service	204,824	302,000
281,500	389,496	Capital expenditure-replace existing assets	614,759	293,500
0	984,342	Increase (decrease) in investments	1,057,568	0
148,124	-459,279	Increase (decrease) in reserves	891,433	445,621
<b>954,624</b>	<b>1,317,094</b>	<b>Total applications of capital funding (D)</b>	<b>2,768,584</b>	<b>1,041,121</b>
	-606,822	<b>Surplus (Deficit) of Capital Funding (C) - (D)</b>	-1,910,422	
0	0	Funding Balance (A - B) + (C - D)	0	0



LTP 2013/14		Annual Report 2013/14	LTP 2012/13
	<b>Governance</b>		
	<b>Sources of Funding</b>		
259,558	General Rates	252,317	283,799
9,832	Rates Penalties	7,147	9,835
	Targeted Rates		
	Subsidies & Grants		
	Fees & Charges		
	Internal Charges & Overheads Recovered		
	Fines, Infringement Fees & Other Receipts		
<b>269,390</b>	<b>Total Operating Funding (A)</b>	<b>259,464</b>	<b>293,634</b>
	<b>Applications of Operating Funding</b>		
337,534	Payments to staff and suppliers	335,197	344,642
	Finance costs		
34,661	Internal charges and overheads applied	16,930	32,790
	Other operating funding applications		
<b>372,195</b>	<b>Total Applications of operating funding (B)</b>	<b>352,127</b>	<b>377,432</b>
<b>-102,805</b>	<b>Surplus (deficit) of Operating Funding (A) - (B)</b>	<b>-92,663</b>	<b>-83,798</b>
	<b>Sources of Capital Funding</b>		
	Subsidies and Grants		
	Development and Financial Contributions		
	Increase (decrease) in debt		
	Gross Proceeds Sale assets		
	Lump sum contributions		
<b>0</b>	<b>Total Sources of capital funding (C)</b>	<b>0</b>	<b>0</b>
	<b>Applications of capital funding</b>		
	Capital expenditure-additional demand		
	Capital expenditure-improved levels of service		
	Capital expenditure-replace existing assets		
<b>-102,805</b>	Increase (decrease) in reserves	<b>-92,663</b>	<b>-83,798</b>
<b>-102,805</b>	<b>Total applications of capital funding (D)</b>	<b>-92,663</b>	<b>-83,798</b>
<b>102,805</b>	<b>Surplus (Deficit) of Capital Funding (C) - (D)</b>	<b>92,663</b>	<b>83,798</b>
<b>0</b>	<b>Funding Balance (A - B) + (C - D)</b>	<b>0</b>	<b>0</b>

LTP 2013/14		Annual Report 2013/14	LTP 2012/13
	<b>Transport</b>		
	<b>Sources of Funding</b>		
25,510	General Rates	47,337	44,584
966	Rates Penalties	1,341	1,545
	Targeted Rates		
204,650	Subsidies & Grants	58,354	87,500
	Fees & Charges		
	Internal Charges & Overheads Recovered		
	Fines, Infringement Fees & Other Receipts		
<b>231,126</b>	<b>Total Operating Funding (A)</b>	<b>107,032</b>	<b>133,629</b>
	<b>Applications of Operating Funding</b>		
198,990	Payments to staff and suppliers	89,638	109,647
	Finance costs		
42,240	Internal charges and overheads applied	32,507	37,147
	Other operating funding applications		0
<b>241,230</b>	<b>Total Applications of operating funding (B)</b>	<b>122,145</b>	<b>146,794</b>
-10,104	<b>Surplus (deficit) of Operating Funding (A) - (B)</b>	-15,113	-13,165
	<b>Sources of Capital Funding</b>		
	Subsidies and Grants		
	Development and Financial Contributions		
	Increase (decrease) in debt		
	Gross Proceeds Sale assets		
	Lump sum contributions		
<b>0</b>	<b>Total Sources of capital funding (C)</b>	<b>0</b>	<b>0</b>
	<b>Applications of capital funding</b>		
	Capital expenditure-additional demand		
	Capital expenditure-improved levels of service		
	Capital expenditure-replace existing assets		
-10,104	Increase (decrease) in reserves	-15,113	-13,165
<b>-10,104</b>	<b>Total applications of capital funding (D)</b>	<b>-15,113</b>	<b>-13,165</b>
10,104	<b>Surplus (Deficit) of Capital Funding (C) - (D)</b>	15,113	13,165
<b>0</b>	<b>Funding Balance (A - B) + (C - D)</b>	<b>0</b>	<b>0</b>

LTP 2013/14		Annual Report 2013/14	LTP 2012/13
	<b>Resource Management</b>		
	<b>Sources of Funding</b>		
1,067,958	General Rates	1,075,712	1,085,391
40,453	Rates Penalties	30,468	37,613
	Targeted Rates		
	Subsidies & Grants	76,452	
1,033,727	Fees & Charges	1,074,875	1,073,500
	Internal Charges & Overheads Recovered		
	Fines, Infringement Fees & Other Receipts	32,754	
<b>2,142,138</b>	<b>Total Operating Funding (A)</b>	<b>2,290,261</b>	<b>2,196,504</b>
	<b>Applications of Operating Funding</b>		
1,278,473	Payments to staff and suppliers	1,162,988	1,214,499
	Finance costs		
1,286,660	Internal charges and overheads applied	1,398,140	1,302,490
	Other operating funding applications		
<b>2,565,133</b>	<b>Total Applications of operating funding (B)</b>	<b>2,561,128</b>	<b>2,516,989</b>
-422,995	<b>Surplus (deficit) of Operating Funding (A) - (B)</b>	-270,867	-320,485
	<b>Sources of Capital Funding</b>		
	Subsidies and Grants		
	Development and Financial Contributions		
	Increase (decrease) in debt		
	Gross Proceeds Sale assets		
	Lump sum contributions		
<b>0</b>	<b>Total Sources of capital funding (C)</b>	<b>0</b>	<b>0</b>
	<b>Applications of capital funding</b>		
	Capital expenditure-additional demand		
	Capital expenditure-improved levels of service		10,000
34,500	Capital expenditure-replace existing assets	6,774	
-457,495	Increase (decrease) in reserves	-277,641	-330,485
<b>-422,995</b>	<b>Total applications of capital funding (D)</b>	<b>-270,867</b>	<b>-320,485</b>
422,995	<b>Surplus (Deficit) of Capital Funding (C) - (D)</b>	270,867	320,485
<b>0</b>	<b>Funding Balance (A - B) + (C - D)</b>	<b>0</b>	<b>0</b>

LTP 2013/14		Annual Report 2013/14	LTP 2012/13
	<b>Hydrology &amp; Floodwarning Services</b>		
	<b>Sources of Funding</b>		
222,916	General Rates	306,227	246,712
8,444	Rates Penalties	8,674	8,549
	Targeted Rates		
	Subsidies & Grants		
	Fees & Charges		
	Internal Charges & Overheads Recovered		
	Fines, Infringement Fees & Other Receipts		
<b>231,360</b>	<b>Total Operating Funding (A)</b>	<b>314,901</b>	<b>255,261</b>
	<b>Applications of Operating Funding</b>		
169,323	Payments to staff and suppliers	160,994	168,922
	Finance costs		
150,329	Internal charges and overheads applied	197,409	159,186
	Other operating funding applications	0	0
<b>319,652</b>	<b>Total Applications of operating funding (B)</b>	<b>358,403</b>	<b>328,108</b>
-88,292	<b>Surplus (deficit) of Operating Funding (A) - (B)</b>	-43,502	-72,847
	<b>Sources of Capital Funding</b>		
	Subsidies and Grants		
	Development and Financial Contributions		
	Increase (decrease) in debt		
	Gross Proceeds Sale assets		
	Lump sum contributions		
<b>0</b>	<b>Total Sources of capital funding (C)</b>	<b>0</b>	<b>0</b>
	<b>Applications of capital funding</b>		
	Capital expenditure-additional demand		
	Capital expenditure-additional demand		
	Capital expenditure-improved levels of service		
75,000	Capital expenditure-replace existing assets	45,794	71,500
-163,292	Increase (decrease) in reserves	-89,296	-144,347
<b>-88,292</b>	<b>Total applications of capital funding (D)</b>	<b>-43,502</b>	<b>-72,847</b>
88,292	<b>Surplus (Deficit) of Capital Funding (C) - (D)</b>	43,502	72,847
<b>0</b>	<b>Funding Balance (A - B) + (C - D)</b>	<b>0</b>	<b>0</b>

LTP 2013/14		Annual Report 2013/14	LTP 2012/13
	<b>Emergency Management</b>		
	<b>Sources of Funding</b>		
57,910	General Rates	38,164	37,347
2,194	Rates Penalties	1,081	1,294
50,000	Targeted Rates	50,624	50,000
0	Subsidies & Grants	34,103	22,000
	Fees & Charges		
	Internal Charges & Overheads Recovered		
	Fines, Infringement Fees & Other Receipts		
<b>110,104</b>	<b>Total Operating Funding (A)</b>	<b>123,972</b>	<b>110,641</b>
	<b>Applications of Operating Funding</b>		
68,926	Payments to staff and suppliers	71,170	67,962
	Finance costs		
64,114	Internal charges and overheads applied	57,172	53,706
	Other operating funding applications		0
<b>133,040</b>	<b>Total Applications of operating funding (B)</b>	<b>128,342</b>	<b>121,668</b>
-22,936	<b>Surplus (deficit) of Operating Funding (A) - (B)</b>	-4,371	-11,027
	<b>Sources of Capital Funding</b>		
	Subsidies and Grants		
	Development and Financial Contributions		
	Increase (decrease) in debt		
	Gross Proceeds Sale assets		
	Lump sum contributions		
<b>0</b>	<b>Total Sources of capital funding (C)</b>	<b>0</b>	<b>0</b>
	<b>Applications of capital funding</b>		
	Capital expenditure-additional demand		
	Capital expenditure-improved levels of service		
	Capital expenditure-replace existing assets		
-22,936	Increase (decrease) in reserves	-4371	-11,027
<b>-22,936</b>	<b>Total applications of capital funding (D)</b>	<b>-4,371</b>	<b>-11,027</b>
22,936	<b>Surplus (Deficit) of Capital Funding (C) - (D)</b>	4,371	11,027
<b>0</b>	<b>Funding Balance (A - B) + (C - D)</b>	<b>0</b>	<b>0</b>

LTP 2013/14		Annual Report 2013/14	LTP 2012/13
	<b>River, Drainage &amp; Coastal Protection</b>		
	<b>Sources of Funding</b>		
206,674	General Rates	177,338	171,783
7,829	Rates Penalties	5,023	5,953
941,557	Targeted Rates	971,103	981,061
	Subsidies & Grants	535,625	0
281,000	Fees & Charges	465,561	274,000
	Internal Charges & Overheads Recovered		
	Fines, Infringement Fees & Other Receipts		
<u>1,437,060</u>	<b>Total Operating Funding (A)</b>	<u>2,154,650</u>	<u>1,432,797</u>
	<b>Applications of Operating Funding</b>		
920,388	Payments to staff and suppliers	1,131,884	879,519
173,180	Finance costs	169,497	163,950
196,917	Internal charges and overheads applied	212,418	193,409
	Other operating funding applications		
<u>1,290,485</u>	<b>Total Applications of operating funding (B)</b>	<u>1,513,798</u>	<u>1,236,878</u>
146,575	<b>Surplus (deficit) of Operating Funding (A) - (B)</b>	640,851	195,919
	<b>Sources of Capital Funding</b>		
	Subsidies and Grants		
	Development and Financial Contributions		
-107,010	Increase (decrease) in debt	-120,782	-120,743
	Gross Proceeds Sale assets		
	Lump sum contributions		
<u>-107,010</u>	<b>Total Sources of capital funding (C)</b>	<u>-120,782</u>	<u>-120,743</u>
	<b>Applications of capital funding</b>		
	Capital expenditure-additional demand		
350000	Capital expenditure-improved levels of service		
5000	Capital expenditure-replace existing assets	3,558	
-315,435	Increase (decrease) in reserves	516,511	75,176
<u>39,565</u>	<b>Total applications of capital funding (D)</b>	<u>520,069</u>	<u>75,176</u>
-146,575	<b>Surplus (Deficit) of Capital Funding (C) - (D)</b>	-640,851	-195,919
0	<b>Funding Balance (A - B) + (C - D)</b>	0	0

LTP 2013/14		Annual Report 2013/14	LTP 2012/13
	<b>Regional Share of Controls</b>		
	<b>Sources of Funding</b>		
139,474	General Rates	134,727	150,385
5,283	Rates Penalties	3,816	5,211
650,000	Targeted Rates	652,643	650,000
	Subsidies & Grants		
	Fees & Charges		
	Internal Charges & Overheads Recovered		
	Fines, Infringement Fees & Other Receipts		
<u>794,757</u>	<b>Total Operating Funding (A)</b>	<u>791,186</u>	<u>805,596</u>
	<b>Applications of Operating Funding</b>		
814,523	Payments to staff and suppliers	762,207	887,144
	Finance costs		
	Internal charges and overheads applied		
	Other operating funding applications		
<u>814,523</u>	<b>Total Applications of operating funding (B)</b>	<u>762,207</u>	<u>887,144</u>
-19,766	<b>Surplus (deficit) of Operating Funding (A) - (B)</b>	28,979	-81,548
	<b>Sources of Capital Funding</b>		
	Subsidies and Grants		
	Development and Financial Contributions		
	Increase (decrease) in debt		
	Gross Proceeds Sale assets		
	Lump sum contributions		
<u>0</u>	<b>Total Sources of capital funding (C)</b>	<u>0</u>	<u>0</u>
	<b>Applications of capital funding</b>		
	Capital expenditure-additional demand		
	Capital expenditure-improved levels of service		
	Capital expenditure-replace existing assets		
-19,766	Increase (decrease) in reserves	28,979	-81,548
<u>-19,766</u>	<b>Total applications of capital funding (D)</b>	<u>28,979</u>	<u>-81,548</u>
19,766	<b>Surplus (Deficit) of Capital Funding (C) - (D)</b>	-28,979	81,548
<u>0</u>	<b>Funding Balance (A - B) + (C - D)</b>	<u>0</u>	<u>0</u>

LTP 2013/14	<b>Vector Control Services Business Unit</b>	Annual Report 2013/14	LTP 2012/13
	<b>Sources of Funding</b>		
	General Rates		
	Rates Penalties		
	Targeted Rates		
	Subsidies & Grants		
2,885,000	Fees & Charges	3,417,490	1,995,250
	Internal Charges & Overheads Recovered		
	Fines, Infringement Fees & Other Receipts		
<b>2,885,000</b>	<b>Total Operating Funding (A)</b>	<b>3,417,490</b>	<b>1,995,250</b>
	<b>Applications of Operating Funding</b>		
2,150,242	Payments to staff and suppliers	2,830,392	1,340,074
	Finance costs		
100,000	Internal charges and overheads applied	150,000	100,000
	Other operating funding applications		
<b>2,250,242</b>	<b>Total Applications of operating funding (B)</b>	<b>2,980,392</b>	<b>1,440,074</b>
634,758	<b>Surplus (deficit) of Operating Funding (A) - (B)</b>	437,098	555,176
	<b>Sources of Capital Funding</b>		
	Subsidies and Grants		
	Development and Financial Contributions		
	Increase (decrease) in debt		
	Gross Proceeds Sale assets		
	Lump sum contributions		
<b>0</b>	<b>Total Sources of capital funding (C)</b>	<b>0</b>	<b>0</b>
	<b>Applications of capital funding</b>		
	Capital expenditure-additional demand		
	Capital expenditure-improved levels of service		
20,000	Capital expenditure-replace existing assets	149,554	45,000
614,758	Increase (decrease) in reserves	287,544	510,176
<b>634,758</b>	<b>Total applications of capital funding (D)</b>	<b>437,098</b>	<b>555,176</b>
-634,758	<b>Surplus (Deficit) of Capital Funding (C) - (D)</b>	-437,098	-555,176
<b>0</b>	<b>Funding Balance (A - B) + (C - D)</b>	<b>0</b>	<b>0</b>





	Actual	Budget	Variance		Note
			\$		
<b>Statement Of Financial Position</b>					
@ 30 June 2013					
<b>Current Assets</b>					
Total Current Assets	4,886,856	3,057,116	1,829,740	60%	8
<b>Non-Current Assets</b>					
Total Non-Current Assets	68,504,172	70,850,916	-2,346,744	-3%	9
<b>Total Assets</b>	<b>73,391,028</b>	<b>73,908,032</b>			
<b>Liabilities</b>					
Current Liabilities	2,739,787	1,706,000	1,033,787	61%	10
Non-Current Liabilities	3,275,414	2,359,318	916,096	39%	11
<b>Total Liabilities</b>	<b>6,015,201</b>	<b>4,065,318</b>			
<b>Equity</b>	<b>67,375,827</b>	<b>69,842,714</b>	<b>-2,466,887</b>	<b>-4%</b>	
<b>Total Liabilities and Equity</b>	<b>73,391,028</b>	<b>73,908,032</b>			

Note	Commentary
1	River, Drainage & Coastal protection expenditure exceeded budget due to; -Demand driven works within Rating Districts continued to exceed the level expected due to flood events. -Quarry expenditure exceeded budget due to the increased demand for quarry rock caused by the demand driven works within rating districts mentioned above.
2	Regional Share of Vector Controls expenditure was less than budgeted. This was due to the Animal Health Board reducing the West Coast Region programme from the level originally anticipated and budgeted for.
3	VCS Business Unit expenditure exceeded that budgeted. This was due to there being more aerial and ground control contracts won than budgeted for.
4	Subsidies & Grants income exceeded budget due to receipt of government grant relating to December 2010 flood events amounting to \$535,000 that was not budgeted for and DOC funding for wetlands and biodiversity work amounting to \$76,000 that had not been budgeted for.

Note	Commentary
5	Investment income exceeded budgeted income. This was because the portfolio returned 10% compared to the budgeted 7%.
6	River Drainage & Coastal protection income. Refer comments in 1 above. Income exceeded budget as local contributions from property owners towards rating district works exceeded the budgeted contributions. This was due to flood events.
7	VCS Business Unit income. Refer comments also in 3 above. In addition to the factors mentioned in 3 above, the new RMA environmental consultancy line of work was being developed, which resulted in gross revenues that hadn't been budgeted for.
8	<p>Current assets exceeded budgeted by \$1,830,000 due to;</p> <ul style="list-style-type: none"> <li>- Cash position \$145,000 better than budgeted.</li> <li>- Receivables \$709,000 more than budgeted. This included the unbudgeted government grant of \$535,000 referred to in 4 above.</li> <li>- Inventories \$713,000 more than the budgeted \$100,000 due to \$590,000 of rock available for sale in our Quarries and \$200,000 of VCS toxic and non toxic pellets held for aerial contracts. Total inventory balances amounted to \$813,000 compared to the budgeted \$100,000.</li> <li>- Other Financial Assets exceeded budgeted amount by \$240,000.</li> </ul>
9	Non Current Assets \$68.5 million Vs budgeted \$70.8 million. This was mainly due to the revaluation of Council Infrastructure Assets (River, Drainage & Coastal protections) being less than expected.
10	<p>Current Liabilities exceeded budgeted amount by \$1,034,000 due to;</p> <ul style="list-style-type: none"> <li>- Payables exceeding budgeted amount by \$335,000</li> <li>- Current portion of term liabilities exceed budget by \$707,000. This was due to borrowing during the year that had not been foreseen. This included borrowing for the Warm West Coast scheme and strategic investments.</li> </ul>
11	Non Current Liabilities exceeded budget by \$916,000. This was due to the reasons mentioned in 10 above with regard to borrowing.