

West Coast Regional Council

ANNUAL REPORT

July 1 2017 to June 30 2018



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Chairman's Report

I would like to introduce you to the West Coast Regional Council's Annual Report for the year to 30 June 2018.

Unfortunately Council experienced a disappointing financial result, with a deficit of \$859,000 compared to the budgeted surplus of \$561,000. This was due to a number of factors which included:

- Overhead costs being higher across the board than anticipated;
- Impact of the two cyclones in February 2018;
- Continued impact of the West Coast economic recession;
- Costs of buying out 51% shareholder in Pest Control Research LP; and
- Lower than expected returns from the VCS Business Unit.

However, good progress has been made on the review of the Regional Policy Statement, with hearings held in May 2018, as well as on Plan Change 1 to the Land and Water Plan.

Council has continued the expansion of the flood-warning network with new sites being installed at the Mawheraiti River (@ Atarau) and Orikaka River (@ Gorge and Plateau) to provide additional data to assist with modelling flows during weather events.

New capital works for river protection at Kaniere and on the Wanganui River, and extension of the seawall at (Punakaiki) have provided additional protection to these areas. Council will continue to work with various communities that are facing hazards, whether it is from the sea or river in regards to the best possible, and cost effective, management for the future. We anticipate that these will require some significant decisions to be made by all involved in the years to come.

As always, Council continues to take a pro-active role in lobbying for the region. Whether this is in regards to changes to the Resource Management Act, economic development, new central government regulations or standards, this voice in Wellington assists to create policy that supports the West Coast.



Andrew Robb
Chairman

Directory & Councillors

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The Council has seven Councillors, representing the following constituencies:

Buller Constituency

Neal Clementson – Councillor, Council Deputy Chairman
Terry Archer - Councillor

Grey Constituency

Peter Ewen - Councillor
Andrew Robb – Councillor, Council Chairman
Allan Birchfield - Councillor

Westland Constituency

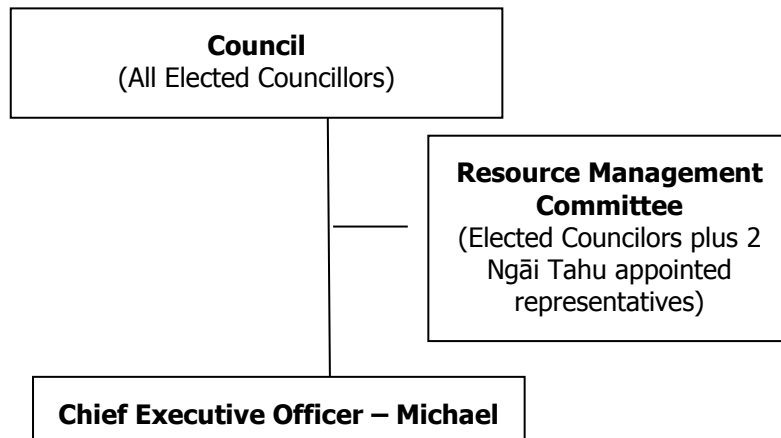
Peter McDonnell – Councillor
Stuart Challenger - Councillor



Left to Right: Terry Archer, Neal Clementson, Stuart Challenger, Andrew Robb, Peter McDonnell, Allan Birchfield, Peter Ewen

Council Organisation Structure

Citizens of the West Coast Region



Division	Manager	Functions
Chief Executive Officer	Michael Meehan	Civil Defence Emergency Management Regional Transport Planning
Consents & Compliance Group	Heather McKay	Resource Consent Processing Compliance Monitoring & Enforcement Environmental Incident Complaints Pollution Response
Planning & Science	Hadley Mills	IT Regional Planning Science Hydrology
Operations	Randal Beal	VCS Business Unit Engineering Quarries Biosecurity
Corporate Services	Robert Mallinson	Corporate Support
Strategy & Communications	Nichola Costley	Strategy & Communications
Civil Defence	Mark Crowe	Civil Defence & Emergency Management
Economic Development	Kevin Stratful	Regional Economic Development
People & Capabilities	Kim Hibbs	Human Resources

Community Outcomes

In the Long Term Plan 2015-2025 the West Coast Regional Council identified the following three high-level Community Outcomes:

- Economy:** A thriving, resilient and innovative economy is promoted, which creates many opportunities for growth, wealth generation and employment.
- Environment:** The high quality and distinctive character of our environment is retained.
- Safety:** A region that is a safe place to live, with strong community spirit and cohesion.

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

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

Measurement of Progress towards achievement of Community Outcomes

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

Council has not undertaken any such measurement during the year.

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

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

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

Statement of Compliance and Responsibility

Compliance

The Council and management of the West Coast Regional Council confirm that 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 2018 fairly reflects the financial position and operations of the West Coast Regional Council.
4. West Coast Regional Council hereby confirms that all statutory requirements contained in the Local Government Act 2002, in relation to the Annual Report 2017/2018 have been complied with except the adoption of the Annual Report.

Council adopted this Annual Report on 21 December 2018 therefore did not meet the statutory deadline for adoption.



A. Robb
Chairperson



M. Meehan
Chief Executive

Dated: 21 December 2018

Report by Audit New Zealand

Independent Auditor's Report

To the readers of West Coast Regional Council's annual report for the year ended 30 June 2018

The Auditor-General is the auditor of West Coast Regional Council (the Regional Council). The Auditor-General has appointed me, Chantelle Gernetzky, using the staff and resources of Audit New Zealand, to report on the information in the Regional Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the Regional Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the Regional Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 21 December 2018. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 11 to 37 and pages 68 to 70:
 - present fairly, in all material respects:
 - the Regional Council's financial position as at 30 June 2018;
 - the results of its operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime;
- the funding impact statement on page 53, presents fairly, in all material respects, 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 statement of service provision on pages 38 to 52:
 - presents fairly, in all material respects, the Regional Council's levels of service for each group of activities for the year ended 30 June 2018, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;

- the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 54 to 60, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the Regional Council's Long-term plan; and
- the funding impact statement for each group of activities on pages 54 to 60, presents fairly, in all material respects, 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.

Report on the disclosure requirements

We report that the Regional Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 61 to 67, which represent a complete list of required disclosures and accurately reflects the information drawn from the Regional Council's audited information and, where applicable, the Regional Council's long-term plan and annual plans.

Basis for our opinion on the audited information

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the Regional Council or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the Regional Council's Long-term plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit 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.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service provision, as a reasonable basis for assessing the levels of service achieved and reported by the Regional Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the Regional Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Regional Council to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 6, but does not include the audited information and the disclosure requirements.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Regional Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit of the audited information and our report on the disclosure requirements, we have audited the Regional Council's 2018-28 long term plan. Other than these engagements, we have no relationship with, or interests in, the Regional Council.



Chantelle Gernetzky
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

Statement of Accounting Policies for year ended 30 June 2018

Reporting Entity

The West Coast Regional Council (WCRC) is a public benefit entity (PBE) for financial reporting purposes.

The financial statements of WCRC are for the year ended 30 June 2018. The financial statements were authorised for issue by Council on 21 December 2018.

Basis of preparation

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period.

The financial statements have been prepared in accordance with the requirements of the Local Government Act 2002 (LGA 2002), which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements have been prepared in accordance with Tier 2 PBE accounting standards reduced disclosure regime.

WCRC qualifies as a Tier 2 entity as its total expenditure is less than \$30 million per annum.

These financial statements comply with the PBE standards.

These financial statements are presented in New Zealand dollars.

Breach of Statutory Deadline

Section 98(3) of the Local Government Act 2002 requires the Council to complete and adopt the Annual Report by within four months of the end of the financial year to which it relates. This was not achieved with the Annual Report adopted on 21 December 2018.

Investment in Associates and Council Controlled Organisations

The Council's investments in these entities are accounted for using the equity method. An associate is an entity over which the Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. The investment in an associate is initially recognised at cost and subsequently equity accounted.

Council's investment in Pest Control Research Limited Partnership (49%) is an investment in a controlled entity in terms of Public Benefit Entity Public Sector Account Standard 6 Consolidated and Separate Financial Statements.

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 at the start of the year to which the resolution relates.

Other revenue

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

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided. Interest income is recognised using the effective interest method. Dividends are recognised when the right to receive payment has been established.

Borrowing costs

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

Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the commencement of the lease term, WCRC recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether WCRC will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating leases

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

Trade and other receivables

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

Inventories

Inventories held for consumption in the provision of services that are not supplied on a commercial basis are measured at cost. The write down from cost to current replacement cost, or net realisable value, is recognised in the surplus or deficit.

Inventories held for use in the provision of goods and services on a commercial basis are valued at the lower of cost (using the "First in First Out" method) and net realisable value.

Derivative financial instruments and hedge accounting

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

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

The associated gains or losses of derivatives that are not hedge accounted are recognised in the surplus or deficit.

Council has not designated any derivatives as hedging instruments.

The Council designates certain derivatives as either:

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

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

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

Other Financial assets

WCRC has two classifications for its financial assets:

- Financial assets at fair value through surplus or deficit.
- Loans and receivables.

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

Financial assets are initially measured at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. Council fund manager Westpac 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 unit trust products. The value of a unit is based on the net value of the relevant fund.

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

(1) Financial assets at fair value through surplus or deficit

This category has two sub-categories: financial assets held for trading, and those designated at fair value through surplus or deficit at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date. After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the surplus or deficit. Financial assets in this category include derivatives and Council's investment portfolio.

(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.

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 %

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 2015 (Grey District area land), 1 September 2016 (Westland District area land), and 1 September 2017 (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 prepared internally and reviewed by Mr Mark Gordon of AECOM. The valuation date was as at 31 December 2015.

Accounting for revaluations:

WCRC accounts for revaluations of property, plant and equipment on a class of asset basis. The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset and

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

INTANGIBLE ASSETS

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software are recognised as an expense when incurred.

Amortisation

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

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

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

Impairment of non-financial assets

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

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

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

The total impairment loss is recognised in the surplus or deficit.

Investment property

Property leased, or intended to be leased to third parties under operating leases, is classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation. Investment property is measured initially at cost, including transaction costs. After initial recognition, all investment property is measured at fair value as determined annually by an independent valuer. Gains or losses arising from a change in the fair value of the investment property are recognised in the surplus or deficit.

Employee benefits

Short-term benefits

Employee benefits that WCRC expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months.

Long-term benefits:

Long service leave

Entitlements that are payable beyond 12 months, such as long service leave have been calculated on an actuarial basis. The calculations are based on likely future entitlements accruing to staff, based

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

Superannuation schemes

Defined contribution schemes

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

Provisions

WCRC recognises a provision for future expenditure of uncertain amounts or timing when there is a present obligation (either legal or constructive) as a result of a past event. It is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

Borrowings

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

Equity

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

- Retained earnings;
- Restricted reserves; and
- Asset revaluation reserves.

Restricted and Council created reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by WCRC. Restricted reserves are those subject to specific conditions accepted as binding by WCRC and which may not be revised by WCRC without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met. Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense. The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position. The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows. Commitments and contingencies are disclosed exclusive of GST.

Budget figures

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

Cost allocation

WCRC has derived the cost of service for each significant activity of WCRC using the cost allocation system outlined below. Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity. Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

Critical accounting estimates and assumptions

In preparing these financial statements WCRC has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. There are no 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.

Statement of Comprehensive Revenue and Expense for Year ended 30 June 2018

2017		Notes	2018	2018
Actual	Cost of Services		Actual	Budget
493,080	Governance		461,814	453,771
498,992	Economic Development		377,223	300,000
3,791,854	Resource Management		3,648,739	3,158,181
167,525	Transport		194,801	170,446
643,807	Hydrology & Floodwarning Services		796,066	621,863
481,173	Emergency Management		1,042,407	716,152
1,909,197	River, Drainage & Coastal Protection		1,432,712	1,812,806
5,878,229	Vector Control Services Business Unit		3,384,546	2,618,500
-	Impairment on transfer held for sale		272,549	-
(21,739)	Impairment Land Value		-	-
137,002	Other		110,249	77,138
-	Warm West Coast Scheme		20,749	92,000
13,979,120		3(a),4,5	11,741,855	10,020,857
	<u>Less</u>			
	<u>Less Income</u>			
3,665,720	Rates		4,180,932	4,316,574
-	Penalties		46,144	60,000
383,144	Subsidies & Grants		212,118	82,330
94,950	Commercial Property Rental		96,183	96,180
(67,680)	Gains/-Losses disposal of Assets		10,230	-
60,000	Commercial Property Revaluation		-	35,526
1,055,542	Investment Income		943,609	1,011,153
9,476,247	User Fees & Charges		5,393,004	4,980,265
14,667,923		1,2	10,882,220	10,582,028
688,803	Net Surplus / (Deficit) for year		(859,635)	561,171
-	Revaluation Reserve Movement		-	-
688,803	Total Comprehensive Revenue & Expense		(859,635)	561,171

(Refer Page 67 for explanation of major variances)

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

Statement of Changes in Equity for Year Ended 30 June 2018

2017	Notes	Actual 2018	Budget 2018
70,075,764	Balance 1 July	70,764,567	71,710,922
688,803	Comprehensive Income	(859,635)	561,171
	Revaluation Reserve movement	-	
<u>70,764,567</u>	Balance 30 June	<u>69,904,932</u>	<u>72,272,093</u>

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

Statement of Financial Position as at 30 June 2018

Actual 2017	Assets	Notes	Actual 2018	Budget 2018
Current Assets				
66,936	Cash & Cash equivalents	6	-	43,998
1,006,291	Receivables	7	2,220,031	1,600,000
552,850	Inventories	8	904,133	700,000
	Interest in Limited Partnership Held for Sale	28	1,029,104	-
62,925	Loan Advances	9	59,417	69,931
2,092,942	Other Financial Assets	9	985,488	1,500,000
<u>3,781,944</u>	Total Current Assets		<u>5,198,173</u>	<u>3,913,929</u>
Non-Current Assets				
62,226,069	Property, Plant & Equipment	10	63,075,463	62,669,488
179,098	Intangible Assets	11	145,746	145,745
1,480,000	Investment Property	12	1,480,000	1,455,526
410,912	Loan Advances	9	305,778	363,670
1,005,969	Investment in Associate	19	1,027,811	696,000
212,305	Investment in Council Controlled Organisation	20	208,202	215,000
9,776,074	Other Financial Assets	9	10,998,142	10,775,000
<u>75,290,427</u>	Total Non-Current Assets		<u>77,241,142</u>	<u>76,320,429</u>
<u><u>79,072,371</u></u>	Total Assets		<u><u>82,439,315</u></u>	<u><u>80,234,358</u></u>
Liabilities				
Current Liabilities				
	Bank Overdraft		1,162,210	-
387,819	Borrowings	17	434,631	-
1,959,163	Payables	15	2,499,392	2,000,000
456,357	Employee Benefit Liabilities	16	532,750	300,000
-	Derivative Financial Liabilities	18	-	-
<u>2,803,339</u>			<u>4,628,983</u>	<u>2,300,000</u>
Non-Current Liabilities				
10,108	Employee Benefit Liabilities	16	-	-
5,291,745	Borrowings	17	7,433,461	5,592,265
132,612	Derivative Financial Liabilities	18	73,939	-
70,000	Future Quarry Restoration	26	398,000	70,000
<u>5,504,465</u>			<u>7,905,400</u>	<u>5,662,265</u>
<u><u>8,307,804</u></u>	Total Liabilities		<u><u>12,534,383</u></u>	<u><u>7,962,265</u></u>
Equity				
19,260,118	Ratepayers Equity	21(a)	17,902,818	20,550,023
2,423,280	Rating Districts	21(b)	2,807,695	2,610,016
38,339,289	Revaluation Reserve	21 (c)	38,339,289	38,361,028
-	Quarry Account	21 (e)	-	(78,974)
9,721,000	Investment Growth Reserve	21(d)	9,815,000	9,730,000
1,020,880	Catastrophe Fund	21(i)	1,040,130	1,100,000
<u>70,764,567</u>			<u>69,904,932</u>	<u>72,272,093</u>
<u><u>79,072,371</u></u>	Total Liabilities and Equity		<u><u>82,439,315</u></u>	<u><u>80,234,358</u></u>

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

Statement of Cash Flows for the Year Ended 30 June 2018

2017 Actual \$	Notes	2018 Actual \$	2018 Budget \$
	Cashflow from Operating Activities		
	<u>Cash was provided from:</u>		
3,710,957	Rates	4,195,318	4,307,714
10,332,408	Other Income	4,692,595	5,477,638
100,702	Other Investment Income	116,575	-
<u>14,144,067</u>		<u>9,004,488</u>	<u>9,785,352</u>
	<u>Cash was Disbursed to:</u>		
13,164,986	Payments to Suppliers & Employees	10,760,736	9,438,688
313,093	Interest Paid	218,712	265,562
-117,250	Net GST Movement	86,744	-
<u>13,360,829</u>		<u>11,066,192</u>	<u>9,704,520</u>
<u>783,238</u>	NET CASH FLOW FROM OPERATIONS	<u>(2,061,704)</u>	<u>80,832</u>
	Cashflow from Investing Activities		
	<u>Cash was provided from:</u>		
1,173,659	Redemption of Investments	841,098	1,079,150
195,804	Sale Fixed Assets	45,996	20,752
<u>1,369,463</u>		<u>887,094</u>	<u>1,099,902</u>
	<u>Cash was Disbursed to:</u>		
454,952	Purchase of Fixed assets	889,574	-
0	Investment Property Capital Expenditure	-	896,800
0	Investment in Associates	1,189,318	-
0	Investments Purchased	164,175	375,000
<u>454,952</u>		<u>2,243,067</u>	<u>1,271,800</u>
<u>914,511</u>	NET CASH FLOW FROM INVESTING	<u>(1,355,973)</u>	<u>(171,898)</u>
	Cashflow from Financing Activities		
	<u>Cash was provided from:</u>		
0	Loans repaid by borrowers		-
0	Loan Raised	2,576,349	439,000
<u>0</u>		<u>2,576,349</u>	<u>439,000</u>
	<u>Cash was Disbursed To:</u>		
0	Loans Advanced		-
1,383,196	Loan Principal Repaid	387,818	353,936
<u>1,383,196</u>		<u>387,818</u>	<u>353,936</u>
<u>-1,383,196</u>	NET CASH FLOW FROM FINANCING	<u>2,188,531</u>	<u>85,064</u>
314,553	TOTAL INCREASE IN CASH HELD	(1,229,146)	(6,002)
-247,617	OPENING BALANCE OF CASH RESOURCES	66,936	50,000
<u>66,936</u>	CLOSING BALANCE OF CASH RESOURCES	<u>(1,162,210)</u>	<u>43,998</u>

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

Notes to the Financial Statements

1 Actual 2017	Rates Revenue	Actual 2018
2,263,594	General Rates	2,332,056
49,353	Penalties	46,144
	Targeted Rates attributable to activities	
1,087,356	River, Drainage & Coastal Erosion	1,147,469
<u>265,417</u>	Regional Emergency Management	<u>701,408</u>
3,665,720	Total Rates Revenue	4,227,077
-	Rates Remissions	-
<u>3,665,720</u>	Rates Revenue net of remissions	<u>4,227,077</u>

2 Actual 2017	Revenues	Actual 2018
	Other Revenues	
174,947	Realised Gains/-Losses	85,116
273,815	Unrealised Gains/-Losses	454,398
306,604	Income from Associates	37,535
-	Income from CCO's	(4,104)
219,734	Interest	94,364
<u>80,442</u>	Dividends	<u>276,300</u>
1,055,542	Investment Income	943,609
94,950	Income from investment property	96,183
60,000	Revaluation of Investment Property	-
<u>(67,680)</u>	Gains / -Losses on disposal property, plant, equipment	<u>10,229</u>
<u>1,142,812</u>		<u>1,050,020</u>

Fees and Charges		
1,235,570	Resource Consents & Compliance Monitoring	1,010,858
6,785,501	Rendering of services (Business Unit income)	3,652,441
287,182	Sale of goods (Quarry rock)	387,489
29,678	Infringements & Fines	36,661
<u>1,138,316</u>	Other Fees & Charges	<u>305,554</u>
<u>9,476,247</u>		<u>5,393,003</u>

Subsidies & Grants		
88,296	Land Transport NZ Govt Grants	93,966
53,000	Ministry for the Environment Grants	-
191,848	MBIE	-
<u>50,000</u>	Ministry Civil Defence & Emergency Mgmt	<u>118,152</u>
<u>383,144</u>		<u>212,118</u>

3(a) Actual 2017	Employee Benefit Expenses	Actual 2018
4,312,345	Salaries and wages	4,425,763
3,160	Other	
(6,738)	Increase in Annual Leave liability	89,385
5,996	Increase in Long Service Leave provision	1,966
(561)	Increase in Alternative Holidays Provision	4,904
(1,469)	Increase in Time in Lieu Liability	6,688
(12,252)	Increase in accrued payroll	-
	Increase in Accrued Bonus	<u>(70,563)</u>
<u>4,300,481</u>		<u>4,458,143</u>

3 (b) Disclosures in accordance with NZ IAS 24 and Local Government Act 2002, schedule 10, clause 32 (1), (a), (b), ©

	Salaries	Hearing Commissioner Fees	Superannuation	Vehicle	
Councillors					
75,868 Chairman Clr Robb	\$ 77,725	\$ 5,360			\$ 83,085
38,831 Deputy Chairman Clr Clementson	\$ 41,162				\$ 41,162
34,917 Councillor Birchfield	\$ 35,511				\$ 35,511
34,917 Councillor Archer	\$ 35,560	\$ 19,420			\$ 54,980
34,917 Councillor Challenger	\$ 35,511				\$ 35,511
36,486 Councillor Ewen	\$ 35,511				\$ 35,511
34,917 Councillor McDonnell	\$ 35,511				\$ 35,511
290,853	\$ 296,491	\$ 24,780			\$ 321,271
189,079 Chief Executive	\$ 207,306		\$ 10,365	16,940	\$ 234,611
633,331 7 Second Tier Managers	\$ 838,099		\$ 34,078	20,298	\$ 892,475
1,113,263	\$ 1,341,896	\$ 24,780	\$ 44,443	37,238	\$ 1,448,357

The above remuneration comprises salaries and other short term benefits including hearing commissioner fees

3 (c) Banded Remuneration Disclosures Pursuant to clause 32A, Schedule 10, Local Government Act 2002

	@ 30/06/18
>\$60,000	21
>\$60,000 <\$80,000	20
>\$80,000 <\$100,000	10
>\$100,000 <\$140,000	8
>\$140,000 <\$240,000	4
	63
Full time	51
Part time (Full time equivalent)	4.90

	@ 30/06/17
>\$60,000	25
>\$60,000 <\$80,000	11
>\$80,000 <\$100,000	7
>\$100,000 <\$140,000	4
>\$140,000 <\$200,000	5
	52
Full time	43.00

4 Actual 2017 Other Expenses	Actual 2018
- Impairment of receivables	-
(21,739) Impairment of PPE	-
Impairment on transfer held for sale	272,549
10,500 Minimum Lease payments Operating Leases	10,228
9,445,705 Other Operating expenses	6,782,224
<u>9,434,466</u>	<u>7,065,001</u>

5 Actual 2017 Finance Costs	Actual 2018
313,093 Interest on borrowings	277,384
(68,920) Interest Rate Swap losses (gains)	(58,672)
<u>244,173</u>	<u>218,712</u>

6 Actual 2017 Cash & Cash Equivalents	Actual 2018
66,936 Cash at bank and in hand	-
- or less from date of acquisition	-
<u>66,936</u>	<u>-</u>

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

7 Actual 2017 Trade and Other Receivables	Actual 2018
182,220 Rates Receivables	218,741
479,252 Other Receivables	1,311,054
161,724 Other Receivables accrued	427,331
68,756 Prepayments	161,700
160,465 Unbilled Revenue	124,998
<u>1,052,417</u>	<u>2,243,824</u>
(46,126) Less provision for impairment of receivables	(23,793)
<u>1,006,291</u>	<u>2,220,031</u>
- Non current	-
<u>1,006,291</u> Current	<u>2,220,031</u>
<u>1,006,291</u>	<u>2,220,031</u>

187,220 Receivables from Non-Exchange Transactions - (This includes outstanding amounts on rates)	199,948
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819,071 Receivables from Exchange Transactions - (This includes outstanding amounts for fees and charges that are not subsidised by rates)	2,020,083
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Movements in the provision for impairment of receivables are as follows:

Actual 2017	Actual 2018
48,727 @ 1 July	46,126
(2,601) Additional provision made during year.	(22,333)
- Receivables written off during period.	-
46,126 @ 30 June	23,793

8 Inventories

Actual 2017		Actual 2018
28,440	Poison and pest supplies	146,577
507,954	Rock in Quarries	741,562
16,456	Stationary and Office supplies	15,994
552,850		904,133

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

9 Actual 2017 Other Financial Assets

Actual 2017		Actual 2018
Current		
2,092,942	Financial Assets at fair value through profit or loss	985,489
-	Financial Assets at fair value through equity	
-	Held to maturity investments	
62,925	Loans and receivables	59,417
	Short term deposits	-
2,155,867		1,044,906
Non Current		
9,776,074	Financial Assets at fair value through profit or loss	10,998,142
-	Financial Assets at fair value through equity	-
-	Held to maturity investments	-
410,912	Loans	305,778
10,186,986		11,303,920
12,342,853	Total Current and Non Current	12,348,825

By Asset Class

7,336,622	Fixed Interest	6,238,308
1,487,566	Australasian Equities	2,650,380
1,928,040	International Equities	2,493,827
473,837	Loans	365,195
530,178	Property Equities	-
586,610	Alternative Asset Classes	601,116
12,342,853		12,348,826

There was no impairment provision for Other Financial Assets.

These investments are held by Council in accordance with it's Investment Policy to create income to be used to fund council activities and to be able to be reinvested to ensure portfolio growth over time.

10 Property, Plant and equipment

Council Operational Assets

2018	Cost/revaln 1 July 17	Accumulated Depreciation/ Impairment 1 July 17	Carrying amount 1 July 17	Current year additions	Current year disposals	Current year impairment	Tsfr on disposal	Deprn year depreciation	Revaluation Surplus	Cost/ Revaln 30 June 18	Accumulated Deprn/Impair 30 June 18	Carrying amount 30 June 18
Land	1411000	0	1411000	26080						1437080	0	1437080
Quarry Development	522957	0	522957	398000		0		-35120		920957	-35120	885837
Buildings	1538773	-469569	1069204					-32567		1538773	-502136	1036637
Plant & equipment	2508161	-1906440	601721	239101				-159296		2747262	-2065736	681525
Vehicles	954285	-467171	487113	38189	-35766		35525	-130094		956707	-561740	394967
	6935176	-2843180	4091995	701370	-35766	0	35525	-357077	0	7600779	-3164733	4436046

Council Infrastructure Assets

River, Drainage & Coastal Protection Assets

Canavans Knob	349549	0	349549	0	0	0	0	0	0	349549	0	349549
Coal Creek	2289269	0	2289269	0	0	0	0	0	0	2289269	0	2289269
Franz Josef	3511520	0	3511520	0	0	0	0	0	0	3511520	0	3511520
Inchbonnie	2869200	0	2869200	0	0	0	0	0	0	2869200	0	2869200
Kaniere	402056	0	402056	137112	0	0	0	0	0	539168	0	539168
Karamea	3696647	0	3696647	0	0	0	0	0	0	3696647	0	3696647
Kongahu Swamp	614317	0	614317	0	0	0	0	0	0	614317	0	614317
Kowhitirangi	4196397	0	4196397	0	0	0	0	0	0	4196397	0	4196397
Lower Waiho	2982847	0	2982847	0	0	0	0	0	0	2982847	0	2982847
Matainui Creek	52654	0	52654	0	0	0	0	0	0	52654	0	52654
Nelson Creek	2373791	0	2373791	0	0	0	0	0	0	2373791	0	2373791
Raft Creek	295593	0	295593	0	0	0	0	0	0	295593	0	295593
Redjacks	553739	0	553739	0	0	0	0	0	0	553739	0	553739
Taramakau Settlement	8672995	0	8672995	0	0	0	0	0	0	8672995	0	8672995
Vine Creek	1907347	0	1907347	0	0	0	0	0	0	1907347	0	1907347
Waitangitaona	2327591	0	2327591	0	0	0	0	0	0	2327591	0	2327591
Wanganui	15720446	0	15720446	54872	0	0	0	0	0	15775318	0	15775318
Okuru	814790	0	814790	0	0	0	0	0	0	814790	0	814790
Hokitika South Bank	967664	0	967664	0	0	0	0	0	0	967664	0	967664
Punakaiki	1631877	0	1631877	313360	0	0	0	0	0	1945237	0	1945237
Hokitika Seawall	1903784	0	1903784	0	0	0	0	0	0	1903784	0	1903784
	58134073	0	58134073	505344	0	0	0	0	0	58639417	0	58639417
TOTAL	65069249	-2843180	62226068	1206714	-35766	0	35525	-357077	0	66240196	-3164733	63075463

Council Operational Assets

2017	Cost/revaln	Accumulated Depreciation/ Impairment	Carrying amount	Current year additions	Current year disposals	Current year impairment	Tsfr Deprn on disposal	Current year depreciation	Revaluation Surplus	Cost/ Revaln	Accumulated Deprn/Impairment	Carrying amount
	1 July 2016	1 July 16	1 July 16							30 June 17	30 June 17	30 June 17
Land	1624261	0	1624261			-235000			21739	1411000	0	1411000
Quarry Development	522957	0	522957							522957	0	522957
Buildings	1538773	-437031	1101742					-32538		1538773	-469569	1069204
Plant & equipment	2264082	-1753796	510286	244079				-152644		2508161	-1906440	601721
Vehicles	938405	-384948	553457	97210	-81330		52846	-135070		954285	-467172	487113
	6888478	-2575774	4312702	341289	216330	0	52846	-320252	21739	6935176	-2843181	4091995

Council Infrastructure Assets

River, Drainage & Coastal Protection Assets

Canavans Knob	349549	0	349549	0	0	0	0	0	0	349549	0	349549
Coal Creek	2289269	0	2289269	0	0	0	0	0	0	2289269	0	2289269
Franz Josef	3397364	0	3397364	114156	0	0	0	0	0	3511520	0	3511520
Inchbonnie	2869200	0	2869200	0	0	0	0	0	0	2869200	0	2869200
Kaniere	402056	0	402056	0	0	0	0	0	0	402056	0	402056
Karamea	3696647	0	3696647	0	0	0	0	0	0	3696647	0	3696647
Kongahu Swamp	614317	0	614317	0	0	0	0	0	0	614317	0	614317
Kowhitirangi	4196397	0	4196397	0	0	0	0	0	0	4196397	0	4196397
Lower Waiho	2982847	0	2982847	0	0	0	0	0	0	2982847	0	2982847
Matainui Creek	52654	0	52654	0	0	0	0	0	0	52654	0	52654
Nelson Creek	2373791	0	2373791	0	0	0	0	0	0	2373791	0	2373791
Raft Creek	295593	0	295593	0	0	0	0	0	0	295593	0	295593
Redjacks	553739	0	553739	0	0	0	0	0	0	553739	0	553739
Taramakau Settlement	8672995	0	8672995	0	0	0	0	0	0	8672995	0	8672995
Vine Creek	1907347	0	1907347	0	0	0	0	0	0	1907347	0	1907347
Waitangitona	2327591	0	2327591	0	0	0	0	0	0	2327591	0	2327591
Wanganui	15605408	0	15605408	115038	0	0	0	0	0	15720446	0	15720446
Okuru	814790	0	814790	0	0	0	0	0	0	814790	0	814790
Hokitika South Bank	967664	0	967664	0	0	0	0	0	0	967664	0	967664
Punakaiki	1583887	0	1583887	47990	0	0	0	0	0	1631877	0	1631877
Hokitika Seawall	1903784		1903784	0	0	0	0	0	0	1903784	0	1903784
	57856889	0	57856889	277184	0	0	0	0	0	58134073	0	58134073
Total	64745365	-2575774	62169591	618473	-316330	0	52846	-320252	21739	65069249	-2843181	62226069

11 Intangible Assets 2018	Cost	Accumulated Amortisation/ Impairment	Carrying Amount	Current year additions	Current year disposals	Current year impairment	Tsfr Deprn on dispose	Current year amortisation	Revaluatio Surplus	Cost/ Revaln	Accumulated Deprn/Impairn	Carrying amount
	1 July 17	1 July 17	1 July 17							30 June 18	30 June 18	30 June 18
Computer Software	369742	-190644	179098	0	0	0	0	-33352		369742	-223996	145746
										0		0
	369742	-190644	179098	0	0	0	0	-33352	0	369742	-223996	145746

Intangible Assets 2017	Cost	Accumulated Amortisation/ Impairment	Carrying Amount	Current year additions	Current year disposals	Current year impairment	Tsfr Amorti on dispose	Current year amortisation		Cost/ Revaln	Accumulated Amortisation/ Impairment	Carrying amount
	1 July 16	1 July 16	1 July 16							30 June 17	30 June 17	30 June 17
Computer Software	369742	-157291	212451	0	0	0	0	-33353		369742	-190644	179098
	369742	-157291	212451	0	0	0	0	-33353	0	369742	-190644	179098

12	Investment Property	Actual 2018
	Balance @ 1 July	1,480,000
	Additions from acquisitions	-
	Additions from subsequent expenditure	-
	Disposals	-
	Transfer to inventory	-
	Fair value gains / -losses on valuation	-
	Closing Balance 30 June	<u>1,480,000</u>

13	Actual 2017	Depreciation and Amortisation Expense by Groups of Activities	Actual 2018
		Required by Local Government (Financial Reporting) Regulations 2011	
	-	Governance	-
	8,849	Economic Development Office	8,931
	6,696	Resource Management	17,876
	-	Transport	-
	50,612	Hydrology and Floodwarning Services	47,713
	7,368	Emergency Management	7,263
	11,756	River, Drainage & Coastal Protection	46,984
	76,376	Vector Control Services Business Unit	69,295
		Other	542
	<u>161,657</u>		<u>198,604</u>
	191,948	Corporate (not directly related to Groups of Activities)	191,826
	<u>353,605</u>		<u>390,430</u>

14 Statement of Significant Capital Acquisitions

Actual 2017	Group of Activities	Type	Actual 2018	Budget 2018
\$ 77,608	Resource Management	Plant Replacement existing	\$ -	\$ -
\$ 965	Economic Development Office	Plant Improve level of service	\$ -	\$ -
\$ -	Economic Development Office	F & F Improve level of service	\$ -	\$ -
\$ -	Hydrology	Plant Improve level of service	\$ 48,888	\$ -
\$ 43,815	Hydrology	Plant Replacement existing	\$ 28,928	\$ 63,060
\$ 1,427	VCS Business Unit	Plant Improve level of service	\$ 65,209	\$ -
\$ -	VCS Business Unit	Plant Replacement existing	\$ 12,606	\$ 87,233
\$ -	VCS Business Unit	Vehicles Replacement existing	\$ -	\$ -
\$ 678	River, Drainage, Coastal	Plant Improve level of service	\$ -	\$ -
\$277,184	River, Drainage, Coastal	Infrastructure Improve level of service	\$ 505,344	\$ -
\$ -	River, Drainage, Coastal	Infrastructure Improve level of service	\$ 26,080	\$ -
\$ -	River, Drainage, Coastal	Quarry Improve level of service	\$ 398,000	\$ -
<u>\$401,677</u>			<u>\$1,085,055</u>	<u>\$ 150,293</u>

Not directly related to Groups of Activities

\$ 60,641	Corporate	Plant Replacement existing	\$ 54,699	\$ 15,765
\$ -	Corporate	Improve level of service	\$ 10,647	\$ -
\$ -	Corporate	Improve level of service	\$ -	\$ -
\$ -	Corporate	Improve level of service	\$ 2,981	\$ -
\$ 8,720	Corporate	F&F Replacement existing	\$ 5,882	\$ -
\$ 9,161	Corporate	Plant Improve level of service	\$ -	\$ -
\$ 33,581	Corporate	Plant Replacement existing	\$ 9,261	\$ -
\$ 7,483	Corporate	Plant Replacement existing	\$ -	\$ -
\$ 97,210	Corporate	Vehicles Replacement existing	\$ 38,189	\$ -
\$ -	Corporate	Plant Replacement existing	\$ -	\$ -
<u>\$216,796</u>			<u>\$ 121,659</u>	<u>\$ 15,765</u>
<u>\$618,473</u>			<u>\$1,206,715</u>	<u>\$ 166,058</u>

SUMMARY

\$288,737	Improve level of service	\$1,057,149	\$ -
\$329,736	Replace existing	\$ 149,565	\$ 166,058
<u>\$618,473</u>		<u>\$1,206,714</u>	<u>\$ 166,058</u>

15 Actual 2017 Trade and Other Payables

Actual 2018

781,377	Trade Payables	1,224,745
845,669	Deposits and bonds	931,025
160,248	Accrued Expenses	128,870
58,152	Other Revenue in Advance	79,098
113,717	Rates in advance	135,654
-	Due to related parties	-
<u>1,959,163</u>		<u>2,499,392</u>

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

16 Actual 2017	Employee Benefit Liabilities	Actual 2018
104,034	Accrued payroll	137,940
-	Other	-
197,663	Annual Leave	287,048
22,692	Long Service Leave	24,658
13,867	Time in Lieu	20,554
6,209	Alternative Holidays	11,113
<u>122,000</u>	Accrued bonus provision	<u>51,437</u>
466,465		532,750
456,357	Current	532,750
<u>10,108</u>	Non Current	<u>-</u>
<u>466,465</u>		<u>532,750</u>

17 Actual 2017	Borrowing	Actual 2018
<u>387,819</u>	Current	<u>434,631</u>
387,819		434,631
<u>5,291,745</u>	Non Current	<u>7,433,461</u>
5,291,745		7,433,461
<u>5,679,564</u>	Total Borrowings	<u>7,868,092</u>

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.

Facility - The Multi option credit line is for a total of \$8,500,000 and expires on 1 July 2019.

18 Actual 2017	Derivative Financial Instruments	Actual 2018
	Current Assets	
-	Foreign Exchange hedge	-
-	Non Current Assets	-
<u>-</u>	Total Derivative Financial Instrument Assets	<u>-</u>
	Current liabilities	
	Foreign Exchange Hedges	-
	Non Current Liabilities	
132,611	Interest Rate swaps - Cash Flow Hedges	73,939
<u>132,611</u>	Total Derivative Financial Instrument	<u>73,939</u>

The fair values of interest rate swaps have been determined by calculating the expected future 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.

19 Actual 2017	Investment in Associate @ 30 June (49%)	Actual 2018
<u>1,005,969</u>	Investment in Pest Control Research LP	<u>1,027,811</u>

20 Actual 2017	Investment in Council Controlled Organisation @ 30 June (4%)	Actual 2018
<u>212,305</u>	Investment in Regional Software Holidngs Ltd	<u>208,202</u>

21 Actual 2017 Equity**Actual 2018**

a	Ratepayers Equity	
19,186,709	Balance 1 July	19,260,118
688,803	Surplus / (deficit) transferred	(859,635)
-	Adjustment to Rating district balances - prior year	-
(607,250)	Transfers (to)/from Rating District Equity	(384,415)
-	Transfers (to)/from Lake Brunner Project Funding	-
-	Revaluation Reserve Movement	-
-	Transfers (to)/from Tb targeted rate balance	-
(252,818)	Transfers (to)/from Quarry account balance	-
289,000	Transfers (to)/from Investment growth reserve	(94,000)
(44,326)	Transfers (to)/from Catastrophe Fund	(19,250)
<u>19,260,118</u>	Balance 30 June	<u>17,902,818</u>

Rating District Equity (River, Drainage & Coastal Protection Schemes)

b	1,816,030	Balance 1 July	2,423,280
	1,897,748	Revenue	1,330,131
	(1,117,034)	Expenditure	(1,097,445)
	8,120	Prior Period Adjustment	
	-	Loan Raised	354,000
	(181,584)	Loan Principal repaid	(202,271)
	<u>2,423,280</u>	Balance 30 June	<u>2,807,695</u>

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

Asset Revaluation Reserves

c	Infrastructure Assets	
38,339,289	Opening Balance	38,339,289
-	Revaluation gains / (losses)	-
<u>38,339,289</u>		<u>38,339,289</u>

Land

-	Opening Balance	-
-	Revaluation gains / (losses)	-
-		-
<u>38,339,289</u>	Total Revaluation Reserve	<u>38,339,289</u>

d	Investment Growth Reserve	
10,010,000	Balance 1 July	9,721,000
(289,000)	Transfer (to) / from Ratepayers Equity	94,000
<u>9,721,000</u>	Balance 30 June	<u>9,815,000</u>

Quarry Account

(252,818)	Balance 1 July	-
252,818	Transfer (to) / from Ratepayers Equity	
-	Balance 30 June	-

e	Catastrophe Fund	
976,554	Balance 1 July	1,020,880
44,326	Transfer (to) / from Ratepayers Equity	19,250
<u>1,020,880</u>	Balance 30 June	<u>1,040,130</u>

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

22. Capital commitments and operating leases

West Coast Regional Council had no commitments as at 30 June 2018 (2017 nil).

23. Contingencies and Significant Post Balance Date Events

Contingent Liabilities @ 30 June 2018 Nil

(2017 Nil)

Contingent Assets @ 30 June 2018

\$157,025 as per note 24 (2017 \$157,025)

Significant Post Balance Date Events

Council sold 51% of its interest in Pest Control Research Limited Partnership on 6 July 2018 (Refer also Note 28).

24 Related Party Transaction

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

VCS Business Unit will recover the costs of the resource consent and various marketing costs (\$157,000 @ 30 June 2018) + a % of the sale price if a sale agreement for the Dredge is secured. There can be no absolute certainty of recovery of these costs until a sale agreement for the Dredge is secured.

During 2017/18 no costs were incurred by VCS Business unit with regard to this consent.
(2016/17 \$Nil)

25 Severance Payments

There was no severance payment made to 30 June 2018. (2017 \$37,917)

26 Future Quarry Restoration Liability at 30 June 2018.

Assessed liability as at 30 June 2018 \$398,000. This liability is calculated using a net present value approach to discounting future cash flows.

(2017 \$70,000)

(a) Restoration Provision Note

The Council holds Mining permits for eight quarry sites. The provision for restoration of quarries is provided to satisfy obligations relating to site restoration once mining is completed. The timing of expected cash outflow is between 15-50 years and is based on the remaining life to expiry of the permit. The permits may be renewed and this would likely extend the timeframes until the outflow of cash are required. The provision is calculated using a discounted cashflow model based on current expectations of costs to restore the sites. Please see note 27.

	Actual 2018
Opening Balance 1 July 2017	70,000
Additions to the provision	328,000
Closing Balance 30 June 2018	<u>398,000</u>

27 Critical Accounting estimates and judgements

The provision for restoration requires estimates of the future costs of restoration of eight mining sites. Discounted cash flow analysis is used to assess the future liability and this is peer reviewed. The major assumption inputs into the estimate that could have a material impact on the provision amount in the next 12 months are outlined below:

Discount rate: The discount rate applied to the provision is 3.15% to 4.05% depending on the life of the quarry. This is the New Zealand Treasury risk free rate and is updated if required each year. Management consider it unlikely that the Treasury risk free rate will change materially in the next 12 months.

Expected costs: The expected costs of restoration are considered for each site and estimated based on current requirements and usage of the assets. This estimate is updated each year and management considers it highly unlikely that this assumption will materially change in the next 12 months. However, if the regulation of environment restoration changed during the year, this could have a material impact on the provision.

Timing of outflow: The estimates are based on cash outflows being required at the end of the remaining life of the permit. This is between 15-50 years depending on the site. It is highly unlikely that the timing of these cash outflows will change within the next 12 months. However, if the cash out flows were required significantly earlier (for example the remaining life of permits were shortened) this could have a material impact on the provision balance, due to the discounted cash flow model used.

28 Pest Control Limited Partnership

Council holds a 49% interest in Pest Control Limited Partnership. on 29 June Council acquired the remaining 51% of the Partnership, with the purpose of disposing of this interest prior to the year end. However, at year end Council were in the final stages of negotiation for the disposal of 51% interest, this disposal took place on 6 July 2018.

Below are the major assets and liabilities acquired in the transaction, as well as the consideration paid.

	Actual 2018
Current Assets:	
Cash	275,652
Trade Debtors	229,652
Stock	500,601
Non Current Assets	741,168
Current Liabilities	174,157
Non Current Liabilities	-
Net Assets acquired	1,572,916
Goodwill	756,548
Total net assets and goodwill acquired	<u>2,329,464</u>
Consideration paid	2,329,464
Consisting of:	
Cash	1,285,961
Prior held interest	1,043,503

As Council were in the final stages of negotiations, the 51% interest has been accounted for as a held for sale asset within the parent accounts, with the remaining 49% continuing to be accounted for as an investment in an associated using the equity method.

On transfer to held for sale assets the 51% interest in the Partnership had a carrying value of \$1.286 million and was re measured to fair value less costs to sell, which resulted in an impairment of \$256k being recognized in profit and loss and a carrying value of \$1.029 million.

The Council's 49% interest in the partnership was also tested for impairment, resulting in \$15k being recognized in the profit and loss. The movement in the investment in associate is shown below:

	Actual 2018
Opening Balance 1 July 2017	1,005,969
Profit recognised in the period	37,533
Impairment	<u>(15,692)</u>
Closing Balance 30 June 2018	<u>1,027,810</u>

At year end Council controlled the partnership as outlined above. However Council consolidated accounts have not been produced, as due to the interest in the partnership being classified as held for sale and the disposal being in final stages of completion the impact of not producing group accounts is not considered material for Council. Outlined below is the impact on the balance sheet if the Partnership had been consolidated at year end.

	Parent Accounts as at 30 June 2018	Group Accounts as at 30 June 2018
Current Assets	5,198,173	6,400,141
Non Current Assets	<u>77,241,141</u>	<u>76,213,331</u>
Total Assets	<u>82,439,315</u>	<u>82,613,472</u>
Current Liabilities	(4,628,983)	(4,803,140)
Non Current Liabilities	<u>(7,905,400)</u>	<u>(7,905,400)</u>
Total Liabilities	<u>(12,534,383)</u>	<u>(12,708,540)</u>
Equity	<u><u>69,904,932</u></u>	<u><u>69,904,932</u></u>

Management consider the treatment of the 51% of Pest Control Limited Partnership as a held for sale is appropriate and reflects the nature of the transaction.

The differences in the Group Accounts compared to the Parent Accounts are;

- In the Assets section, 100% of the assets of PCLP are classified as a current asset held for sale in the group accounts, but only the 51% interest is presented as a current asset held for sale in the parent accounts.
 - In the liabilities section, 100% of the liabilities of PCLP are classified as a current liability held for sale in the group accounts, but no liabilities are presented in the parent accounts as they are part of the overall 51% investment carrying value held for sale in the parent accounts.
- 1) Pest Control Research Limited Partnership (PCR LP) business entity in the manufacture of Pest Control Products.
 - 2) PCR LP balance date is 31 March 2018, and the 31 March accounts are used for consolidation as it is not practicable to get audited financial statements at 30 June 2018. Council has previewed the transactions 1 April 2018 – 30 June 2018 for significant transactions and no adjustment for significant transactions were necessary.

29 Rating Base Information Required to be disclosed pursuant to the Local Government 2002 Amendment Act 2015

(a)	The number of rating units within the West Coast region as at 30 June 2017	22,285
(b)	The total capital value of these rating units as at 30 June 2017	\$7,473,096,200
(c)	The total land value within the West Coast region as at 30 June 2017	\$3,898,625,500

30 Information regarding Insurance of Assets as at 30 June 2018

(a)	The total value of all assets of the West Coast Regional Council that are covered by insurance contracts.	
	Land & Buildings, Plant & equipment, Motor Vehicles, Commercial Property Values included in Statement of Financial Position.	\$5,176,786
	Buildings are insured for replacement values Plant & Equipment is insured for indemnity value Motor Vehicles are insured for market value Inventory is insured for indemnity value	\$7,619,600 \$800,000 \$630,500 \$200,000
(b)	Total value of assets that are covered by risk sharing arrangements	\$58,639,417
(c)	Total value of assets that are self-insured	Nil

Governance

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

Key Changes from the 2015/2025 Long Term Plan: None.

Levels of Service	Measure	Performance Target	Achievement		
			Councillor	attendance	%
	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.	Clr Robb	14 out of 14	100%
			Clr Clementson	13 out of 14	93%
			Clr Birchfield	14 out of 14	100%
			Clr Ewen	14 out of 14	100%
	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.	Clr Challenger	14 out of 14	100%
			Clr McDonnell	13 out of 14	93%
			Clr Archer	12 out of 14	86%
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.	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.	Not Achieved. The audited Annual Report for the year to 30 June 2018 was adopted by Council at the Council meeting on 21 December 2018. The audited Long Term Plan beginning 1 July 2018 was required to be adopted prior to 1 July 2018, it was not adopted until 18 September 2018.		
			Achieved. The rates instalments, which were sent out in September 2017 and March 2018, contained the usual newsletters. Council website continues to be updated whenever submissions are invited on a new or revised policy document.		
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 Ngāti Waewae representatives as appointees to the Council's resource management committee, to enable Maori participation in resource management decision-making.	Achieved. Council has continued to invite both Makaawhio and Ngāti Waewae representatives to attend all Resource Management Committee meetings.		

Resource Management Activities

Background

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

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

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

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

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

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

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

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

Key Changes from the Long Term Plan for 2015/25: None

Levels of Service	Measure	Performance Target	Achievement																															
<p>To maintain or enhance water quality in the West Coast's rivers.</p>	<p>State of Environment Monitoring. Ammoniacal nitrogen, periphyton, clarity, turbidity and faecal coliforms are measured quarterly at 38 river sites. These parameters characterise the water quality of West Coast rivers and have been measured since 1996.</p>	<p>Improvement of these parameters, when compared with a baseline of 1996 data on water quality.</p>	<table border="1" data-bbox="1361 165 2022 560"> <thead> <tr> <th data-bbox="1361 165 1574 240">Achieved</th> <th data-bbox="1574 165 1731 240"></th> <th data-bbox="1731 165 1868 240"></th> <th data-bbox="1868 165 2022 240"></th> </tr> <tr> <td></td> <th data-bbox="1574 240 1731 316">% sites improving</th> <th data-bbox="1731 240 1868 316">% sites declining</th> <th data-bbox="1868 240 2022 316">% sites no change</th> </tr> </thead> <tbody> <tr> <td data-bbox="1361 316 1574 347">Ammonia-N (2)</td> <td data-bbox="1574 316 1731 347">61</td> <td data-bbox="1731 316 1868 347">0</td> <td data-bbox="1868 316 2022 347">39</td> </tr> <tr> <td data-bbox="1361 347 1574 403">Faecal Coliforms (2)</td> <td data-bbox="1574 347 1731 403">13</td> <td data-bbox="1731 347 1868 403">18</td> <td data-bbox="1868 347 2022 403">68</td> </tr> <tr> <td data-bbox="1361 403 1574 459">Turbidity (2)</td> <td data-bbox="1574 403 1731 459">26</td> <td data-bbox="1731 403 1868 459">8</td> <td data-bbox="1868 403 2022 459">66</td> </tr> <tr> <td data-bbox="1361 459 1574 507">Water Clarity (2)</td> <td data-bbox="1574 459 1731 507">37</td> <td data-bbox="1731 459 1868 507">20</td> <td data-bbox="1868 459 2022 507">43</td> </tr> <tr> <td data-bbox="1361 507 1574 560">Periphyton (1)</td> <td data-bbox="1574 507 1731 560">90</td> <td data-bbox="1731 507 1868 560">10</td> <td data-bbox="1868 507 2022 560">0</td> </tr> </tbody> </table> <p data-bbox="1361 560 2022 938"> Note: (1) Periphyton is assessed by comparing the current rolling 5 year mean with a baseline 2002 – 2006 mean. (2) For ammoniacal nitrogen, clarity, turbidity, and faecal coliforms, trends are assessed using Seasonal Kendal trend testing (4 seasons beginning in March, no medians). Only sites with 20 or more data points will be considered for this assessment. An important change is one that has: a P value of less than 0.05, and a percent annual change of the median of more than 1%. The whole data record is used for each site. </p>				Achieved					% sites improving	% sites declining	% sites no change	Ammonia-N (2)	61	0	39	Faecal Coliforms (2)	13	18	68	Turbidity (2)	26	8	66	Water Clarity (2)	37	20	43	Periphyton (1)	90	10	0
	Achieved																																	
	% sites improving	% sites declining	% sites no change																															
Ammonia-N (2)	61	0	39																															
Faecal Coliforms (2)	13	18	68																															
Turbidity (2)	26	8	66																															
Water Clarity (2)	37	20	43																															
Periphyton (1)	90	10	0																															
<p>Compliance Monitoring for Discharges. The number of compliant or non-compliant point source discharges to water, or discharges likely to enter water; and council's response to any non-compliance.</p>	<p>All significant consented discharges¹ are monitored at least annually, and all dairy sheds at least bi-annually depending on each individual compliance record. All non-compliance publicly reported to the Resource Management Committee and are responded to using Council's Enforcement policy.</p>	<p>Progress continues to be made towards meeting target. There were 86 active and 11 inactive mine site visits during the period (most visited multiple times). Target was not achieved for dairy monitoring, with 92% of required sheds being visited during the period. This was related to staff changes within the compliance team within the period.</p> <p>An audit of District Council and Regional Council held consents is also planned over the next 12 months to ensure complete monitoring of these consents.</p> <p>Not all non-compliances have been reported to the Resource Management Committee due to the above.</p>																																

Levels of Service	Measure	Performance Target	Achievement
To maintain or enhance the water quality in Lake Brunner.	The trophic state of Lake Brunner is measured by the Trophic Level Index (TLI) which combines clarity, nutrient and algal measures. The rolling 5-year mean is compared with a 2002-2006 baseline mean.	The annual (rolling 5-year mean) TLI of Lake Brunner is less than the 2002-2006 TLI baseline mean of 2.79.	Achieved: The Lake Brunner TLI score 5 year rolling mean from 20 March 2013 to 21 March 2018 (latest results) was 2.72 (2016: 2.72)
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 Section 42A Staff Recommending Reports for the Proposed Regional Policy Statement and Plan change 1 were finalised, and hearings held in May and June respectively. The Section 42A Report of Coastal Plan submission was progressed.
Advocate for the West Coast interests when external environmental policymaking may affect the West Coast	Number of submission 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. Submissions were made on the National Planning Standards discussion Document in July 2017, the Proposed National Environmental Standard for Marine Aquaculture in August 2017, and the Local Government commission's proposal for One District Plan in May 2018.

To Maintain or enhance the life supporting capacity and amenity value of the West coast's rivers	<p>Stream Ecosystem Health. Instream macroinvertebrate community health (SQMCI) scores are measured at 29 river sites. The values for each site are calculated using five year rolling means and comparing them to baseline means calculated from data from 2005-2009.</p>	<p>Macroinvertebrate health index1 (SQMCI) mean is higher, or no more than 20% lower, than the baseline mean.</p>	<p>Not achieved.</p> <p>Six out of 29 sites in Autumn had a five yearly rolling mean that was more than 20% lower than the baseline mean. These sites were Baker ck @ Oparara Rd, Bradshaws Ck @ Bradshaw Rd, Burkes Ck @ SH69, Orowaiti Rv @ Excelsior Rd, Page Strm @ Chasm Ck Walkway, Sawyers Ck @ Dixon Park.</p> <p>Macroinvertebrate data is collected twice a year in spring and autumn.</p> <p>Macroinvertebrate are to an extent dynamic and respond to many environment factors such as climate variability, habitat and water quality. It is possible that are reduction in habitat and water quality has led to deterioration in stream health. The magnitude of change and the duration it occurs at will be informative.</p>
	<p>Bathing Beach Sampling. 16 swimming sites are sampled, ten times per summer season (fortnightly) for E coli (moderate-high risk > 550) or Enterococci (moderate-high risk > 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.</p> <p>One out the 18 sites did not meet the target.</p> <p>During the 2017-2018 season Kaniere River at Kaniere Kokatahi Rd exceeded the moderate-high risk category more than 10% of the time. This site is currently sampled fortnightly.</p> <p>E coli comes from all land, whether urban, agricultural or forest. Urban and agricultural land use normally lead to higher concentrations.</p> <p>Higher E coli concentrations will always occur during we weather. The region, having high rainfall, is prone to E coli exceedances. Anthropogenic sources of E coli (eg livestock and urban stormwater) are the most likely sources of exceedances, however there are examples when water birds in large congregations have led E Coli spikes.</p> <p>Investigations are continuing.</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.</p> <p>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>Achieved.</p> <p>In Summer and Winter 2018, all 24 wells used for human consumption were within guidelines (2017: 23 out of 23).</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 PM₁₀ (airborne particles smaller than ten micrometers, which affect human respiration).</p> <p>The threshold is a 24hr mean PM₁₀ of 50 micrograms/m³.</p>	<p>NES Requirement: 24hr PM₁₀ values do not exceed the NES threshold more than three times in one year, between 2016 & 2020; whereas after 2020 only 1 exceedance per year is allowed.</p>	<p>Achieved.</p> <p>There have been no exceedances of the NES standard in winter 2018 to date (20-7-18).</p>

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 ¹ within 20 working days of receipt.	<p>Not Achieved:</p> <p>There were eight resource consents which were not processed within the legislative time frame according to the RMA and were subject to the discounting regulations from 4% to 13% at a total cost of \$335.30 excluding GST. The eight resource consents consisted of four mining variations and four whitebait consents. The reason this target wasn't achieved was reduced staff over the last three months of the financial year and the whitebait resource consents coming up for 10 year renewal of which there are a significant number.</p> <p>At least 95% of mining work programmes submitted were processed during the period, although not all within the 20 day timeframe. When considering delays due to further information being supplied, site visits or other consents required, it is considered the intent of this target to be met.</p>
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.	<p>Achieved.</p> <p>All genuine complaints are responded to within 24 hours where necessary, and reported publicly to the Resource Management Committee each month.</p>
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.	<p>No major spills occurred during the reporting period.</p> <p>Maritime NZ requirements now state that ten staff are required. Number of trained responders is well in exceedance of 10.</p>

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

Regional Transport Planning

Background

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

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 2015/25: None.

Levels of Service	Measure	Performance Target	Achievement
Maintain a Regional Land Transport Plan in compliance with relevant legislation and is acceptable to the West Coast community.	An operative Regional Land Transport Plan.	Compliance with statutory requirements for the preparation, review and implementation of the Regional Transport Plan and Passenger Transport Plan.	<p>Achieved.</p> <p>The RTC reviewed the Regional Land Transport Plan during 2017 and the start of 2018. The reviewed document was lodged with the Regional Council in June 2018. Council approved the document and submitted the Interim Review on the Regional Land Transport Plan 2015-2021 to NZTA in June 2018.</p> <p>The Regional Passenger Transport Plan does not require a review to be undertaken until 2021.</p>

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 2015/25: 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.	<p>Achieved.</p> <p>All flood events during the period were responded to in accordance with the flood warning manual procedures and data was available on the Council website. To find where a monitored site was not continuously available at any given time, would be an extremely arduous task. Our response is more likely to be that there are some instances where communication may be down due to atmospheric conditions, faulty sensors or inaccurate data. As a result, it is not possible to have continuous communication on all sites all the time. As such, the council has reviewed this key performance indicator and settled on a percentage basis instead. For the current year, continuous monitoring was available 99.9% of the time.</p>

	Installation and operation of new recorder sites.	Install new flood warning and low flow sites as per the approved and funded plans.	<p>Achieved. All new installations complete for 17/18 financial year.</p> <ul style="list-style-type: none"> • Mawheraiti Rv @ Atarau rain gauge. • Orikaka Rv @ gorge flow recorder. • Orikaka Rv @ Plateau rain gauge.
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Emergency Management

Background

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

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

The Regional Council is the administering authority for the West Coast CDEM Group. The West Coast CDEM Group Plan was prepared in 2017, 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.

Key Changes from the Long Term Plan for 2015/25: None.

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 current CDEM plan is operative however the CDEM Act 2016 amendment requires the Group Plan to incorporate Strategic Planning for Recovery. The group plan has been updated and approved by CEG, it now requires sign off by joint Committee, which was subsequently signed off on the 21 August 2018.
	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 There were over 135 staff across the Region to trained to fulfil roles in the EOC's. There is also ongoing specific training to keep staff current of which was the following: Coordinated Incident Management System trained: 6 EOC Function specific trained staff: 96 Welfare trained staff: 39

River, Drainage and Coastal Protection Works

Background

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

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

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

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

Management plans have been prepared for each rock quarry. The speed of quarry development is driven by demand for rock, therefore the performance targets focus on the process for managing the quarries. There generally appears to be sufficient rock in the existing quarries to supply the anticipated level of maintenance or additions to existing protection works in the existing Rating Districts, however there are not always rock sources close by to the flood and river protection works that need repair or maintenance.

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

Key Changes from the Long Term Plan for 2015/25: 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. All requests for rock was delivered within the specified timeframe.
	Number of site inspections to monitor contractor health and safety and performance.	Visit each active quarry site at least twice a year, when contractors are working the quarry (where possible), to ensure Health and Safety standards and other permit requirements are being adhered to.	Achieved: Each quarry was visited twice a year while contractors were working and the necessary permits and health and safety standards required of the contractors were observed and deemed satisfactory.

Other Levels of Service	Measure	Performance Targets	Achievement
<p>Meet or exceed the flood protection, drainage or erosion protection levels as described in the 'levels of service – background' section above.</p>	<p>Completion of rating district works and annual consultation meetings (where material works are proposed).</p>	<p>Complete all rating district meetings, and perform all repair and maintenance works as agreed at those meetings.</p>	<p>All inspections were undertaken before the 2017 Rating District meetings, however there is no formal record of monitoring for the periods between rating district annual general meetings.</p> <p>Works have been carried out during the year in the following areas to return assets to agreed service levels;</p> <ul style="list-style-type: none"> • Kaniere • Punakaiki • Wanganui • Mokihinui • Karamea • Coal Creek • Inchbonnie • Tarakamakau • Franz Josef • Waitangitoana • Lower Waiho • Greymouth Floodwall
	<p>Proportion of schemes performing to their agreed service level.</p>	<p>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.</p>	<p>Achieved.</p> <p>Infrastructure is re-inspected following heavy rainfall events to ensure it will perform to agreed service levels.</p>
	<p>Meet timeframes for plan review</p>	<p>Review Rating District Asset Management Plans and update registers that were not reviewed or updated within the last 3 years.</p>	<p>Achieved</p> <p>These reviews were completed by 31 October 2017.</p>

Vector Control Services Business Unit

Background

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

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

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

Key Changes from the Long Term Plan for 2015/25: Non

Levels of Service	Measure	Performance Targets	Achievement
To produce a financial surplus (to offset general rates) by tendering for, winning and delivering on vector control contracts.	Achieve or exceed budgeted financial return.	Tender for, and win, sufficient contracts to provide or exceed the annual budgeted return to Council.	Not Achieved. The late withdrawal of a ground control contract and an uncompleted aerial operation due to weather issues prevented the targets from being met. Council budgeted for a return of \$557,000 however the actual return was \$319,333 a difference of \$237,667
To provide marine oil spill and terrestrial hazardous substance spill support, and biosecurity response services for the MNZ, MPI and the Regional Council.	Availability of trained staff.	Have staff available as a response unit for marine and terrestrial pollution spill events as per the MOU dated 11 November 2005.	Achieved.
	Availability of trained staff.	Have 4 staff plus a vehicle available for biosecurity emergencies, as per the National Biosecurity Capability Network agreement 2011.	Achieved. Staff and a vehicle are available to assist with a national biosecurity emergency.

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

Annual Plan 2016/17	Annual Report 2016/17		Annual Report 2017/18	Annual Plan 2017/18
West Coast Regional Council				
Sources of Funding				
2,272,000	2,263,594	General Rates	2,332,056	2,330,000
60,000	49,353	Rates Penalties	46,144	60,000
1,459,950	1,352,773	Targeted Rates	1,848,877	1,917,714
90,613	383,144	Subsidies & Grants	212,118	82,330
4,808,360	9,361,209	Fees & Charges	5,393,004	5,049,125
890,968	1,081,572	Income from Investments	981,119	1,107,333
		Fines, Infringement Fees & Other Receipts	0	0
9,581,891	14,491,645	Total Operating Funding (A)	10,813,318	10,546,502
Applications of Operating Funding				
8,430,404	13,334,163	Payments to staff and suppliers	10,822,081	9,438,958
294,793	313,093	Finance costs	256,796	265,562
		Other operating funding applications	0	0
8,725,197	13,647,256	Total Applications of operating funding (B)	11,078,877	9,704,520
856,694	844,389	Surplus (deficit) of Operating Funding (A) - (B)	-265,559	841,982
Sources of Capital Funding				
		Subsidies and Grants	0	
		Development and Financial Contributions	0	
-372,419	-1,383,196	Increase (decrease) in debt	2,188,527	18,665
186,97	195,804	Gross Proceeds Sale assets	10,796	20,752
		Lump sum contributions	0	0
-353,722	-1,187,392	Total Sources of capital funding (C)	2,199,323	39,417
Applications of capital funding				
0		Capital expenditure-additional demand	0	0
57,800	239,320	Capital expenditure-improved levels of service	554,232	477,800
319,000	331,163	Capital expenditure-replace existing assets	254,481	419,000
175,693	80,486	Increase (decrease) in investments	1,046,843	57,000
-49,521	-993,972	Increase (decrease) in reserves	78,208	-72,401
502,972	-343,003	Total applications of capital funding (D)	1,933,764	881,399
-856,694	-844,389	Surplus (Deficit) of Capital Funding (C) - (D)	265,559	-841,982
0	0	Funding Balance (A - B) + (C - D)	0	0

Long Term Plan 2016/17	Annual Report 2016/17		Annual Report 2017/18	Long Term Plan 2017/18
Governance				
Sources of Funding				
412,222	354,928	General Rates	314,748	404,083
	7,738	Rates Penalties	6,228	
109,000		Targeted Rates	0	109,000
	110,000	Subsidies & Grants	0	
	142,733	Fees & Charges	209,083	
		Internal Charges & Overheads Recovered		
522,103	179,192	Fines, Infringement Fees & Other Receipts	72,814	548,526
1,043,325	794,591	Total Operating Funding (A)	602,873	1,061,609
Applications of Operating Funding				
675,727	895,991	Payments to staff and suppliers	618,333	656,596
84,490	138,364	Finance costs	98,630	80,042
34,445	82,932	Internal charges and overheads applied	55,166	34,773
		Other operating funding applications		
794,662	1,117,287	Total Applications of operating funding (B)	772,129	771,411
248,663	-322,696	Surplus (deficit) of Operating Funding (A) - (B)	-169,256	290,198
Sources of Capital Funding				
		Subsidies and Grants	0	
		Development and Financial Contributions	0	
-165,062	-1,201,612	Increase (decrease) in debt	2,036,798	-162,307
18,699	195,804	Gross Proceeds Sale assets	10,796	14,419
		Lump sum contributions		
-146,363	-1,005,808	Total Sources of capital funding (C)	2,047,594	-147,888
Applications of capital funding				
		Capital expenditure-additional demand		
	10,126	Capital expenditure-improved levels of service	0	
142,990	207,635	Capital expenditure-replace existing assets	121,658	15,765
-508,434	-1,626,751	Increase (decrease) in reserves	709,837	-437,113
467,744	80,486	Increase (decrease) in investments	1,046,843	563,658
102,300	-1,328,504	Total applications of capital funding (D)	1,878,338	142,310
-248,663	322,696	Surplus (Deficit) of Capital Funding (C) - (D)	169,256	-290,198
0	0	Funding Balance (A - B) + (C - D)	0	0

Long Term Plan 2016/17	Annual Report 2016/17		Annual Report 2017/18	Long Term Plan 2017/18
Transport				
Sources of Funding				
53,078	40,570	General Rates	46,797	54,785
	885	Rates Penalties	926	
		Targeted Rates	0	
92,765	88,296	Subsidies & Grants	93,966	95,117
		Fees & Charges	0	
		Internal Charges & Overheads Recovered	0	
21,027	20,482	Fines, Infringement Fees & Other Receipts	21,071	21,021
<u>166,870</u>	<u>150,233</u>	Total Operating Funding (A)	162,759	170,923
Applications of Operating Funding				
121,911	114,761	Payments to staff and suppliers	124,437	125,352
		Finance costs	0	
44,959	49,498	Internal charges and overheads applied	70,364	45,571
		Other operating funding applications	0	
<u>166,870</u>	<u>164,259</u>	Total Applications of operating funding (B)	194,801	170,923
0	-14,026	Surplus (deficit) of Operating Funding (A) - (B)	-32,042	0
Sources of Capital Funding				
		Subsidies and Grants		
		Development and Financial Contributions		
		Increase (decrease) in debt		
		Gross Proceeds Sale assets		
		Lump sum contributions		
<u>0</u>	<u>0</u>	Total Sources of capital funding (C)	0	0
Applications of capital funding				
		Capital expenditure-additional demand		
		Capital expenditure-improved levels of service	0	
		Capital expenditure-replace existing assets	0	
	-14,026	Increase (decrease) in reserves	-32,042	
<u>0</u>	<u>-14,026</u>	Total applications of capital funding (D)	-32,042	0
0	14,026	Surplus (Deficit) of Capital Funding (C) - (D)	32,042	0
0	0	Funding Balance (A - B) + (C - D)	0	0

Long Term Plan 2016/17	Annual Report 2016/17		Annual Report 2017/18	Long Term Plan 2017/18
Resource Management				
Sources of Funding				
1,119,698	1,225,195	General Rates	1,207,210	1,186,639
	26,713	Rates Penalties	23,887	
		Targeted Rates	0	
	53,000	Subsidies & Grants	0	
1,454,048	1,346,188	Fees & Charges	1,047,518	1,490,910
		Internal Charges & Overheads Recovered	0	
447,132	618,559	Fines, Infringement Fees & Other Receipts	543,553	428,173
3,020,878	3,269,655	Total Operating Funding (A)	2,822,168	3,105,722
Applications of Operating Funding				
1,365,736	1,443,408	Payments to staff and suppliers	1,391,861	1,430,339
		Finance costs	0	
1,655,142	2,206,385	Internal charges and overheads applied	2,235,611	1,675,383
		Other operating funding applications	0	
3,020,878	3,649,793	Total Applications of operating funding (B)	3,627,471	3,105,722
0	-380,138	Surplus (deficit) of Operating Funding (A) - (B)	-805,303	0
Sources of Capital Funding				
		Subsidies and Grants	0	
		Development and Financial Contributions	0	
		Increase (decrease) in debt	0	
		Gross Proceeds Sale assets	0	
		Lump sum contributions	0	
0	0	Total Sources of capital funding (C)	0	0
Applications of capital funding				
		Capital expenditure-additional demand	0	
		Capital expenditure-improved levels of service	0	
	77,608	Capital expenditure-replace existing assets	0	
	-457,746	Increase (decrease) in reserves	-805,303	
0	-380,138	Total applications of capital funding (D)	-805,303	0
0	380,138	Surplus (Deficit) of Capital Funding (C) - (D)	805,303	0
0	0	Funding Balance (A - B) + (C - D)	0	0

Long Term Plan 2016/17	Annual Report 2016/17		Annual Report 2017/18	Long Term Plan 2017/18
Hydrology & Floodwarning Services				
Sources of Funding				
370,190	329,669	General Rates	369,449	358,824
	7,188	Rates Penalties	7,310	
		Targeted Rates	0	
		Subsidies & Grants	0	
		Fees & Charges	0	
		Internal Charges & Overheads Recovered	0	
77,662	166,439	Fines, Infringement Fees & Other Receipts	166,347	97,483
447,852	503,296	Total Operating Funding (A)	543,106	456,307
Applications of Operating Funding				
210,278	222,321	Payments to staff and suppliers	279,035	216,916
		Finance costs	0	
237,574	349,436	Internal charges and overheads applied	469,317	239,391
		Other operating funding applications	0	0
447,852	571,757	Total Applications of operating funding (B)	748,353	456,307
0	-68,461	Surplus (deficit) of Operating Funding (A) - (B)	-205,248	0
Sources of Capital Funding				
		Subsidies and Grants		
		Development and Financial Contributions		
		Increase (decrease) in debt		
		Gross Proceeds Sale assets		
		Lump sum contributions		
0	0	Total Sources of capital funding (C)	0	0
Applications of capital funding				
		Capital expenditure-additional demand		
		Capital expenditure-additional demand		
		Capital expenditure-improved levels of service	48,888	
61,501	43,815	Capital expenditure-replace existing assets	28,928	63,060
-61,501	-112,276	Increase (decrease) in reserves	-283,063	-63,060
0	-68,461	Total applications of capital funding (D)	-205,247	0
0	68,461	Surplus (Deficit) of Capital Funding (C) - (D)	205,247	0
0	0	Funding Balance (A - B) + (C - D)	0	0

Long Term Plan 2016/17	Annual Report 2016/17		Annual Report 2017/18	Long Term Plan 2017/18
		Emergency Management		
		Sources of Funding		
5,862	36,195	General Rates	93,522	4,425
229,055	789	Rates Penalties	1,851	
	265,417	Targeted Rates	701,408	235,344
	131,848	Subsidies & Grants	118,152	
19,000	13,224	Fees & Charges	21,331	19,000
		Internal Charges & Overheads Recovered	0	
	18,273	Fines, Infringement Fees & Other Receipts	42,109	
<u>253,917</u>	<u>465,746</u>	Total Operating Funding (A)	978,373	258,769
		Applications of Operating Funding		
148,435	343,060	Payments to staff and suppliers	764,702	153,837
		Finance costs	0	
85,533	123,187	Internal charges and overheads applied	270,442	86,347
		Other operating funding applications	0	
<u>233,968</u>	<u>466,247</u>	Total Applications of operating funding (B)	1,035,144	240,184
19,949	-501	Surplus (deficit) of Operating Funding (A) - (B)	-56,771	18,585
		Sources of Capital Funding		
		Subsidies and Grants		
		Development and Financial Contributions		
		Increase (decrease) in debt	0	
		Gross Proceeds Sale assets	0	
		Lump sum contributions		
<u>0</u>	<u>0</u>	Total Sources of capital funding (C)	0	0
		Applications of capital funding		
		Capital expenditure-additional demand		
		Capital expenditure-improved levels of service	0	
		Capital expenditure-replace existing assets	0	
19,949	-501	Increase (decrease) in reserves	-56,771	18,585
<u>19,949</u>	<u>-501</u>	Total applications of capital funding (D)	-56,771	18,585
-19,949	501	Surplus (Deficit) of Capital Funding (C) - (D)	56,771	-18,585
0	0	Funding Balance (A - B) + (C - D)	0	0

Long Term Plan 2016/17	Annual Report 2016/17		Annual Report 2017/18	Long Term Plan 2017/18
River, Drainage & Coastal Protection				
Sources of Funding				
296,028	277,037	General Rates	300,330	305,544
	6,040	Rates Penalties	5,943	
1,098,169	1,087,356	Targeted Rates	1,147,469	1,115,954
		Subsidies & Grants	0	
306,507	1,012,323	Fees & Charges	462,630	314,875
		Internal Charges & Overheads Recovered	0	
	139,867	Fines, Infringement Fees & Other Receipts	135,225	
1,700,704	2,522,623	Total Operating Funding (A)	2,051,597	1,736,373
Applications of Operating Funding				
1,012,903	1,339,713	Payments to staff and suppliers	720,932	1,040,078
195,949	174,729	Finance costs	158,166	184,792
306,261	361,075	Internal charges and overheads applied	506,630	310,434
		Other operating funding applications		
1,515,113	1,875,517	Total Applications of operating funding (B)	1,385,728	1,535,304
185,591	647,106	Surplus (deficit) of Operating Funding (A) - (B)	665,869	201,069
Sources of Capital Funding				
Subsidies and Grants				
Development and Financial Contributions				
-182,358	-181,584	Increase (decrease) in debt	151,729	-187,284
Gross Proceeds Sale assets				
Lump sum contributions				
-182,358	-181,584	Total Sources of capital funding (C)	151,729	-187,284
Applications of capital funding				
		Capital expenditure-additional demand	0	
	229,194	Capital expenditure-improved levels of service	505,344	
	678	Capital expenditure-replace existing assets	26,080	
3,233	235,650	Increase (decrease) in reserves	286,174	13,785
3,233	465,522	Total applications of capital funding (D)	817,598	13,785
-185,591	-647,106	Surplus (Deficit) of Capital Funding (C) - (D)	-665,869	-201,069
0	0	Funding Balance (A - B) + (C - D)	0	0

Long Term Plan 2016/17	Annual Report 2016/17	Vector Control Services Business Unit Sources of Funding	Annual Report 2017/18	Long Term Plan 2017/18
		General Rates		
		Rates Penalties		
		Targeted Rates		
		Subsidies & Grants		
2,950,000	6,785,501	Fees & Charges	3,652,442	3,000,000
		Internal Charges & Overheads Recovered		
		Fines, Infringement Fees & Other Receipts	0	
2,950,000	6,785,501	Total Operating Funding (A)	3,652,442	3,000,000
		Applications of Operating Funding		
2,214,485	5,702,395	Payments to staff and suppliers	3,215,251	2,266,427
		Finance costs	0	
100,000	100,000	Internal charges and overheads applied	100,000	100,000
		Other operating funding applications		
2,314,485	5,802,395	Total Applications of operating funding (B)	3,315,251	2,366,427
635,515	983,106	Surplus (deficit) of Operating Funding (A) - (B)	337,191	633,573
		Sources of Capital Funding		
		Subsidies and Grants		
		Development and Financial Contributions		
		Increase (decrease) in debt		
		Gross Proceeds Sale assets		
		Lump sum contributions		
0	0	Total Sources of capital funding (C)	0	0
		Applications of capital funding		
		Capital expenditure-additional demand	0	
		Capital expenditure-improved levels of service		
65,000	1,427	Capital expenditure-replace existing assets	77,815	87,233
		Increase in investments	0	
570,515	981,679	Increase (decrease) in reserves	259,376	546,340
635,515	983,106	Total applications of capital funding (D)	337,191	633,573
-635,515	-983,106	Surplus (Deficit) of Capital Funding (C) - (D)	-337,191	-633,573
0	0	Funding Balance (A - B) + (C - D)	0	0

Local Government (Financial Reporting and Prudence) Regulations 2014

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

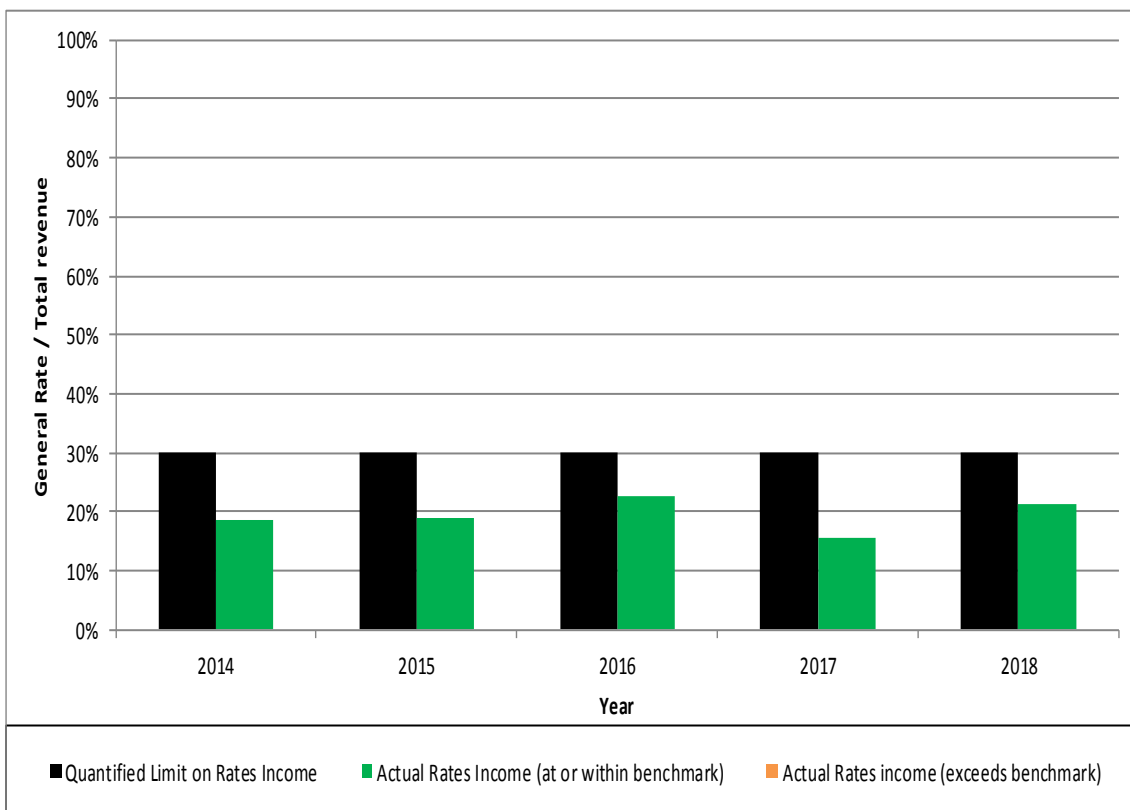
RATES AFFORDABILITY BENCHMARKS

Council meets the various rates affordability benchmarks if its actual rates income is equal to or less than the quantified limit.

Rates (Income) Affordability Benchmarks:

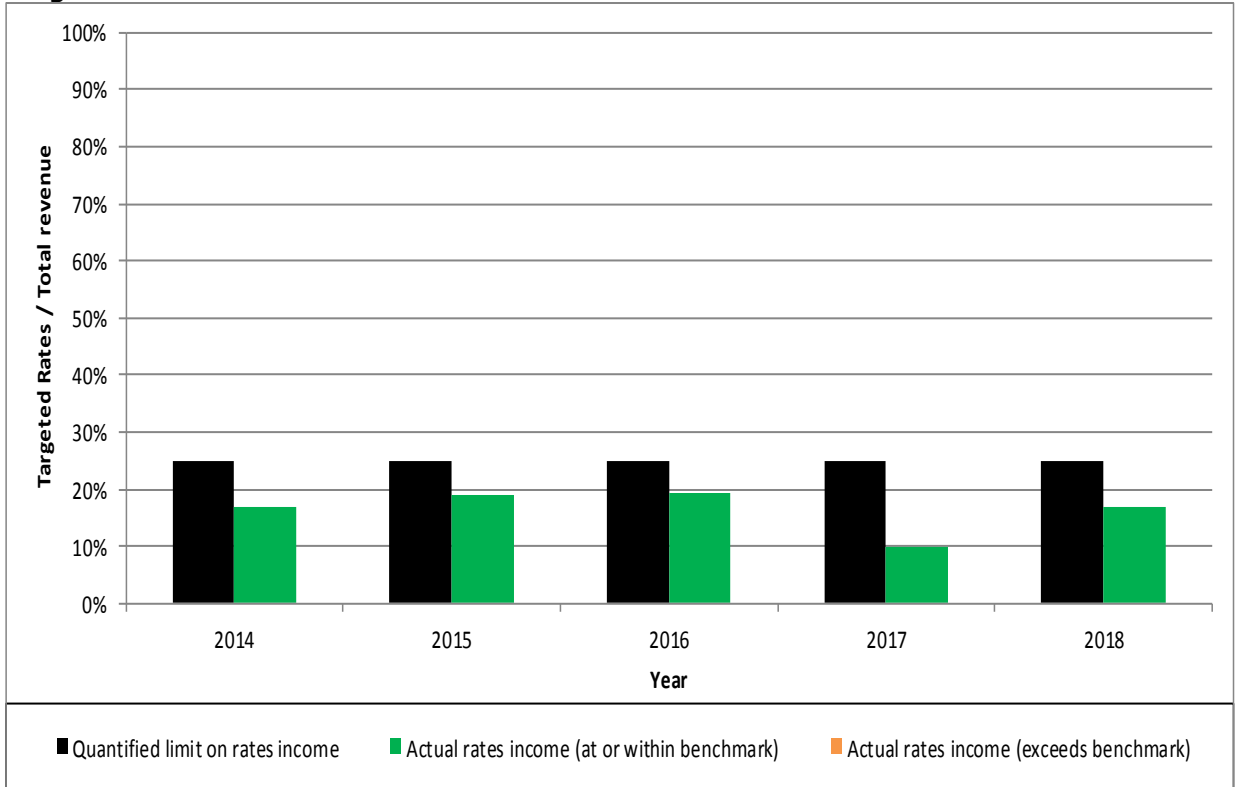
1. The first benchmark, (included by Council in the Financial Strategy contained in the 2015/25 Long Term Plan).

General Rates will not exceed 30% of Total Income



- The second benchmark, (included by Council in the Financial Strategy contained in the 2015/25 Long Term Plan).

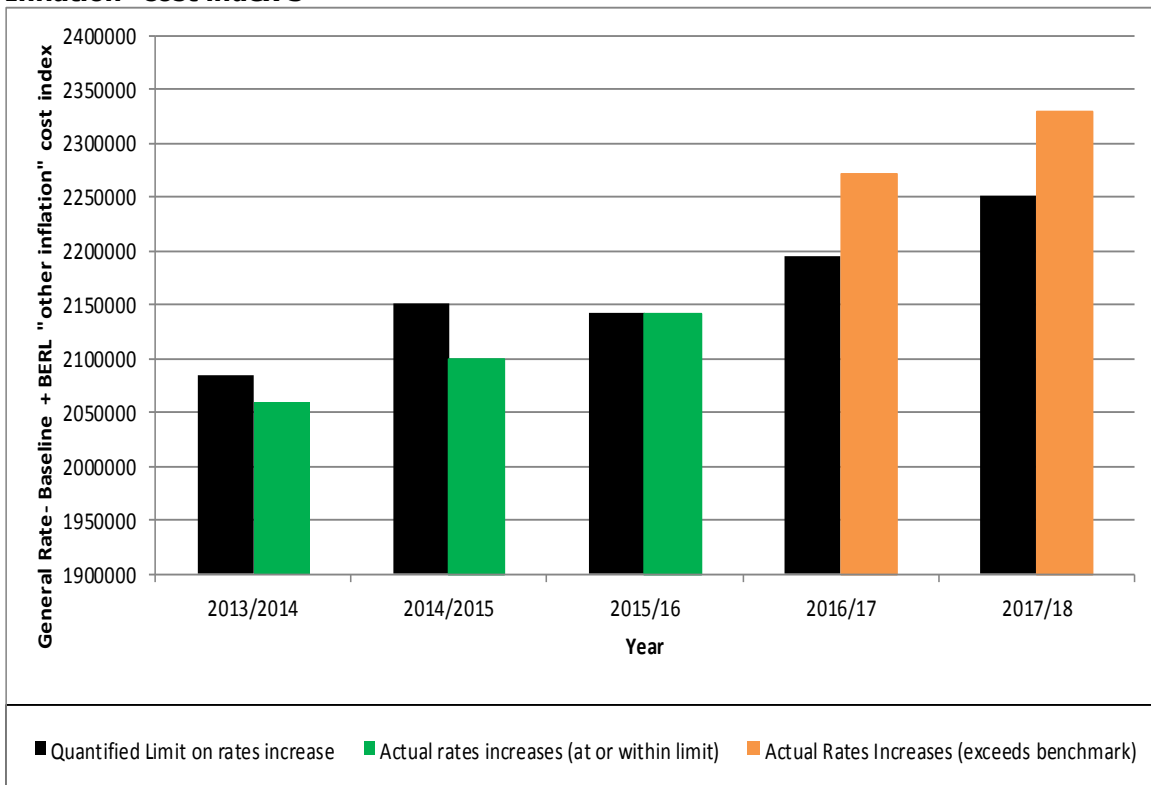
Targeted Rates will not exceed 25% of Total Income.



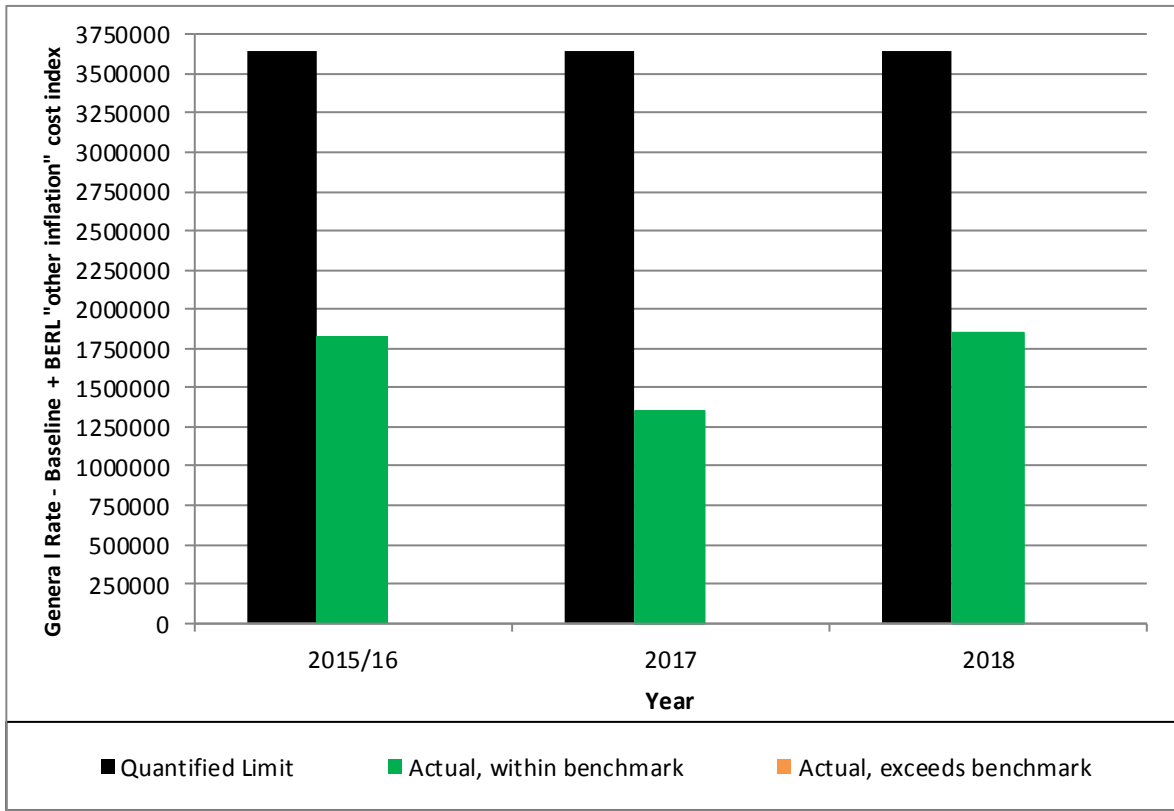
Rates (Increases) Affordability

- The third benchmark, (included by Council in the Financial Strategy contained in the 2015/25 Long Term Plan).

The General Rate will not exceed the Business and Economic Research Ltd (BERL) "Other Inflation" cost index 3



4. The fourth benchmark, (included by Council in the Financial Strategy contained in the 2015/25 Long Term Plan)
Targeted Rates will not exceed the 2015/16 baseline (\$1,835,000) + 100% over the 10 year term of the LTP.

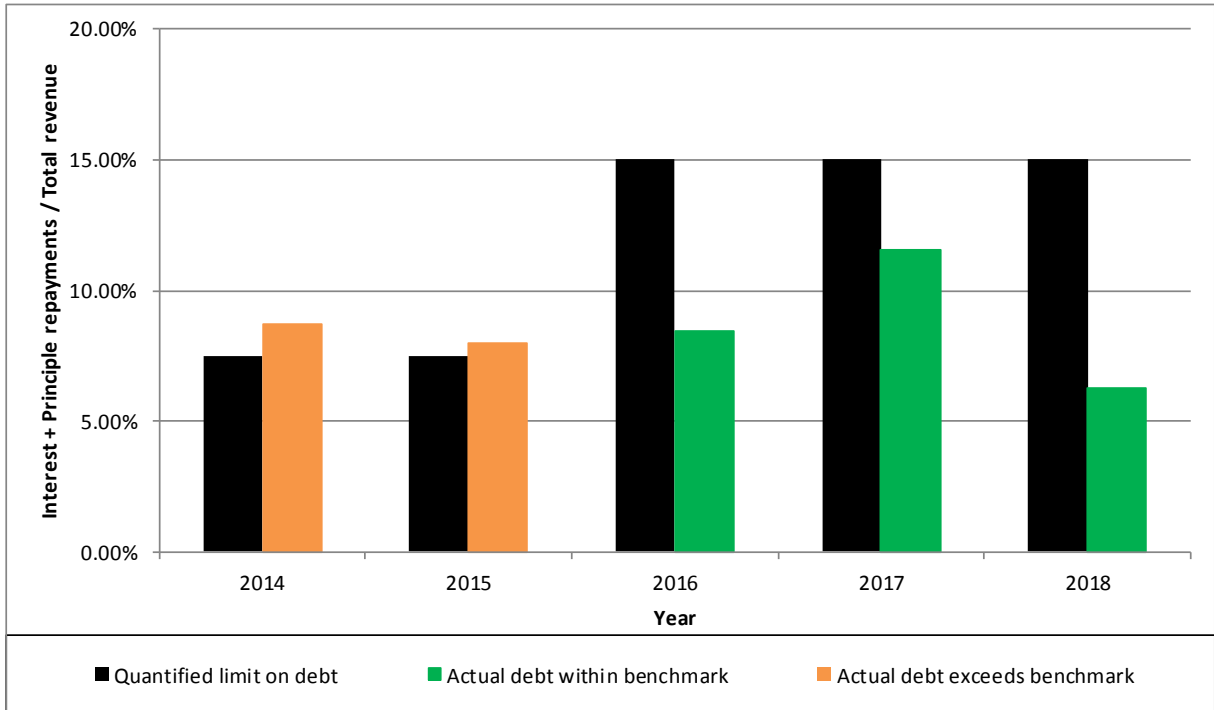


5. Debt Affordability Benchmarks

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

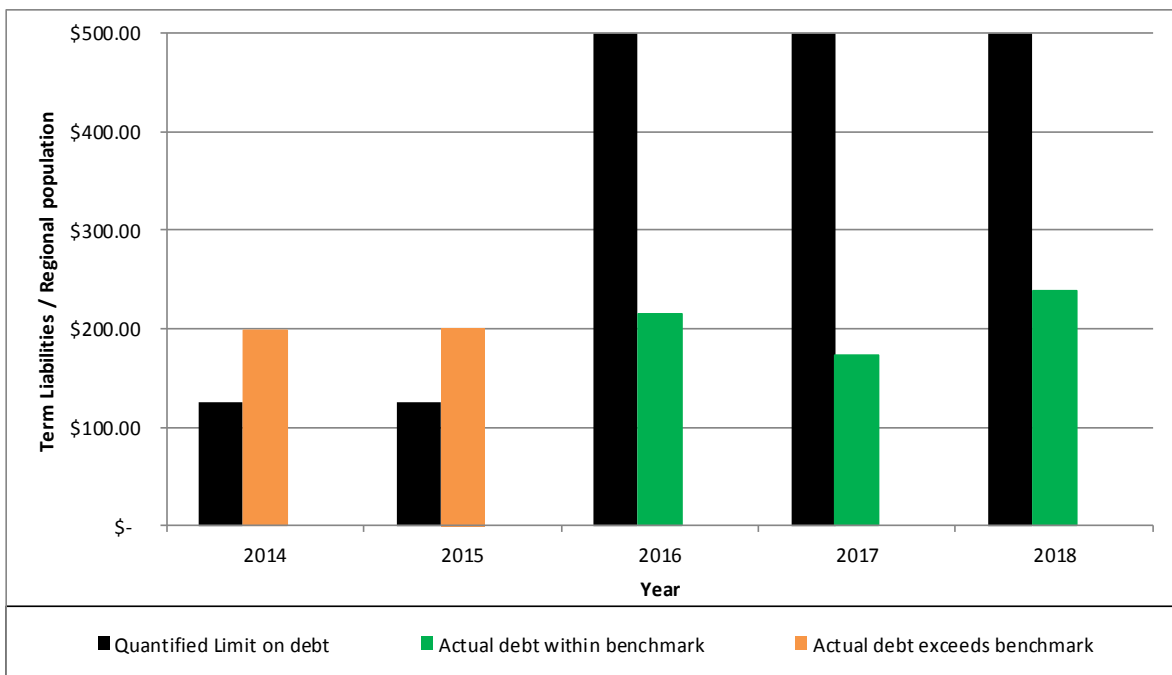
- (a) The first benchmark, (included by Council in the Financial Strategy contained in the 2015/25 Long Term Plan).

Interest + Principle repayments do not exceed 15.00% of Total Revenue



- (b) The second benchmark, (included by Council in the Financial Strategy contained in the 2015/25 Long Term Plan).

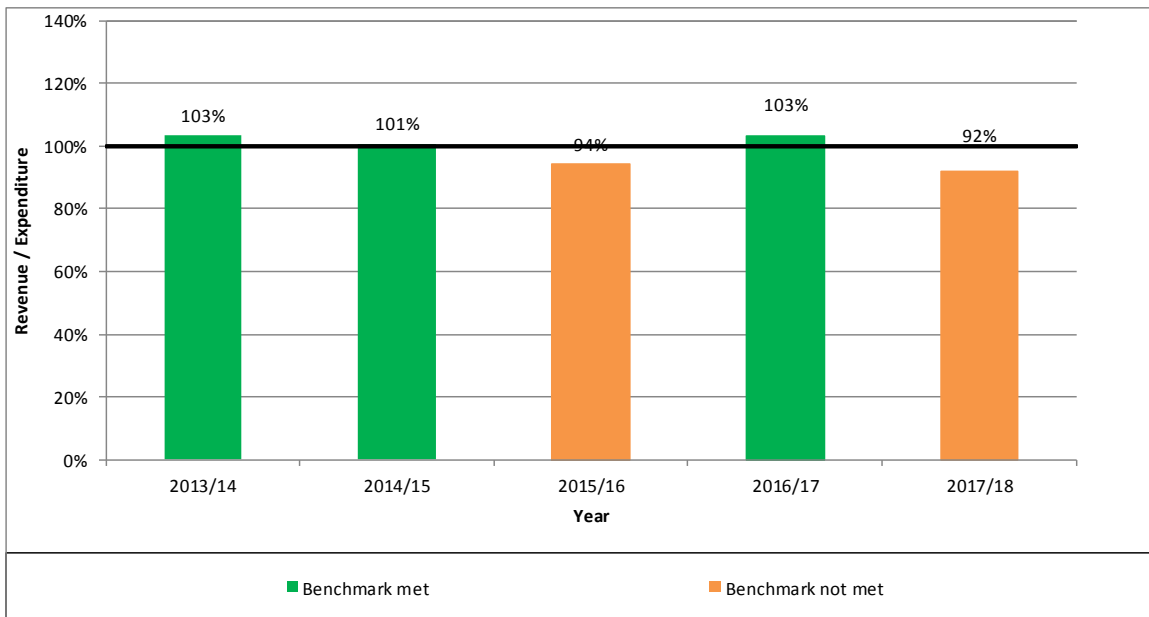
Term Liabilities will not exceed \$500 / head of regional population (32,900)



Mandatory Benchmarks as prescribed by the Regulations

6. Balanced Budget Benchmark

Council meets this benchmark if its revenues equal or exceed its operating expenses. The following graph displays the council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).



7. Essential Services Benchmark

Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services. Network services means infrastructure related to:

- (a) Water Supply;
- (b) Sewerage and the treatment and disposal of sewage;
- (c) Stormwater drainage;
- (d) Flood protection and control works; or
- (e) Provision of roads and footpaths.

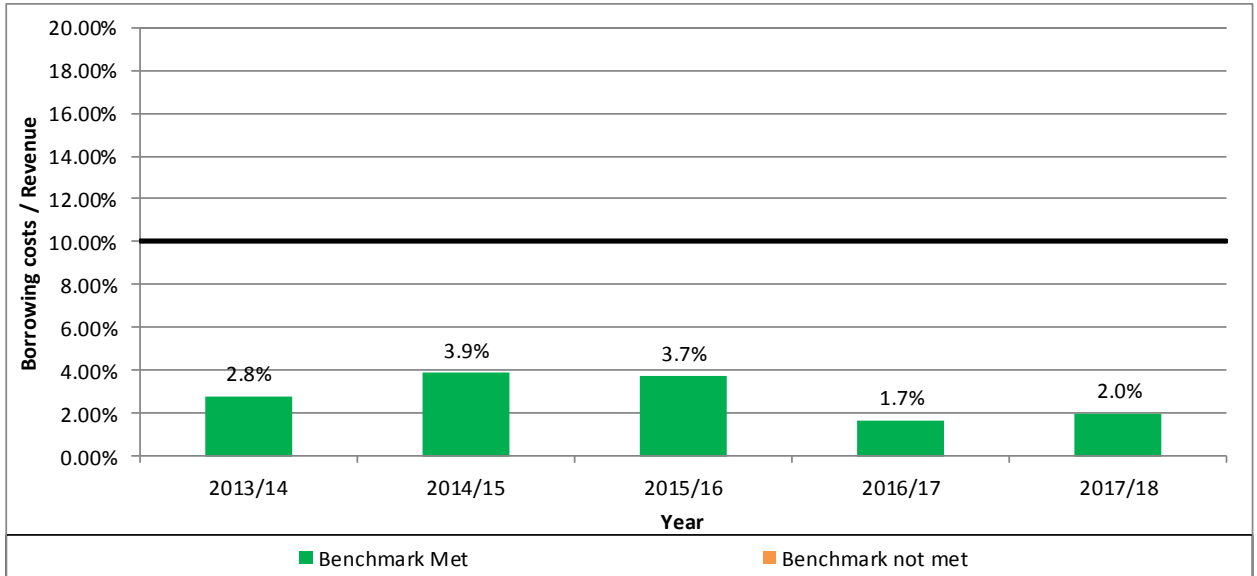
Council's only network services relate to flood protection and control works. Council does not provide any other network services. These network services are in the form of assets such as rock protection, stopbanks, seawalls etc. These assets are not subject to depreciation. Council's capital expenditure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

As there is no depreciation, the graph required by schedule 5 of the Local Government (Financial Reporting and Prudence) Regulations 2014 cannot be produced.

8. Debt Servicing Benchmark

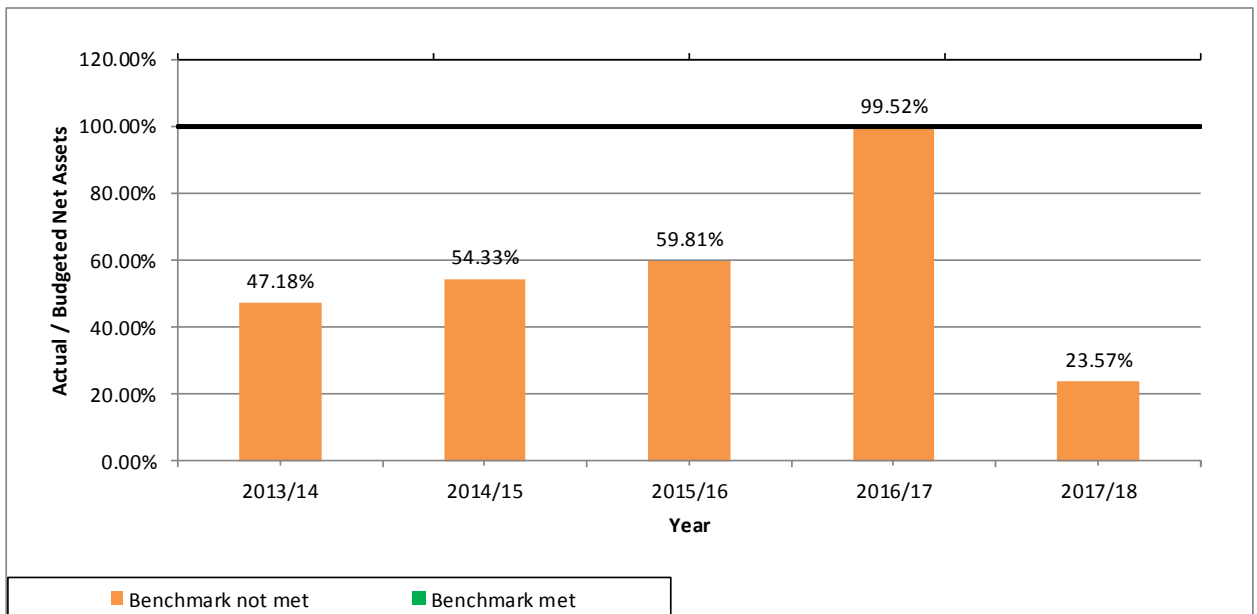
The following graph displays the council's borrowing costs as a proportion of planned revenue (excluding development and financial contribution, vested assets, derivative financial instruments and revaluations of property plant or equipment).

Because Statistics NZ projects council's population will grow more slowly than the national population is projected to grow it meets the debt servicing benchmark if its planned borrowing costs are equal to or less than 10% of its planned revenue.



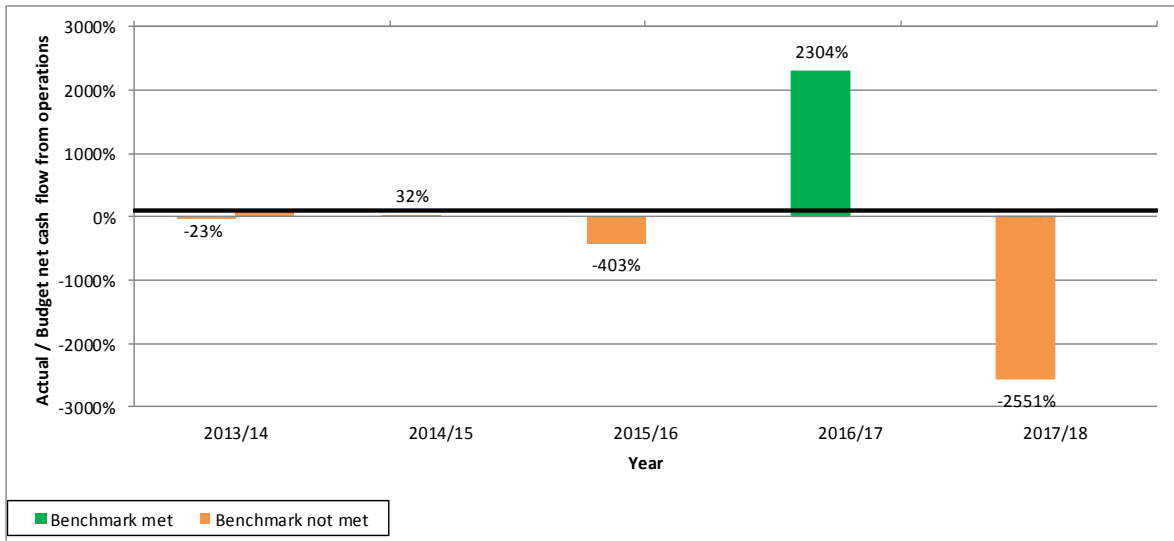
Debt Control Benchmark

Council budgets to have net assets (financial assets (excluding Trade & Other Receivables) exceeds its debt). Council meets this benchmark if its actual net financial assets are equal to, or is more than, its planned net assets.



Operations Control Benchmark

Council meets this benchmark if its actual net cash flow from operations for the year is equal to, or greater than, it's planned net cash flow from operations for the year.



Major Budget Variations

	2018 Actual	2018 Budget	Variance	Note
Cost of Services				
Governance	461,814	453,771	\$ 8,043	2%
Economic Development	377,223	300,000	\$ 77,223	26% 1
Resource Management	3,648,739	3,158,181	\$ 490,558	16% 2
Transport	194,801	170,446	\$ 24,355	14% 3
Hydrology & Floodwarning Services	796,066	621,863	\$ 174,203	28% 4
Emergency Management	1,042,407	716,152	\$ 326,255	46% 5
River, Drainage & Coastal Protection	1,432,712	1,812,806	\$ (380,094)	-21% 6
Vector Control services Business Unit	3,384,546	2,618,500	\$ 766,046	29% 7
Impairment on transfer held for sale	272,549			
Impairment Land Value	0	0		
Other	110,249	77,138	\$ 33,111	43% 8
Warm West coast Scheme	20,749	92,000	\$ (71,251)	
	<u>11,741,856</u>	<u>10,020,857</u>	<u>\$ 1,519,700</u>	<u>15%</u>
Less Income				
Rates	4,227,077	4,376,574	\$ (149,497)	-3% 9
Other Revenues	953,838	1,011,153	\$ (57,315)	-6% 10
Fees & Charges	5,393,004	4,980,265	\$ 412,739	8% 11
Subsidies & grants	212,118	82,330	\$ 129,788	158% 12
Commercial Property Rental	96,183	96,180	\$ 3	
Commercial Property Revaluation	0	35,526	\$ (35,526)	
	<u>10,882,220</u>	<u>10,582,028</u>	<u>\$ 335,715</u>	<u>3%</u>
Net Surplus / (Deficit) for year	<u>(859,635)</u>	<u>561,171</u>		
Statement Of Financial Position @ 30 June 2018				
	Actual 2018	Budget 2018		
Current Assets				
Total Current Assets	<u>5,198,173</u>	<u>3,913,929</u>	\$ 1,284,244	32.8% 13
Non-Current Assets				
Property, Plant & Equipment	63,075,463	62,669,488	\$ 405,975	0.6%
Intangible Assets	145,746	145,745	\$ 1	0.0%
Loan Advances	305,778	363,670	\$ (57,892)	-15.9% 14
Investment Property	1,480,000	1,455,526	\$ 24,474	1.7% 15
Investment in Associate	1,027,811	696,000	\$ 331,811	47.7% 16
Investment in CCO	208,202	215,000	\$ (6,798)	17
Other Financial Assets	10,998,142	10,775,000	\$ 223,142	2.1% 18
Total Non-Current Assets	<u>77,241,142</u>	<u>76,320,429</u>	\$ 920,713	1.21%
Total Assets	<u>82,439,315</u>	<u>80,234,358</u>		
Liabilities				
Current Liabilities				
	<u>4,628,983</u>	<u>2,300,000</u>	\$(2,328,983)	-101.3% 19
Non-Current Liabilities				
	<u>7,905,400</u>	<u>5,662,265</u>	\$(2,243,135)	-39.6% 19
Total Liabilities	<u>12,534,383</u>	<u>7,962,265</u>		
Equity	<u>69,904,932</u>	<u>72,272,093</u>	\$ 2,367,161	3.3% 20
Total Liabilities and Equity	<u>82,439,315</u>	<u>80,234,358</u>		

- 1** Economic Development 'Sundry Expenses \$61k compared to \$5k budget.
- 2** Resource Management exceeded budget by \$490,558 due to
 - (a) Support costs \$564K higher due to overhead allocation
 - (b) Compliance monitoring costs are lower due to staff turnover and reduction in salaries by \$172K support and complaint costs have also reduced
 - (c) Regional Plans \$67K over budget this is due to policy and plan implementation being over budget due to overheads.
- 3** Transport exceeded budget by \$24k due to increased overhead costs.
- 4** Hydrology exceeded budget by \$174k due to increased overhead costs.
- 5** Emergency management exceeded budget by \$326K due to
 - (a) Two cyclones Fehi & Gita hitting the West Coast costing \$158k in unbudgeted related expenses to council (not limited to but including, salaries, meals, sundry expenses)
 - (b) Natural Hazards exceeded budget by \$210k due to increased consultant costs
 - (c) Lifelines was also over budget by \$30k due to increased overhead costs.
 - (d) Emergency management response was (\$76k) under budget due to positions identified in the 2017-18 budget which were still vacant as at 30 June 2018
- 6** (a) River, Drainage and Coastal Protection were under budget by \$380k due to some work within these districts still being accessed and that most work within RD's is event dependent, this year's favourable weather limited these events
 - (b) Engineering was \$85k over budget due to overheads.
- 7** Vector Control services was \$766k over budget due to ground control being higher than anticipated higher aerial cost, although this is not reflected in the income.
- 8** Other is the costs associated with the purchase of the Canterbury Business Investment. These costs include staff time, loan interest costs associated travel expenses.
- 9** Rates revenue is \$149k less than budgeted mainly due to Warm West Coast \$92k rates now being treated as loan repayments rather than as rates income in these financial statements. Rates penalties being \$16K less than budget
- 10** Other revenue is higher than anticipated due to a gain on sale of an asset.
- 11** Other fees and charges revenue was \$387k greater than budget due to
 - (a) emergency management being \$21K higher than budget as additional subsidies were sought for the two cyclones as well as reimbursements from the district councils for supplying various staff resourcing.
 - (b) VCS Business Unit budgeted income was \$476K higher than anticipated which was mainly due to aerial income being higher than expected however the level of aerals completed by the business unit overall is well down on the prior year, which was reflected in the budget.
 - (c) Resource Management was \$231K income was down on budget due to staff changes and a reduction in demand for resource consents.
 - (d) Economic Development income was also included and \$120 higher than anticipated for as it is a shared with West Coast Development whom reimburse council for their share.

- 12** Subsidies and Grants were \$129k higher than budget due to subsidies being received by emergency management of \$118k and transports subsidy being \$10k higher than expected.
- 13** Cash was significantly lower than budgeted being in deficit by (\$1,162k) compared to a budgeted surplus of \$43k
- 14** Loan advances were \$58K however than budget due to repayments on Warm West Coast Loans.
- 19** Borrowings were higher than anticipated due to future work being required within the Punakaiki and Kanieri rating districts long term loans \$of \$365k and \$89k, the buyout of PCR LP increasing loan requirements by another \$500k and increasing working capital by \$1,750K. When the budget was delivered in 2017/2018 non of these projects had been considered requiring additional funding. This resulted in the \$3,000 difference.