

West Coast Regional Council



Annual Report

July 1, 2008 to June 30, 2009



Contents

Directory	2
Council Organisation Structure	3
Chairperson's Review	4
Community Outcomes	5
Report on Activities Undertaken to Provide Opportunities for Maori to Contribute to Decision Making Processes	6
Statement of Compliance and Responsibility	7
Report by Audit New Zealand	8
Statement of Accounting Policies	11
Statement of Financial Performance	18
Statement of Changes in Equity	19
Statement of Financial Position	20
Statement of Cash Flows	21
Notes to the Financial Statements	22
Governance	40
Regulatory, Consents and Compliance	42
Planning Processes	46
Environmental Monitoring	50
Emergency Management	53
River, Drainage and Coastal Protection Works	55
Vector Management	58
Vector Control Services Business Unit	61
Major Budget Variations	63

*Cover Photograph: Grey River at Sunset
Courtesy of Mary Traves (West Coast Regional Council)*

Directory & Councillors

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The Council has seven Councillors, representing the following constituencies:

Buller Constituency

Ross Scarlett – Council Chairman
Terry Archer - Councillor

Grey Constituency

Peter Ewen – Council Deputy Chair, Resource Management Committee Chair
Andrew Robb - Councillor
Allan Birchfield - Councillor

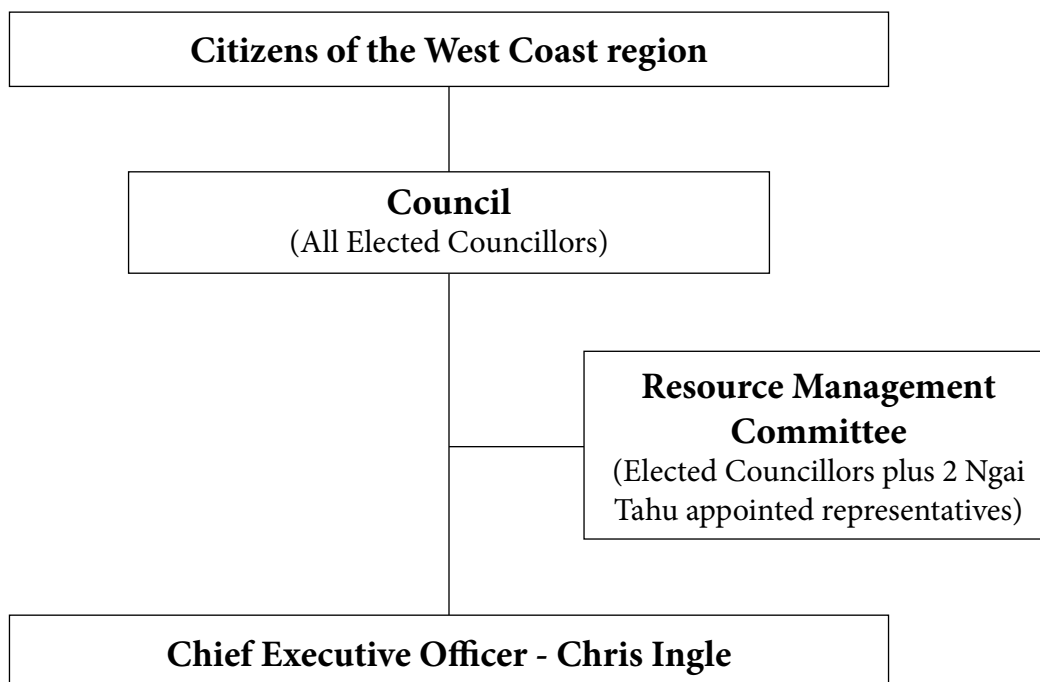
Westland Constituency

Bryan Chinn - Councillor
Duncan Davidson - Councillor



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

Council Organisation Structure



Council Management Structure:

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

Chairperson's Review

I am pleased to introduce the West Coast Regional Council Annual Report for the Year to 30 June 2009.

The Council financial result for the year was a deficit of \$164,000 compared to the budgeted deficit of \$924,000.

The Council Investment portfolio was once again affected by losses in national and international equity markets. However, the conservative nature of the portfolio limited the losses for 2008/09 to - \$280,124. It is pleasing to see that equity markets have since rebounded substantially from their low point in March 2009.

The Council continues to be an efficient resource consent processing authority, with 95% of non-notified resource consent applications processed within the statutory time frames for the 2008/09 year. The Minister for the Environment the Hon. Nick Smith recently congratulated this Council on its achievements in this area. The efficient processing of resource consents is a very useful contribution to the West Coast regional economy.

Council went through a detailed 10 year planning process during the report year and I am pleased that our Long Term Council Community Plan (LTCCP) once again achieved an unqualified opinion from Audit New Zealand.

Thank you for your interest in Council's 2008/09 Annual Report.

Ross Scarlett
Chairman

Community Outcomes

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

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

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

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

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

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

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



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

Statement of Compliance and Responsibility

Compliance

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

Responsibility

1. The Council and management of The West Coast Regional Council accept responsibility for the preparation of the annual financial statements and the judgements used in them.
2. The Council and management of The West Coast Regional Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.
3. In the opinion of the Council and management of The West Coast Regional Council, the annual financial statements for the year ended 30 June 2009 fairly reflects the financial position and operations of The West Coast Regional Council.



R. Scarlett
Chairperson



C. Ingle
Chief Executive Officer



R.J. Mallinson
Corporate Services Manager

Dated: 13th day of October 2009

Audit Report

**To the readers of
West Coast Regional Council's
financial statements and performance information
for the year ended 30 June 2009**

The Auditor-General is the auditor of West Coast Regional Council (the Council). The Auditor-General has appointed me, John Mackey using the staff and resources of Audit New Zealand, to carry out an audit. The audit covers the Council's compliance with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report of the Council for the year ended 30 June 2009, including the financial statements.

Unqualified Opinion

In our opinion:

- The financial statements of the Council on pages 11 to 64
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect :
 - the Council's financial position as at 30 June 2009; and
 - the results of its operations and cash flows for the year ended on that date.
- The service provision information of the Council on pages 40 to 62 fairly reflects the levels of service provision as measured against the intended levels of service provision adopted, as well as the reasons for any significant variances, for the year ended on that date; and
- The Council has complied with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report (the "other requirements").

The audit was completed on 13 October 2009, and is the date at which our opinion is expressed.

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

Basis of Opinion

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

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

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

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

Audit procedures generally include:

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

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

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

Responsibilities of the Council and the Auditor

The Council is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the Council as at 30 June 2009. They must also fairly reflect the results of its operations and cash flows and the levels of service provision for the year ended on that date. The Council is also responsible for meeting the other requirements of Schedule 10 and including that information in the annual report. The Council's responsibilities arise from Section 98 and Schedule 10 of the Local Government Act 2002.

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

Independence

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

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



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

Statement of Accounting Policies for year ended 30 June 2009

Reporting Entity

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

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

The financial statements of WCRC are for the year ended 30 June 2009. The financial statements were authorised for issue by Council on 13 October 2009.

Basis of preparation

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

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

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

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

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

Standards and interpretation issued and not yet adopted

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

- NZ IAS 1 Presentation of Financial Statements (revised 2007) replaces NZ IAS 1 Presentation of Financial Statements (issued 2004) and is effective for reporting periods beginning on or after 1 January 2009. The revised standard requires information in financial statements to be aggregated on the basis of shared characteristics and introduces a statement of comprehensive income. The statement of comprehensive income will enable readers to analyse changes in equity resulting from non-owner changes separately from transactions with owners. The revised standard gives WCRC the option of presenting items of income and expense and components of other comprehensive income either in a single statement of comprehensive income with subtotals, or in two separate statements (a separate income statement followed by a statement of comprehensive income). WCRC intends to adopt this standard for the year ending 30 June 2010, and will prepare a single statement of comprehensive income.
- NZ IAS 23 Borrowing Costs (revised 2007) replaces NZ IAS 23 Borrowing Costs (issued 2004) and is effective for reporting periods beginning on or after 1 January 2009. The revised standard requires all borrowing costs to be capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. The revised standard will also require borrowing costs to be considered when revaluing property, plant and equipment to fair value based on depreciated replacement cost. Any necessary adjustments to depreciated replacement cost carrying values will have flow on effects to depreciation expense. The West Coast Regional Council intends to take the option currently available to public benefit entities to defer adoption of the revised standard.

Revenue

Revenue is measured at the fair value of consideration received.

Rates revenue

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

Other revenue

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

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

Interest income is recognised using the effective interest method.

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

Borrowing costs

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

Finance leases

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

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

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

Operating leases

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

Cash and cash equivalents

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

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

Trade and other receivables

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

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

Inventories

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

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

Foreign currency transactions

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

Financial assets

WCRC has two classifications for its financial assets:

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

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

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

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

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

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

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading 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 statement of financial performance.

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

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

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

(2) Loans and receivables

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

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

Impairment of financial assets

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

Non-current assets held for sale

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

Property, plant and equipment

Property, plant and equipment consists of:

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

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

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

Additions

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

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

Disposals

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

Subsequent costs

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

Depreciation

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

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

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

Some assets purchased prior to 1 July 2002 are depreciated using the diminishing value method. The value of those assets is less than 2% of the net carrying amount of Council's assets.

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

Revaluation

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

Operational land:

Is revalued on a cyclical 3-year basis at fair value as determined from the most recent market based rating valuations. Valuations are as at 1 September 2006 (Grey District area land), 1 September 2007 (Westland District area land), and 1 September 2008 (Buller District area land).

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

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

Accounting for revaluations:

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

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

INTANGIBLE ASSETS

Software acquisition and development

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

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

Amortisation

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

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

	Estimated life	Rate
Computer Software	3.3 years	30%

Impairment of non-financial assets

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

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

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

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

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

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in statement of financial performance, a reversal of the impairment loss is also recognised in the statement of financial performance.

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

Employee benefits

Short-term benefits

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

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

Long-term benefits

Long service leave

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

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

Superannuation schemes

Defined contribution schemes

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

Provisions

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

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

Borrowings

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

Equity

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

The components of equity are:

- Retained earnings
- Restricted reserves
- Asset revaluation reserves

Restricted and Council created reserves

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

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

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

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

Good and Service Tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

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

Cost allocation

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

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

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

Critical accounting estimates and assumptions

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

Quarry aftercare provision

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

Statement of Financial Performance

2008		Notes	2009	
Actual	Cost of Services		Actual	Budget
337,250	Governance		339,884	417,855
1,903,484	Regulatory Consents & Compliance		2,107,595	1,662,778
572,919	Planning Processes		458,472	580,584
614,051	Environmental Monitoring		627,195	717,546
143,029	Emergency Management		83,557	126,103
1,139,429	River, Drainage & Coastal Protection		1,377,809	2,222,864
9,718,551	Vector Management Programme		0	0
939,081	Vector Management Administration		388,693	495,191
963,203	Regional Share of Vector Controls		895,235	868,746
-55,001	Vector Control services Business Unit		4,105,974	1,815,548
44,267	Other		89,767	0
16,320,263		3,4,5,6	10,474,181	8,907,215
Less Income				
1,852,726	General Rates		1,898,585	1,885,000
57,158	Penalties		60,302	75,000
-165,164	Investment and Dividend Income		-280,124	1,000,000
1,077,008	Regulatory Consents & Compliance		1,511,765	915,500
190,477	Planning Processes		172,692	117,622
29,437	Environmental Monitoring		26,174	0
34,871	Emergency Management		34,345	25,000
928,647	River, Drainage & Coastal Protection		1,223,274	827,380
9,722,087	Vector Management Programme		0	0
1,119,447	Vector Management Administration		655,900	655,000
567,340	Regional Share of Vector Controls		367,903	365,000
305,288	Vector Control Services Business Unit		4,639,355	2,117,106
15,719,322		1,2	10,310,171	7,982,608
-600,941	Net Surplus / (Deficit) for year		-164,010	-924,607

(Refer Page 63 for explanation of variances)

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

Statement of Changes in Equity for Year Ended 30 June 2009

Actual 2008		Notes	Actual 2009	Budget 2009
54,069,467	Balance 1 July		53,468,526	53,740,000
0	Property, Plant & Equipment Revaluation Gains taken to equity	17(c)	492,000	0
-600,941	Surplus / - Deficit for year		-164,010	-924,607
-600,941	Total recognised income/(-expense) for year		327,990	-924,607
<u>53,468,526</u>	Balance 30 June		<u>53,796,516</u>	<u>52,815,393</u>

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

Statement of Financial Position as at 30 June 2009

Actual 2008	ASSETS	Notes	Actual 2009	Budget 2009
	Current Assets			
1,858,306	Cash & Cash equivalents	8	1,444,574	31,755
1,560,475	Receivables	9	1,494,711	2,240,000
300,501	Inventories	10	90,426	60,000
1,842,927	Other Financial Assets	11	1,806,405	0
0	Derivative Financial Assets		69,755	0
5,562,209	Total Current Assets		4,905,871	2,331,755
	Non-Current Assets			
42,609,794	Property, Plant & Equipment	12	43,138,481	42,505,200
40,922	Intangible Assets	13	45,911	23,000
9,301,063	Other Financial Assets	11	8,637,785	10,385,381
51,951,779	Total Non-Current Assets		51,822,177	52,913,581
57,513,988	Total Assets		56,728,048	55,245,336
	LIABILITIES			
	Current Liabilities			
117,056	Borrowings	16	112,752	87,978
3,204,438	Payables	14	2,171,284	1,805,000
184,360	Employee Benefit Liabilities	15	230,255	195,000
108,666	Derivative Financial Liabilities		0	0
3,614,520			2,514,291	2,087,978
	Non-Current Liabilities			
9,162	Employee Benefit Liabilities	15	11,585	8,000
335,980	Borrowings	16	319,856	247,965
0	Derivative Financial Liabilities		0	0
85,800	Future Quarry Restoration	25	85,800	86,000
430,942			417,241	341,965
4,045,462	Total Liabilities		2,931,532	2,429,943
	EQUITY			
19,987,141	Ratepayers Equity	17(a)	20,472,883	20,208,012
2,413,020	Rating Districts	17(b)	2,407,867	1,385,381
22,222,725	Revaluation Reserve	17(c)	22,714,725	22,222,000
262,885	Tb Special Rate	17(f)	-36,374	0
-17,245	Quarry Account	17(e)	152,415	0
8,600,000	Investment Growth Reserve	17(d)	8,085,000	9,000,000
53,468,526			53,796,516	52,815,393
57,513,988	Total Liabilities and Equity		56,728,048	55,245,336

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

Statement of Cash Flows for the Year Ended 30 June 2009

2008 Actual	Notes	2009 Actual	2009 Budget
Cashflow from Operating Activities			
Cash was provided from:			
3,014,830	Rates	2,899,820	2,923,280
13,364,251	Other Income	7,882,479	4,059,328
0	Dividends	0	0
27,127	Other Investment Income	33,888	1,000,000
16,406,208		10,816,187	7,982,608
Cash was Disbursed to:			
14,838,096	Payments to Suppliers & Employees	10,916,488	8,614,415
44,651	Interest Paid	40,503	34,000
-181,469	Net GST Movement	79,151	0
14,701,278		11,036,142	8,648,415
1,704,930	Net Cash Flow From Operations	-219,955	-665,807
Cashflow from Investing Activities			
Cash was provided from:			
315,000	Redemption of Investments	207,367	1,114,619
6,489	Sale of Fixed Assets	60,315	0
321,489		267,882	1,114,619
Cash was Disbursed to:			
166,764	Purchase of Fixed assets	343,635	200,000
0	Investments Purchased	0	500,000
166,764		343,635	700,000
154,725	Net Cash Flow From Investing	-75,753	414,619
Cashflow from Financing Activities			
Cash was provided from:			
0	Loan Raised	75,000	0
0		75,000	0
Cash was Disbursed To:			
145,867	Loan Principal Repaid	193,024	117,057
145,867		193,024	117,057
-145,867	Net Cash Flow From Financing	-118,024	-117,057
1,713,788	Total Increase In Cash Held	-413,732	-368,245
144,518	Opening Balance Of Cash Resources	1,858,306	400,000
1,858,306	Closing Balance Of Cash Resources	1,444,574	31,755

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

Notes to the Financial Statements

1	Actual 2008	Rates Revenue	Actual 2009
	1,852,726	General Rates	1,898,585
		<i>Targeted Rates attributable to activities</i>	
	583,862	River, Drainage & Coastal Erosion	625,803
	567,340	Tb Pest Management	367,903
	25,549	Regional Emergency Management	25,622
	<u>3,029,477</u>	Total Rates Revenue	<u>2,917,913</u>
	0	Rates Remissions	0
	<u>3,029,477</u>	Rates Revenue net of remissions	<u>2,917,913</u>
2	Actual 2008	Other Revenues	Actual 2009
		Investment Income:	
	50,213	Realised Gains/-Losses (Price)	-411,394
	-1,413,637	Unrealised Gains/- Losses (Price)	-706,734
	519,110	Exchange Rate Variations	-146,457
	628,288	Interest	606,078
	206,034	Dividends	199,963
	-155,172	Movement hedge positions	178,420
	<u>-165,164</u>	Total Investment Income	<u>-280,124</u>
		Other Income:	
	716,224	User Charges	612,194
	130,435	Land Transport NZ Govt Grants	126,122
	78,727	Ministry for the Environment Grants	53,213
	3,000	Other Local Authority contributions	10,531
	10,841,533	Animal Health Board	5,295,255
	1,014,669	Regulatory	1,417,652
	70,421	Infringements, Fines	154,415
	0	Other	3,000
	<u>12,689,845</u>		<u>7,392,258</u>
3	Actual 2008	Other -Gains / Losses	Actual 2009
	8,056	Disposal of property, plant, equipment	1,876
	<u>8,056</u>	Total	<u>1,876</u>
4	Actual 2008	Employee Benefit Expenses	Actual 2009
	2,822,713	Salaries and wages	3,046,154
	0	Employer contributions to multi-employer defined benefit plans	0
	-6,552	Increase in Annual Leave liability	19,851
	2,099	Increase in Long Service Leave provision	2,423
	0	Increase in Alternative Holidays Provision	4,624
	3,206	Increase in Time in Lieu Liability	3,234
	8,631	Increase in accrued payroll	10,243
	<u>2,830,097</u>		<u>3,086,529</u>

5	Actual 2008	Other Expenses	2009 Actual
	58,700	Fees paid to Auditor (Audit NZ)	61,400
	0	Fees for Financial statement audit	0
	0	Fees for LTCCP audit	0
	0	Fees for NZ IFRS transition	0
	0	Fees for assurance and related services	0
	0	Fees for tax services	0
	0	Fees for other services	0
	0	Impairment of receivables	0
	0	Impairment of property, plant, equipment	0
	124,812	Minimum Lease payments Operating Leases	102,833
	13,253,947	Other Operating expenses	7,181,040
	<u>13,437,459</u>		<u>7,345,273</u>
6	Actual 2008	Finance Costs	Actual 2009
	44,651	Interest on borrowings	40,503
	0	Interest rate swaps	0
	0	Fair value adjustment to bank borrowing	0
	<u>44,651</u>		<u>40,503</u>
7	Actual 2008	Tax Expense	Actual 2009
	0	Current tax expense	0
	0	Adjustments to current tax in prior years	0
	0	Deferred tax expense	0
	<u>0</u>	Income Tax expense	<u>0</u>
		Reconciliation	
	-600,941	Surplus / (deficit) before tax	-164,010
	-200,314	Tax @ 33%	-49,203
	200,314	Non deductible expenditure	49,203
	0	Prior year adjustment	0
	<u>0</u>	Income Tax expense	<u>0</u>
		Deferred Tax Assets / (liabilities)	
	0	Balance 1 July 2008	0
	0	Charged to Statement of Financial Performance	0
	0	Charged to equity	0
	<u>0</u>	Balance 30 June 2009	<u>0</u>
	0	Charged to Statement of Financial Performance	0
	0	Charged to equity	0
	<u>0</u>	Balance 30 June 2009	<u>0</u>
8	Actual 2008	Cash & Cash Equivalents	Actual 2009
	153,868	Cash at bank and in hand	140,632
	1,704,438	Short term deposits maturing 3 months or less from date of acquisition	1,303,942
	<u>1,858,306</u>		<u>1,444,574</u>
		The carrying value of short term deposits with maturity dates of 3 months or less approximates their fair value.	

9	Actual 2008	Trade and Other Receivables	Actual 2009
	263,628	Rates Receivables	283,982
	621,167	Other Receivables	728,118
	434,095	Other Receivables accrued	151,989
	51,691	Prepayments	103,062
	248,715	Revenue work in progress	227,560
	<u>1,619,296</u>		<u>1,494,711</u>
	-58,821	Less provision for impairment of receivables	0
	<u>1,560,475</u>		<u>1,494,711</u>
	0	Non current	0
	<u>1,560,475</u>	Current	<u>1,494,711</u>
	<u>1,560,475</u>		<u>1,494,711</u>

The major concentration of credit risk is with the Animal Health Board Inc. receivables which amounted to \$367,314 @ 30 June 2009 (\$600,568 @ 30 June 2008). These amounts were subsequently paid in the ordinary course of business.

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

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

As at 30 June 2009 (and 2008) all overdue receivables, except for rates, have been assessed for impairment and appropriate provisions applied. WCRC holds no collateral as security over receivables that are either past due or impaired.

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

Movements in the provision for impairment of receivables are as follows:

Actual 2008		Actual 2009
58,821	@ 1 July	58,821
0	Additional provision made during year.	0
0	Receivables written off during period.	-58,821
<u>58,821</u>	@ 30 June	<u>0</u>

10	Actual 2008	Inventories	Actual 2009
	225,612	Poison and pest supplies	26,198
	716	Explosives	0
	61,680	Rock in Quarries	49,603
	12,493	Stationery and Office supplies	14,625
	<u>300,501</u>		<u>90,426</u>

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

11	Actual 2008	Other Financial Assets	Actual 2009
		<i>Current</i>	
	1,842,927	Financial Assets at fair value through profit or loss	1,806,405
	0	Financial Assets at fair value through equity	0
	0	Held to maturity investments	0
	0	Loans and receivables	0
	<u>1,842,927</u>		<u>1,806,405</u>
		<i>Non Current</i>	
	9,301,063	Financial Assets at fair value through profit or loss	8,637,785
	0	Financial Assets at fair value through equity	0
	0	Held to maturity investments	0
	0	Loans and receivables	0
	<u>9,301,063</u>		<u>8,637,785</u>
	11,143,990	Total Current and Non Current	10,444,190
	Actual 2008	By Asset Class	Actual 2009
	6,176,957	Fixed Interest	6,627,292
	1,402,921	Australasian Equities	1,119,911
	1,871,667	International Equities	1,217,885
	729,614	Property Equities	581,675
	962,831	Alternative Asset Classes	897,427
	<u>11,143,990</u>	Total	<u>10,444,190</u>

There was no impairment provision for Other Financial Assets.

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

12 Property, Plant and equipment - Council Operational Assets

2009	Cost/ Revaluation	Accumulated Depreciation/ Impairment	Carrying amount	Current year additions	Current Year Disposals	Current Year impairment	Transfer depreciation on disposal	Current year depreciation	Revaluation Surplus	Cost/ Revaluation	Accumulated Depreciation/ Impairment	Carrying Amount
	1 July 2008	1 July 08	1 July 08	30 June 09	30 June 09	30 June 09	30 June 09	30 June 09	30 June 09	30 June 09	30 June 09	30 June 09
Land	1,198,000	0	1,198,000	0	0	0	0	0	492,000	1,690,000	0	1,690,000
Buildings	1,508,919	-140,734	1,368,185	2,854	0	0	0	-41,139	0	1,511,773	-181,873	1,329,900
Plant & equipment	1,947,397	-1,352,511	594,886	322,848	-165,609	0	103,218	-215,334	0	2,104,636	-1,464,627	640,009
Vehicles	103,944	-58,868	45,076	51,210	0	0	0	-21,360	0	155,154	-80,228	74,926
	4,758,260	-1,552,113	3,206,147	376,912	-165,609	0	103,218	-277,833	492,000	5,461,563	-1,726,728	3,734,835

Council Infrastructure Assets - River, Drainage & Coastal Protection Assets

Canavans Knob	287,501	0	287,501							287,501	0	287,501
Coal Creek	1,487,637	0	1,487,637							1,487,637	0	1,487,637
Franz Josef	2,279,282	0	2,279,282							2,279,282	0	2,279,282
Inchbonnie	1,982,922	0	1,982,922							1,982,922	0	1,982,922
Kaniere	329,521	0	329,521							329,521	0	329,521
Karamea	2,249,839	0	2,249,839							2,249,839	0	2,249,839
Kongahu Swamp	463,404	0	463,404							463,404	0	463,404
Kowhitirangi	2,998,123	0	2,998,123							2,998,123	0	2,998,123
Lower Waiho	1,344,657	0	1,344,657							1,344,657	0	1,344,657
Matainui Creek	38,639	0	38,639							38,639	0	38,639
Nelson Creek	1,636,314	0	1,636,314							1,636,314	0	1,636,314
Raft Creek	240,097	0	240,097							240,097	0	240,097
Redjacks	364,868	0	364,868							364,868	0	364,868
Taramakau Settlement	6,973,850	0	6,973,850							6,973,850	0	6,973,850
Vine Creek	1,357,196	0	1,357,196							1,357,196	0	1,357,196
Waitangitaoa	1,429,127	0	1,429,127							1,429,127	0	1,429,127
Wanganui	11,534,714	0	11,534,714							11,534,714	0	11,534,714
Okuru	535,059	0	535,059							535,059	0	535,059
Hokitika South Bank	694,378	0	694,378							694,378	0	694,378
Punakaiki	1,176,518	0	1,176,518							1,176,518	0	1,176,518
	39,403,646	0	39,403,646	0	0	0	0	0	0	39,403,646	0	39,403,646
TOTAL	44161906	-1552113	42,609,793	376,912	-165,609	0	103,218	-277,833	492,000	44,865,209	-1,726,728	43,138,481

2008	Cost/ Revaluation	Accumulated Depreciation/ Impairment	Carrying Amount	Current Year Additions	Current Year Disposals	Current Year Impairment	Transfer Depreciation on disposal	Current Year Depreciation	Revaluation Surplus	Cost/ Revaluation	Depreciation/ Impairment	Carrying amount
	1 July 2007	1 July 07	1 July 07							30 June 08	30 June 08	30 June 08
Land	1,198,000	0	1,198,000	0	0	0	0	0	0	1,198,000	0	1,198,000
Buildings	1,484,741	-100,687	1,384,054	24,178	0	0	0	-40,047	0	1,508,919	-140,734	1,368,185
Plant & equipment	1,806,285	-1,115,788	690,497	143,145	-2,033	0	1,830	-238,553	0	1,947,397	-1,352,511	594,886
Vehicles	99,468	-46,626	52,842	24,032	-19,556	0	5,214	-17,456	0	103,944	-58,868	45,076
	4,588,494	-1,263,101	3,325,393	191,355	-21,589	0	7,044	-296,056	0	4,758,260	-1,552,113	3,206,147
Council Infrastructure Assets - River, Drainage & Coastal Protection Assets												
Canavans Knob	287,501	0	287,501	0	0	0	0	0	0	287,501	0	287,501
Coal Creek	1,487,637	0	1,487,637	0	0	0	0	0	0	1,487,637	0	1,487,637
Franz Josef	2,279,282	0	2,279,282	0	0	0	0	0	0	2,279,282	0	2,279,282
Inchbonnie	1,982,922	0	1,982,922	0	0	0	0	0	0	1,982,922	0	1,982,922
Kaniere	329,521	0	329,521	0	0	0	0	0	0	329,521	0	329,521
Karamea	2,249,839	0	2,249,839	0	0	0	0	0	0	2,249,839	0	2,249,839
Kongahu Swamp	463,404	0	463,404	0	0	0	0	0	0	463,404	0	463,404
Kowhitirangi	2,998,123	0	2,998,123	0	0	0	0	0	0	2,998,123	0	2,998,123
Lower Waiho	1,344,657	0	1,344,657	0	0	0	0	0	0	1,344,657	0	1,344,657
Matainui Creek	38,639	0	38,639	0	0	0	0	0	0	38,639	0	38,639
Nelson Creek	1,636,314	0	1,636,314	0	0	0	0	0	0	1,636,314	0	1,636,314
Raft Creek	240,097	0	240,097	0	0	0	0	0	0	240,097	0	240,097
Redjacks	364,868	0	364,868	0	0	0	0	0	0	364,868	0	364,868
Taramakau Settlement	6,973,850	0	6,973,850	0	0	0	0	0	0	6,973,850	0	6,973,850
Vine Creek	1,357,196	0	1,357,196	0	0	0	0	0	0	1,357,196	0	1,357,196
Waitangitona	1,429,127	0	1,429,127	0	0	0	0	0	0	1,429,127	0	1,429,127
Wanganui	11,534,714	0	11,534,714	0	0	0	0	0	0	11,534,714	0	11,534,714
Okuru	535,059	0	535,059	0	0	0	0	0	0	535,059	0	535,059
Hokitika South Bank	694,378	0	694,378	0	0	0	0	0	0	694,378	0	694,378
Punakaiki	1,176,518	0	1,176,518	0	0	0	0	0	0	1,176,518	0	1,176,518
	39,403,646	0	39,403,646	0	0	0	0	0	0	39,403,646	0	39,403,646
TOTAL	43,992,140	-1,263,101	42,729,039	191,355	-21,589	0	7,044	-296,056	0	44,161,906	-1,552,113	42,609,794

13 Intangible Assets 2009

	Cost 1 July 2008	Accumulated Amortisation/ Impairment 1 July 2008	Carrying Amount 1 July 2008	Current Year Additions	Current Year Disposals	Current Year Impairment	Transfer Amortisation on disposal	Current Year Amortisation	Revaluation Surplus	Cost/ Revaluation	Accumulated Amortisation/ Impairment 30 June 2009	Carrying Amount 30 June 2009
Computer Software	220,514	-179,592	40,922	18,474	0	0	0	-13,485	0	238,988	-193,077	45,911
Other	0	0	0	0	0	0	0	0	0	0	0	0
	220,514	-179,592	40,922	18,474	0	0	0	-13,485	0	238,988	-193,077	45,911

Intangible Assets 2008

	Cost 1 July 2007	Accumulated Amortisation/ Impairment 1 July 2007	Carrying Amount 1 July 2007	Current Year Additions	Current Year Disposals	Current Year Impairment	Transfer Amortisation on disposal	Current Year Amortisation	Revaluation	Cost/ Revaluation	Accumulated Amortisation/ Impairment 30 June 2008	Carrying Amount 30 June 2008
Computer Software	189,798	-158,842	30,956	30,716	0	0	0	-20,750	0	220,514	-179,592	40,922
Other	0	0	0	0	0	0	0	0	0	0	0	0
	189,798	-158,842	30,956	30,716	0	0	0	-20,750	0	220,514	-179,592	40,922

14 Actual 2008	Trade and Other Payables	Actual 2009
1,772,660	Trade Payables	1,215,566
338,486	Deposits and bonds	403,400
1,033,277	Accrued Expenses	478,517
60,015	Rates in advance	73,801
0	Due to related parties	0
<u>3,204,438</u>		<u>2,171,284</u>

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

15 Actual 2008	Employee Benefit Liabilities	Actual 2009
8,631	Accrued payroll	18,874
164,520	Annual Leave	192,315
9,162	Long Service Leave	11,585
11,209	Time in Lieu	14,442
0	Alternative Holidays	4,624
0	Sick Leave	0
<u>193,522</u>		<u>241,840</u>
184,360	Current	230,255
9,162	Non Current	11,585
<u>193,522</u>		<u>241,840</u>

16 Actual 2008	Borrowing	Actual 2009
	Reconciliation	
	Opening Balance 1 July	
252,355	Lease Liabilities	136,818
346,548	Punakaiki Seawall Loan	316,218
<u>598,903</u>		<u>453,036</u>
	Borrowed	
0	Lower Waiho	75,000
0	Lease Liabilities	97,596
0		<u>172,596</u>
	Repaid	
-115,537	Lease Liabilities	-130,536
0	Lower Waiho	-29,706
-30,330	Punakaiki Seawall Loan	-32,782
<u>-145,867</u>		<u>-193,024</u>
	Closing Balance 30 June	
136,818	Lease Liabilities	103,878
0	Lower Waiho	45,294
316,218	Punakaiki Seawall Loan	283,436
<u>453,036</u>		<u>432,608</u>

Actual 2008	Current	Actual 2009
32,782	Unsecured Term Loans	77,340
0	Secured Term Loans	0
84,274	Lease Liabilities	35,412
117,056		112,752
	Non Current	
283,436	Unsecured Term loans	251,392
0	Secured Term Loans	0
52,544	Lease Liabilities	68,464
335,980		319,856
453,036	Total Borrowings	432,608

Fixed Rate Debt

Short Term Bank Loan

Lease liabilities for whole term of Lease.

Unsecured Term Loans fixed for 5 years from Nov 05

Floating Rate debt

There is no floating rate debt.

Security

All borrowing is on an unsecured basis.

Maturity Analysis and effective interest rates

117,056	< 1 Year	112,752
8.76%	weighted average interest rate	9.21%
335,980	> 1 year	319,856
8.26%	weighted average interest rate	8.49%
453,036	Total	432,608
335,980	Fair Value of non current borrowings	335,980

Analysis of Finance Lease Liabilities

Actual 2008	Minimum Lease Payments Due	Actual 2009
94,035	Not later than 1 year	45,891
55,308	Later than 1 year: not later than 5	80,567
0	Later than 5 years	0
149,343		126,458
	Less:	
-12,525	Future finance charges	-22,580
136,818	Present value of minimum lease payments	103,878

2008	Present value of minimum Lease payments Payable	2009
84,274	Not later than 1 year	35,413
52,546	Later than 1 year: not later than 5	68,465
	Later than 5 years	0
136,820		103,878
84,274	Current	35,413
52,546	Non Current	68,465
136,820		103,878

WCRC enters into finance leases for various items of plant and equipment.

The net carrying amount of the leased items within each class of property, plant and equipment is included in note 12.

These Finance Leases can be renewed at WCRC option, with rentals set by reference to current market rates for items of equivalent age and condition.

WCRC does not have an option to purchase these assets at the end of the lease term.

There are no restrictions placed on WCRC by any of the finance lease arrangements.

17 Actual 2008	Equity	Actual 2009
(a) Ratepayers Equity		
19,931,935	Balance 1 July	19,987,141
-600,941	Surplus transferred	-164,010
-112,935	Net Transfers (to)/from Rating District Equity	5,152
0	Transfers(to)/from Tb Targeted Rate Balance	-11,902
208,113	Transfers(to)/from Tb Targeted Rate Balance	311,161
-60,031	Transfers(to)/from Quarry Account	-169,659
621,000	Transfers(to)/from Investment Growth Reserve	515,000
19,987,141	Balance 30 June	20,472,883
(b) Rating District Equity (River, Drainage & Coastal Protection Schemes)		
2,300,085	Balance 1 July	2,413,020
823,206	Revenue	963,291
-681,889	Expenditure	-983,062
0	Loan raised	75,000
-28,382	Loan Principal repaid	-60,382
2,413,020	Balance 30 June	2,407,867
(c) Actual 2008 Asset Revaluation Reserves Actual 2009		
(i) Infrastructural Assets		
22,122,725	Opening Balance	22,122,725
0	Revaluation gains / (losses)	0
22,122,725		22,122,725

(ii)	Actual 2008	Land	Actual 2009
	100,000	Opening Balance	100,000
	0	Revaluation gains / (losses)	492,000
	100,000		592,000
	22,222,725	Total Revaluation Reserve	22,714,725
(d)	Actual 2008	Investment Growth Reserve	Actual 2009
	9,221,000	Balance 1 July	8,600,000
	-621,000	Transfer (to) / from Ratepayers Equity	-515,000
	8,600,000	Balance 30 June	8,085,000
(e)	Actual 2008	Quarry Account	Actual 2009
	-77,276	Balance 1 July	-17,245
	60,031	Transfer (to) / from Ratepayers Equity	169,659
	-17,245	Balance 30 June	152,415
(f)	Actual 2008	Tb Pest Management	Actual 2009
	470,998	Balance 1 July	262,885
	-208,113	Transfer (to) / from Ratepayers Equity	-311,161
	262,885	Balance 30 June	-36,374

Restricted Reserves

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

Rating District Equity Reserves

Tb Pest Management

18	Reconciliation of net surplus/(deficit) to net cash flow from operating activities		Actual 2009
	Actual 2008		
(i)	-600,941	Reported Surplus (Deficit) for the year	-164,010
(ii)		Add non cash items:	
	316,806	Depreciation	291,318
	-309,168	Unrealised Foreign Exchange Gains/Losses	101,217
	1,413,637	Unrealised Price Gains/Losses	706,734
	155,172	Unrealised Hedging Gains/Losses	-178,421
	8,056	Gains/Losses on sale of assets included in Investing Activities	1,876
	2,099	Movement in employee entitlements (non current)	2,423
	0	Item Classified as Investing activity – Movement in capital creditors	-45,846
	-1,067,350	Portfolio interest, dividends & gains	-316,586
	<u>519,252</u>		<u>562,715</u>
(iii)		Movements in working capital items	
		Current assets	
	493,195	Accounts receivable & accruals	68,026
	-235,356	Stock	210,075
		Current liabilities	
	1,347,311	Accounts payable and accruals	-817,610
	181,469	Net GST movement	-79,151
	<u>1,786,619</u>		<u>-618,660</u>
	<u>1,704,930</u>	Net Cashflows From Operating Activities	<u>-219,955</u>

19	Actual 2008	Capital Commitments and operating leases.	Actual 2009
	0	Capital expenditure contracted for at 30 June but not yet incurred for property, plant and equipment.	0
	<u>0</u>		<u>0</u>
		Non-cancellable operating leases as lessee:	
	101,682	not later than 1 year	75,050
	91,217	Later than 1 year but not later than 5 years	45,771
	0	later than 5 years	0
	<u>192,899</u>		<u>120,821</u>

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

Leases can be renewed at WCRC option, with rentals set by reference to current market rates for items of equivalent age and condition.

WCRC does not have an option to purchase these assets at the end of the lease term. There are no restrictions placed on WCRC by any of the lease arrangements.

20		Contingencies	
Actual 2008	Contingent Liabilities	Actual 2009	
(a)	\$4,400,000		Nil
	The \$4.4 million claim against the Council was withdrawn during the year.		
(b)	\$50,625		Nil
	The claim by the liquidators of Target Pest Contracting Ltd against Council was settled in October 2008 for \$50,625 and our indemnity from the Animal Health Board resulted in no cost to the Council.		
	The Scheme Manager of NZ Mutual Liability Riskpool has advised Council of a call of \$3,657 for Fund 6 (2002/03) and \$23,036 for Fund 7 (2003/04). Council has accrued this liability @ 30 June 2009. However, the Scheme Manager has advised that given the continuing trend of "weathertight" claims against the local government sector, it is possible that one or two further calls of a similar magnitude may be made over the next two years.		
Actual 2008	Contingent Assets	Actual 2009	
\$50,625		Nil	

21		Key Personnel Remuneration Disclosures in accordance with NZ IAS 24 and Local Government Act 2002, schedule 10, part 18 (1), (a), (b), (c)			
ye 30/6/08		Salaries	Superannuation	Vehicle	ye 30/6/09
	Councillors				
47,902	Chair-from Oct 07	61,950			61,950
16,812	Chair-until Oct 07	0			0
27,731	Deputy Chair-from Oct 07	30,975			30,975
8,406	Deputy Chair-until Oct 7	0			0
20,739	Councillor	25,275			25,275
20,739	Councillor	25,275			25,275
13,541	Councillor-from Oct 07	25,275			25,275
13,541	Councillor-from Oct 07	25,275			25,275
13,541	Councillor-from Oct 07	25,275			25,275
182,952		182,952			219,300
169,438	Chief Executive	170,635	2,154	16,677	189,466
413,327	4 Second Tier Managers	431,387	13,840	0	445,227
765,717		821,322	15,994	16,677	853,993

The above remuneration comprises salaries and other short term benefits.

22. Related Party Transaction

There were no such transactions during the year to 30 June 2009.

(2008 \$6,500)

23. Severance Payments

No severance payments were made during the year to 30 June 2009.

(2008 nil)

24. Events After Balance Date of 30 June 2009.

None

25. Future Quarry Restoration Liability

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

(2008 \$85,800)

26. Financial Instrument Risks

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

Market Risk

Price Risk

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

Currency Risk

This is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. WCRC holds some Investments in foreign currency holdings and part of these holdings are hedged in accordance with the SIPO.

Fair Value Interest Rate Risk

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

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

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

Cash flow interest rate risk

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

Credit Risk

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

WCRC invests funds with its fund manager Forsyth Barr Ltd and the SIPO limits the amount of credit exposure to various institutions.

Liquidity Risk

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

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

WCRC has overdraft and short term borrowing facilities with its bankers of up to \$750,000.

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

Actual 2008	Financial Instruments	Actual 2009
	Financial Assets	
	Fair Value Through Profit and Loss – Held for trading	
	Categories	
0	Derivative Financial Asset	69,755
	Other Financial Assets	
6,176,957	Fixed Interest	6,627,292
1,402,921	Australasian Equities	1,119,911
1,871,667	International Equities	1,217,885
729,614	Property Equities	581,675
962,831	Alternative Asset Classes	897,427
11,143,990	Total Financial Assets	10,444,190
	at Fair Value Through Profit & Loss	
0	Available for Sale	0
	Loans and Receivables	
1,858,306	Cash & cash Equivalents	1,444,574
1,560,475	Debtors & Other Receivables	1,494,711
3,418,781		2,939,285
0	Held to Maturity	0
0	Fair Value Through Equity	0
14,562,771	Total Financial Assets	13,453,230
	Financial Liabilities	
	Fair Value Through Profit and Loss -Held for Trading	
108,666	Derivative Financial Liabilities	0
	Financial Liabilities at Amortised Cost	
3,204,438	Creditors & Other Payables	2,171,284
	Borrowings	
316,218	Unsecured Loans	328,730
136,818	Finance Lease Liabilities	103,878
3,657,474	Total financial Liabilities at Amortised Cost	2,603,892
3,766,140	Total Financial Liabilities	2,603,892

Actual 2008	Maximum Exposure to Credit Risk	Actual 2009
	Financial Instruments	
153,868	Cash at Bank Westpac	140,632
1,704,438	Cash on Call Deposits Westpac	1,303,942
1,560,475	Debtors & Other Receivables	1,494,711
6,176,957	Fixed Interest	6,627,292
<u>9,595,738</u>		<u>9,566,577</u>

Actual 2008	Counterparties with Credit Ratings (Standard & Poor's)	Actual 2009
	Fixed Interest	
1,266,670	AAA	1,599,768
407,896	AA+	0
0	AA Government Guarantee	572,769
1,794,251	AA	738,989
0	AA- Government Guarantee	568,789
1,242,420	AA-	1,017,521
487,948	A+	199,088
876,470	A	756,942
0	A-	201,393
0	BBB+	146,618
0	BBB- Government Guarantee	447,364
0	Unrated Government Guarantee	154,172
101,302	Unrated – no prior defaults	223,879
<u>6,176,957</u>		<u>6,627,292</u>
	Cash at bank	
<u>153,868</u>	AA	<u>140,632</u>
	On call Deposit Account	
<u>1,704,438</u>	AA	<u>1,303,942</u>

Sensitivity of Financial Instrument Risk

Interest Rate Risk

As at 30 June 2009 it is estimated that a two percentage point increase in market interest rates would decrease/increase the Council's surplus by approximately \$166,000.

This calculation is based on a reassessment of the fair values of financial assets that are held for trading (30 June 2008 \$151,000 based on a one percentage movement).

Currency Risk

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

It is estimated that a ten percent increase/decrease in the value of the New Zealand dollar against both the US\$ and Australian\$ would decrease/increase the Council's surplus by approximately \$125,000/\$153,000 (30 June 2008 \$91,000 / \$111,000).

Contractual Maturity Analysis of Financial Liabilities

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

Council 2008	Carrying Amount	Contractual Cash Flows	< 1 year	1 - 2 years	2 - 5 years	> 5 years
Creditors & Other Payables	3,204,438	3,204,438	3,204,438	0	0	0
Net Position of Derivative Financial Liabilities	108,666	108,666	108,666			
Unsecured Loan	295,958	390,726	52,680	52,680	158,040	127,326
Unsecured Loan	20,260	26,752	3,612	3,612	10,836	8,692
	<u>316,218</u>	<u>417,478</u>	<u>56,292</u>	<u>56,292</u>	<u>168,876</u>	<u>136,018</u>
Finance Lease Liability	70,429	78,960	38,356	40,604		
Finance Lease Liability	13,188	13,358	13,358			
Finance Lease Liability	17,286	18,190	14,552	3,638		
Finance Lease Liability	13,239	14,094	11,275	2,819		
Finance Lease Liability	22,676	24,741	16,494	8,247		
	<u>136,818</u>	<u>149,343</u>	<u>94,035</u>	<u>55,308</u>	<u>0</u>	<u>0</u>

27. Capital Management

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

The Local Government Act 2002 (LGA 2002) requires the Council to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community.

LGA 2002 requires the Council to make adequate provision in its LTCCP and Annual Plans to meet the expenditure needs identified in those plans. The sources and levels of funding of activities are set out in the funding and financial policies in Council's LTCCP.

WCRC has the following Council created reserves.

- Investment Growth Fund.
- Quarry Account.

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

WCRC has the following reserves of this nature.

- Rating Districts Equity (River, Drainage and Coastal protection schemes).
- Tb Pest Management.

28. Cash Bond

West Coast Regional Council has received an \$892,000 (2008 \$892,000) bond from a mining company. The money is held in a separate bank account and is not controlled by Council. Council can access these funds when, and only to the extent that, Council has to incur expenditure to make good any default of the company's. Therefore no asset or liability in respect of this bond has been recognized in the financial statements.

Governance

Background

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

Key Changes from the 2006/2016 Long Term Council Community Plan

The number of elected Councillors increased from six to seven following the 2007 triennial elections.

Budgeted LTCCP audit costs are now included as a separate item under the heading LTCCP / Community Consultation.

Performance Targets	Achievements/Progress																								
1. Conduct eleven monthly meetings of Council and the Resource Management Committee, plus other scheduled meetings and scheduled workshops during the year with 85% attendance by all Councillors.	<p>Eleven Council meetings occurred in the reporting period plus three special meetings and one workshop.</p> <table border="1"> <thead> <tr> <th><u>Councillor</u></th> <th><u>Number Attended</u></th> <th><u>%</u></th> </tr> </thead> <tbody> <tr> <td>Scarlett</td> <td>15 out of 15</td> <td>100%</td> </tr> <tr> <td>Ewen</td> <td>12 out of 15</td> <td>80%</td> </tr> <tr> <td>Davidson</td> <td>15 out of 15</td> <td>100%</td> </tr> <tr> <td>Chinn</td> <td>14 out of 15</td> <td>93%</td> </tr> <tr> <td>Robb</td> <td>13 out of 15</td> <td>87%</td> </tr> <tr> <td>Birchfield</td> <td>15 out of 15</td> <td>100%</td> </tr> <tr> <td>Archer</td> <td>12 out of 15</td> <td>80%</td> </tr> </tbody> </table>	<u>Councillor</u>	<u>Number Attended</u>	<u>%</u>	Scarlett	15 out of 15	100%	Ewen	12 out of 15	80%	Davidson	15 out of 15	100%	Chinn	14 out of 15	93%	Robb	13 out of 15	87%	Birchfield	15 out of 15	100%	Archer	12 out of 15	80%
<u>Councillor</u>	<u>Number Attended</u>	<u>%</u>																							
Scarlett	15 out of 15	100%																							
Ewen	12 out of 15	80%																							
Davidson	15 out of 15	100%																							
Chinn	14 out of 15	93%																							
Robb	13 out of 15	87%																							
Birchfield	15 out of 15	100%																							
Archer	12 out of 15	80%																							
2. Prepare and notify the Council's Annual Report by 31 October each year in accordance with the procedures outlined in the Local Government Act 2002.	Not achieved. The 30 June 2008 Audited Annual Report was adopted by Council on 11 November 2008.																								
3. Continue to invite attendance of Makaawhio and Ngati Waewae representatives as appointees to the Council	Achieved. Iwi representatives were invited to each Resource Management Committee meeting.																								
4. Confirm the Long Term Council Community Plan (LTCCP) for the period 2009 / 2019 by 30 June 2009 in accordance with the procedures outlined in the Local Government Act 2002.	Council adopted the LTCCP on 23 June 2009.																								

Actual 2007/08	Cost of Services Statement for year ended 30 June 2009	Actual 2008/09	Budget 2008/09
	Governance		
	Operating Expenditure		
292,656	Governance	323,814	350,572
3,720	Community Consultation	9,830	63,666
2,984	Maori Capacity	6,240	3,617
<u>299,360</u>	Total Operating Expenditure	<u>339,884</u>	<u>417,855</u>
<u>0</u>	Operating Revenue	<u>0</u>	<u>0</u>
	Funding Requirements		
-299,360	Operating Surplus / - Deficit to be funded	-339,884	-417,855
	Capital Expenditure	0	0
<u>-299,360</u>	Total Funding Required	<u>-339,884</u>	<u>-417,855</u>
	Funded by		
299,360	General Rates and Investment Income	339,884	417,855
<u>299,360</u>	Total Funding	<u>339,884</u>	<u>417,855</u>

Consents and Compliance

Background

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

Resource consents and mining licences are monitored to ensure compliance with their conditions and to determine their effects on the environment. This is a duty of Council under section 35 of the Resource Management Act. Complaints received in relation to breaches of resource consents, the Act or Council's regional rules are recorded and responded to according to a priority system.

Under the Maritime Transport Act 1994 the Council is responsible for responding to marine oil spills within the territorial waters of the West Coast. This Act requires Council to undertake certain activities regarding training and equipment maintenance. Staff will respond to terrestrial hazardous substance spills and assist the party responsible to clean up spills in order to minimise environmental impacts.

Key Changes from the Long Term Council Community Plan for 2006/16

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

Marine Oil Spill Response is now under the Consents and Compliance group of activities. In the 2006/2016 LTCCP it was included under the Emergency Management Group of Activities.

Resource Consent Processing Targets	Achievements/Progress
1. Process 90% of non-notified resource consent applications within statutory timeframes.	Achieved. 95.0% of non-notified resource consent applications granted (417/439) were processed within statutory timeframes.
2. Process 90% of limited and publicly notified consent applications within statutory timeframes.	Not achieved. 22 of 83 limited and publicly notified applications granted were processed within statutory timeframes. The 57 consents for the TrustPower proposed Arnold Valley Hydro Electric Power Scheme were not.
3. Work with consent holders to seek to reduce the need for formal requests for further information under Section 92 of the RMA.	Achieved. 17 Section 92 requests were made in relation to the consent applications being processed in the reporting period, compared with 25 in the previous year.
4. Complete staff reports for all notified applications within the statutory timeframes.	Achieved. Two hearings commenced during the year, with both staff reports being completed in time.
5. Report publicly through the monthly Resource Management Committee Meetings all consents granted.	Achieved. Each monthly consents report included a list of non-notified, limited notified and notified consent applications granted.
6. Provide advice on resource consent processes and requirements in a timely and helpful manner.	Achieved. Some complimentary correspondence, but no negative feedback or complaints, received from consent applicants in this regard.
7. Send details of all consent applications, which could be of concern to Iwi to the respective Runanga.	Achieved. Iwi continued to be emailed a weekly summary of all applications every week.
8. Notify iwi of all resource consent applications affecting Statutory Acknowledgment Areas.	Achieved.

Compliance Monitoring Targets	Achievements/Progress
1. Identify resource consents that require ongoing monitoring for compliance and adverse environmental effects, and monitor those consents in accordance with set monitoring programmes.	Achieved. Each new consent is allocated to a Compliance Officer and assessed as to whether it is going to require ongoing monitoring. The monitoring of such consents is prioritized in terms of their actual and potential environmental effects.
2. Inspect every consent for the discharge of dairy effluent at least every three years depending on compliance and where problems are identified to work with farmers so that consent compliance is achieved and environmental effects are reduced.	Achieved. During the reporting period 372 dairy shed inspections were undertaken, including re-inspections as the result of non compliance. Some 77% of inspections revealed full compliance with the relevant resource consent or permitted activity rule.
3. Inspect all new consents that involve construction works after completion of those works.	Achieved. Compliance staff undertook regular inspections of consents for major construction works, including those associated with the new Arahura River Road & Rail Bridge and the Pike River Coal Mine.
4. Inspect all consents for whitebait stands at least once every two years to check consent compliance and that the environmental effects of the stands are no more than minor.	237 out of 657 whitebait stands were inspected in the 2008 season with the remainder to be inspected in the 2009 season.
5. Inspect every consent and/or mining licence for operating mining activities at least once annually, and where problems are identified, undertake follow up (which may include further inspections) to ensure consent compliance is achieved and/or environmental effects are reduced.	Achieved except for very small mining operations with negligible environmental effects. 124 inspections of mining operations were undertaken, including re-inspections as the result of non compliance. Some 73% of the mining operations were compliant with the relevant resource consent or mining licence.
6. Process 80% of mining work programmes within 20 working days of receipt.	Achieved. 40 of the 44 (91%) work programmes received were processed within 20 working days.
7. Report all monitoring inspections through the monthly Resource Management Committee meetings.	Achieved. The inspections are reported in each monthly compliance report.
8. Release 80% of bonds within four months of the surrender, forfeiture or expiry of the corresponding mining licences or permits, provided that rehabilitation requirements and resource consent conditions have been met.	Achieved. All requests for bond releases received during the reporting period were recommended for release where rehabilitation requirements had been met.
9. Review bond levels for large-scale mines and where necessary set new bond levels to better reflect the environmental effects/risks of those mines.	Ongoing. The bond for the Oceana Gold Globe Progress mine was reviewed and increased, and the reviews of SENZ's mine sites commenced.
10. Report mining bond releases and other license administration activities monthly to the Resource Management Committee.	Achieved. A section on mining administration activities is included in each monthly compliance report.

11. Operate a 24-hour complaints service and record all complaints on the Incidents database in accordance with enforcement procedures of the RMA.	Achieved. The Council continued to operate a 24 hour complaint response service and all complaints were recorded on the incidents database.
12. Respond to breaches of the Resource Management Act, regional plan rules or resource consents.	Achieved. 194 complaints were received and responded to during the last reporting period.
13. Take enforcement action through abatement notices, infringement notices or prosecution as appropriate and in accordance with Council policy.	Achieved. 34 abatement notices and 45 infringement notices were issued and 2 successful prosecutions were completed during the reporting period.
14. Report numbers and categories of complaints received to the Resource Management Committee.	Achieved. The total number categories and brief descriptions of complaints are reported in each monthly compliance report.

Marine Oil Spill Response Targets	Achievements/Progress
1. Maintain a minimum pool of 25 qualified and trained personnel at all times to cope with maritime oil spills, including training in issues relating to wildlife in the region.	Achieved. There were 27 trained and qualified staff available to cope with marine oil spills in the Region.
2. Organise for West Coast personnel to attend one practical and one desktop training exercise per annum.	Achieved. A practical exercise was held in Westport in September 2008 and a desktop exercise was held in May 2009.
3. Ensure response equipment is maintained to a level ready to respond to a Tier 2 response, and report quarterly to Maritime NZ on equipment checks.	Achieved. VCS and Buller Port Services conduct regular equipment maintenance checks.
4. To evaluate the spill and alert response personnel within 1 hour.	Achieved. 4 incidents occurred which may have required a spill response, all of which were evaluated within an hour.
5. To mobilise equipment and personnel and commence the clean up within 2 hours.	Not applicable as no mobilization was required. The 4 incidents that occurred did not require mobilisation of equipment and/or personnel.

Terrestrial Spill Response Targets	Achievements/Progress
1. Maintain a team of staff trained to deal with terrestrial hazardous substance spills.	Achieved. Compliance staff trained to deal marine oil spills are also trained to deal with terrestrial hazardous substance spills.
2. Review the Contingency and Procedures Plan every three years.	Review due in 2009/2010 year.
3. Regularly attend meetings of the West Coast Hazardous Substances Technical Liaison Committee and the West Coast Combined Emergency Services Co-ordinating Committee where these are relevant.	Achieved. Staff attended these meetings when held.

Actual 2007/08	Cost of Services Statement for year ended 30 June 2009	Actual 2008/09	Budget 2008/09
	Consents & Compliance		
	Operating Expenditure		
784,092	Resource Consent Processing	982,670	478,298
161,111	Consents Support	137,963	171,562
37,290	Consents Review	19,925	41,755
0	Whitebait Consent Processing	0	0
8,325	Consent Appeals	16,334	57,422
128,697	Consent Enquiries	106,947	122,042
	Onsite Sewage Discharges	6,273	7,820
20,259	Building Act - Dams	11,717	22,236
52,060	Whitebait Stand Compliance	37,896	38,429
215,240	Compliance Monitoring	203,493	241,528
163,965	Compliance Monitoring Support	105,604	108,189
33,716	Compliance Enquiries	47,846	37,778
40,309	Mining Licence Compliance	20,368	37,439
45,582	Mining Licence Support	31,911	32,040
51,138	Dairy Farm Monitoring	108,775	24,340
106,646	Complaints	97,235	131,768
13,837	Enforcement Appeals	124,903	41,004
41,217	Oil Spill response	47,735	69,128
<u>1,903,484</u>	Total Operating Expenditure	<u>2,107,595</u>	<u>1,662,778</u>
	Operating Revenue		
1,077,008	User Charges	1,511,765	915,500
0	Subsidies	0	0
0	Targeted Rates	0	0
<u>1,077,008</u>	Total Operating Revenue	<u>1,511,765</u>	<u>915,500</u>
	Funding requirements		
-826,476	Operating Surplus / -Deficit to be funded	-595,830	-747,278
0	Capital Expenditure	0	-2,000
<u>-826,476</u>	Total Funding Required	<u>-595,830</u>	<u>-749,278</u>
	Funded by		
826,476	General Rates & Investment Income	595,830	747,278
0	Depreciation Funds	0	2,000
<u>826,476</u>	Total Funding	<u>595,830</u>	<u>749,278</u>

Planning Processes

Background

The Council has a number of Resource Management Act regional plans that manage the effects of activities on air, water, land and the coastal marine area in a consistent and integrated manner. The Council is required under the RMA to review and report on the efficiency and effectiveness of policy statements and plans every five years, as well as full review after 10 years of being operative.

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

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

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

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

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

Council commenced a Plan Change to the Coastal Plan to enable opening of river mouths under certain conditions as a permitted activity. (Refer 1 below).

There were delays to the notification of the merging of the Water Management Plan, Land and Riverbed Management Plan, and Discharge to Land Plan. (Refer 3 below)

Planning Performance Targets	Achievements/Progress
1. Hold hearings for the Proposed Plan Change for the Coastal Plan to enable opening of river mouths under certain conditions as a permitted activity by September 2008.	Deferred. Hearings were delayed to enable discussions with submitters on key issues. Submissions were notified for further submissions in February. Work has now begun on the recommending report.
2. Make the Proposed Plan Change for the Coastal Plan operative by March 2009 subject to appeals.	Deferred. See above.
3. Hold hearings on the merged plan by June 2009 – the merging of the Land and Riverbed, Water, and Discharge to Land plans.	Deferred. Delayed this project to next year to enable consultation with key stakeholders. Have reviewed the Discharge to Land Plan rules, currently working up new Lake Brunner policies. Also working on amalgamating sections of the three plans.
4. Make the Wetlands Variation to the Land and Riverbed Plan operative by June 2009 subject to appeals.	Under Court control. Decisions were released 12 December 2008. Four appeals were received and this is now before the Environment Court for mediation.

5. Prepare and disseminate information for resource users on rules and requirements, and best practice principles and practices as needed.	Achieved. Civil defence preparedness and hazardous waste disposal articles in September Council newsletter. Pest plant rules reminder in March newsletter. Currently working on sediment control & coastal management guidelines, and pest plant information sheets.
6. Prepare annual operational plans to implement the operative Pest Plant Management Strategy.	Not required this year as Council hasn't undertaken any operations. No operational plans have been required.
7. Investigate and respond where appropriate to any environmental policies or plans of other authorities or central government that may impact on West Coast interests, within required timeframes, and provide ongoing policy advice to Council as and when needed.	Achieved. Attended hearing on New Zealand Coastal Policy Statement. Submitted on Proposed National Policy Statements for Renewable Electricity Generation and Freshwater Management, the Proposed National Environment Standard on On-Site Wastewater Systems, and the RMA Simplifying and Streamlining Amendment Bill. Attended workshop on Waste Water National Environment Standard. Made a further submission on the Freshwater NPS.
8. Respond to simple RMA or Plan information requests within 10 working days, and within a reasonable timeframe for more complex requests.	Achieved. Information provided on request. Included information on permitted agrichemical discharges standards.
9. Participate in all the West Coast Waste Management Working Group meetings, and provide administrative support.	Achieved. Attended meetings in September, February, and May. Organised advertising, interviews and appointment of new Waste Minimisation Education Officer, and provided supervision. Lodged application for further funding for a Waste Minimisation Officer.

Transport Planning Targets	Achievements/Progress
1. Co-ordinate and administer two meetings of the West Coast Regional Land Transport Committee and the Regional Technical Advisory Group.	Achieved. Inaugural meeting of the new RTC held on 27 August under new legislation. New representatives approved by Council. RTC also met on 2 March and 21 May. RTAG has been reconstituted and has met on 6 November 2008 and 3 February 2009.
2. Complete a three yearly review of the Regional Land Transport Strategy by March 2009 and every three years thereafter.	Deferred. Deferral of RLTS has been granted by Minister of Transport. Now to be reviewed by September 2010. This will then be on a 6 year review cycle.
3. Prepare and submit an Annual Programme to Land Transport New Zealand to secure funding support for West Coast projects by March of each year.	Achieved. Changes to Transport legislation resulted in development of 3 year Regional Land Transport Programme. The Regional Councils part of this was submitted as required by 14 November. A Regional Land Transport Programme was drafted and put out for consultation during March/April. Hearings are to be held on 11 May 2009. Final programme was submitted 17 June 2009.

<p>4. Seek funding to undertake other transport projects identified in the Strategy as and when appropriate.</p>	<p>Achieved. Have sought assistance (resourcing) from NZTA to undertake the development of a Regional Public Transport Plan as required by the new Public Transport Management Act 2008 (this is now on hold while the new Minister reviews the legislation).</p>
<p>5. Prepare an annual report on implementation of the Regional Land Transport Strategy by September each year.</p>	<p>Achieved. Annual report completed and received by Council in September 2008.</p>
<p>6. Oversee the Road Safety Co-ordinator to achieve road safety outcomes as per the Regional Road Safety Plan, and attend all Road Safety Co-ordinating Committee meetings.</p>	<p>Achieved. New Coordinator appointed. Tai Poutini Polytechnic now delivering the Community Road Safety Programme. Attended AGM and general meeting on 10 October and quarterly meeting on 13 February and 29 May.</p>
<p>7. Undertake annual monitoring of the Total Mobility Programme by checking use of vouchers, assessment forms and overall level of utilisation of the taxi operators.</p>	<p>Achieved. Eligibility forms are checked by transport planner as entered into regional user database. User database includes 576 permanent users. There have been 49 new users registered in the 2008/09 year.</p>
<p>8. Maintain a current register of passenger services.</p>	<p>Achieved. Register is being amended and added to as required.</p>

Actual 2007/08	Cost of Services Statement for the year ended 30 June 09	Actual 2008/09	Budget 2008/09
	Planning Processes		
	Operating Expenditure		
0	Regional Policy Statement	680	19,327
39,790	Land & Riverbed mgmt Plan	42,896	37,251
690	Discharge Contaminants to Land	12,455	0
813	Air Quality Plan	270	0
5,376	Water Mgmt Plan	6,800	115,613
0	Oil Spill Plan	0	1,940
44	Pest Mgmt Strategy	422	1,078
84,468	Responses	60,368	52,609
16,536	Regional Coastal Plan	14,357	13,378
100,144	Policy & Plan Implem. & Review	38,600	46,964
27,081	Public Enquiries	15,491	39,750
5,000	Biological Controls	448	8,794
48,665	Waste Management	14,466	28,281
34,203	Waste Minimisation Project	34,597	0
20,000	Pest Strategy Implementation	8,680	14,568
7,955	Biodiversity Promotion	14,781	0
	Total Mobility Admin	17,469	18,752
55,344	Total Mobility	54,755	66,060
31,666	Regional Land Transport Admin	69,472	34,787
0	Passenger Transport Admin	7,538	4,611
95,144	Safety Programme	43,927	76,821
<u>572,919</u>	Total Operating Expenditure	<u>458,472</u>	<u>580,584</u>
	Operating Revenue		
21,299	User Charges	10,713	2,122
169,178	Subsidies	161,979	115,500
0	Targeted Rates	0	0
<u>190,477</u>	Total Operating Revenue	<u>172,692</u>	<u>117,622</u>
	Funding Requirements		
-382,442	Operating Surplus / -Deficit to be funded	-285,780	-462,962
0	Capital Expenditure	0	0
<u>-382,442</u>	Total Funding Required	<u>-285,780</u>	<u>-462,962</u>
	Funded by		
382,442	General Rates & Investment Income	285,780	462,962
	Depreciation Funds		
<u>382,442</u>	Total Funding	<u>285,780</u>	<u>462,962</u>

Environmental Monitoring

Background

State of the Environment Monitoring assesses trends in environmental quality and detects emerging issues. Such information is fundamental for assessing the effectiveness of resource management policies and plans. It assists Council to make decisions based on sound knowledge and information on environmental trends and emerging issues.

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

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

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

Key Changes from the Long Term Council Community Plan for 2006/16

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

Hydrology Performance Targets	Achievements/Progress
1. Maintain existing hydrometric sites and complete upgrades as required to ensure efficiency and effectiveness.	Achieved. In the process of completing a rollout of new technology. Sites completed include: Buller Rv @ Woolfs Sirdar Ck @ Mt Faraday Ahaura Rv @ Gorge Grey Rv @ Waipuna Grey Rv @ Conical Hill Grey Rv @ Lagoon Grey Rv @ Dobson Arnold Rv @ Lake Brunner Styx Rv @ Mt Browning Mt Sewell Repeater Mt Deelaw Repeater Callery Rv @ Gorge Waiho Rv @ Sh 6 (rainfall) Karamea Rv @ Gorge Hokitika Rv @ Colliers Ck
2. Maintain a network of manual groundwater level monitoring sites with quarterly monitoring.	Achieved. Monitoring undertaken June 2008, September 2008, January 2009, and April 2009.
3. Maintain the hydrological database and produce technical summary and data analysis reports as required, including advice for plan and consent requirements.	Achieved. No formal reports required this year. Used the database to respond to information requests.
4. Maintain a database of water level, flow and rainfall data to enable hydrological analysis (including flood frequency, flood modeling, and data provision).	Achieved. No formal report required this year. Used the database to respond to information requests.
5. Carry out low flow monitoring and water resource investigations as appropriate.	Achieved. Low flow gaugings were collected over summer months in the Grey, Hokitika and Inangahua catchments.

6. Maintain the Council's flood warning system to a level whereby any individual river flow station is operational for at least 95% of the time.	Council is of the view that these targets were met. However, the operational status of the floodwarning system is not able to be specifically measured.
7. Ensure essential real time data on river levels is available on the Council website and Info line (data is updated 12 hourly, and during floods 3 hourly at least).	Achieved. Noting there were two occasions where the link between the databases needed a reboot.
8. Provide a continuous flood monitoring service for the five rivers monitored and respond in accordance with the flood-warning manual.	Achieved. All five rivers monitored in accordance with flood manual.
9. Review the flood-warning manual annually and liaise with work groups as required.	Achieved. The review was undertaken in conjunction with the main participants including the district councils and the Police.
10. Respond to information requests within a ten working day period for simple requests, and within one month for more complex requests.	Not measured.

Water Quality Performance Targets	Achievements/Progress
1. Complete a full state of the environment report for ground water quality including condition and trend analysis by June 2009.	This report has been completed and was presented to Council at the June meeting.
2. Complete four surface water quality-sampling rounds per annum.	Achieved. Monitoring rounds were completed in July, September, December, and March.
3. Complete contact recreation water sampling monthly during the period of November to March and report results promptly.	Achieved. All five summer months were sampled and reported promptly with a full annual summary reported to the April Council meeting.
4. Continue open water monitoring of Lake Brunner (including depth profiles), bi-monthly sampling with an annual summary report by December 2008.	Achieved. Lake sampled in August, October, December, February and April. The annual report was unnecessary due to the detailed Lake report in the June 2008 State of the Environment report for surface water quality.
5. Prepare reports on investigations as required and within agreed timeframes.	Achieved. Assessments undertaken and completed for consents and compliance staff.
6. Complete two ground water quality sampling rounds per annum.	Achieved. Monitoring was undertaken in July, September, December, and March.

Air Quality Performance Targets	Achievements/Progress
1. Continue wintertime ambient air quality monitoring in Reefton, and provide monthly summary reports to Council and Ministry for the Environment.	Achieved. Monthly summary reports are provided to the Council meetings and an overall report for the Winter of 2008 was provided to the September Council meeting.

Potentially Contaminated Sites Targets	Achievements/Progress
1. Continue the 'Sites Associated with Hazardous Substances' programme.	Achieved. Some new sites require further investigation and entry into database.
2. Ensure District Councils have access to updated information.	Achieved. Map host database is up to date with the WCRC version.
3. Assist landowners by securing external funding to investigate or remediate high priority sites, where possible.	Achieved. Staff secured funding for an investigation, conjunction with the Ministry for the Environment, of the Totara Lagoon area. Samples were collected, analysed, and indicated there was a low level of risk.

Actual 2007/08	Cost of Services Statement for year ended 30 June 2009	Actual 2008/09	Budget 2008/09
	Environmental Monitoring		
	Operating Expenditure		
274,142	Hydrology	290,960	299,614
24,987	Ground Water Monitoring	8,462	42,241
253,957	Surface Water Quality Monitoring	280,887	327,345
13,042	Contaminated Sites	22,969	23,488
34,683	Air Quality Monitoring	17,618	24,858
13,240	Information and general	6,299	0
<u>614,051</u>	Total Operating Expenditure	<u>627,195</u>	<u>717,546</u>
	Operating Revenue		
24,993	User Charges	640	0
4,444	Subsidies	25,534	0
	Targeted Rates	0	0
<u>29,437</u>	Total Operating Revenue	<u>26,174</u>	<u>0</u>
	Funding Requirements		
-584,614	Operating Surplus / -Deficit to be funded	-601,021	-717,546
-77,632	Capital Expenditure	-62,522	-105,000
<u>-662,246</u>	Total Funding Required	<u>-663,543</u>	<u>-822,546</u>
	Funded by		
584,614	General Rates & Investment Income	601,021	717,546
77,632	Depreciation Funds	62,522	105,000
<u>662,246</u>	Total Funding	<u>663,543</u>	<u>822,546</u>

Emergency Management

Background

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

The Co-ordinating Executive Group (CEG) oversees implementation of the Plan and the CDEM Group's directives. The Regional Council provides a Group Emergency Operations Centre (EOC) which must be maintained in a state of readiness at all times.

Performance Targets	Achievements/Progress
1. Provide administrative support to the CDEM Group & its Co-ordinating Executive Group as per clauses 4.4 and 4.5 of the Group Plan.	Achieved. CEG meetings were held on 10 November 2008 and 26 May.
2. Assist with preparation, completion, implementation, and annual review, within agreed timeframes, of the following: West Coast Engineering Lifelines projects Training Needs	Achieved. Group EOC training held for all Council staff on 25 November to cover Operations, Planning/Intelligence, and Logistics. Two controllers attended 3 day Controllers training in November. Assisting MCDEM with fuel and food research for lifelines group. Exercise being developed.
3. Prepare and organise the distribution of public information linked to the development and release of the national public information programme.	Achieved. "Get Ready Get Thru" West Coast mail out as insert to West Coast Messenger in week starting 14 July 2008. Monthly column has started in The Messenger covering aspects of CDEM.
4. Assist with facilitating, securing funding where possible for, and initiating high priority research work as directed by Group Plan priorities.	Achieved. Approval in principle has been obtained to fund priority studies identified by the Co-ordinating Executive Group and endorsed by the Group (Mayors and Chair).
5. Maintain a ready-to-operate headquarters in preparation for potential emergencies, in accordance with the Group Emergency Operation Centre Activation Plan and Group Controllers Guide.	Achieved. Headquarters maintained in a ready state. Investigating external aerials to enable the use of satellite phones inside the EOC. Investigating improvements to the HF radio communications due to interference at the aerial's current location.
6. Maintain a warning system capable of receiving and transmitting information and instructions to all levels of control at all times.	Achieved. HF and VHF radio links are maintained with the three districts and MCDEM (Christchurch). Testing undertaken weekly (Thursdays).
7. Review the West Coast Group Emergency Operation Centre Activation Plan.	Achieved. Review of documentation is ongoing as it is tested and used in exercises and training.
8. To respond to all four national warning tests within 1 hour.	Achieved. All test warnings received responded to within required timeframes.

Actual 2007/08	Cost of Services Statement for year ended 30 June 2009	Actual 2008/09	Budget 2008/09
	Emergency Management		
	Operating Expenditure		
107,674	Civil Defence Response	70,654	77,050
35,355	Natural Hazards	12,903	49,053
<hr/>		<hr/>	<hr/>
143,029	Total Operating Expenditure	83,557	126,103
	Operating Revenue		
6,655	User Charges	3,967	0
2,667	Subsidies	4,756	0
25,549	Targeted Rates	25,622	25,000
<hr/>		<hr/>	<hr/>
34,871		34,345	25,000
	Funding Requirements		
-108,158	Operating Surplus / -Deficit to be funded	-49,212	-101,103
0	Capital Expenditure	0	0
<hr/>		<hr/>	<hr/>
-108,158	Total Funding Required	-49,212	-101,103
	Funded by		
108,158	General Rates & Investment Income	49,212	101,103
0	Depreciation Funds	0	0
<hr/>		<hr/>	<hr/>
108,158	Total Funding	49,212	101,103

River, Drainage and Coastal Protection Works

Background

Council is authorised under the Soil Conservation and Rivers Control Act 1941 to mitigate soil erosion, and prevent damage by floods. Council manages protection works for 19 Rating Districts throughout the Region, participates on the Joint Greymouth Floodwall Committee, and rates for structural maintenance of the Floodwall. Council manages 10 quarries to provide rock for protection works, and owns a quarry truck, compressor and drilling rig, to ensure capacity on the West Coast for winning rock for river and coastal protection works.

Handling enquiries and providing engineering advice on flood and erosion control is carried out in response to ratepayer demand, and is charged for on a users pays basis where anything other than minor amounts of staff time is taken.

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

Key Changes from the Long Term Council Community Plan for 2006/16

The upgrade of the Greymouth floodwall is now expected to be completed by 30 June 2010.

Performance Targets	Achievements/Progress
1. Hold annual meetings for each Rating District Committee to discuss funding and maintenance of the works.	Achieved. All meetings completed in October 2008.
2. Organise and oversee maintenance of all rating district infrastructural assets in accordance with asset management plans.	Achieved. All maintenance works that rating districts agreed to were carried out.
3. Complete the upgrade of the Greymouth floodwall by June 2009.	In progress. Consent has been approved. Consultation with the community has been completed through the LTCCP process and final wall height determined. The design element of the floodwall has been put out for tender.
4. Undertake consultation and preliminary costings for the possible Westport flood protection scheme.	In progress. (LDAR (Light Detection and Ranging) data for the area has been sourced so that accurate plans can be prepared. Currently working with NIWA to have some analysis undertaken.
5. Assist with organising and securing infrastructure loans for major capital works when required.	Achieved. Lower Waiho Rating District loan was completed. Loan facilities have also been secured for both the Inchbonnie and Greymouth floodwall upgrades.
6. Organise annual aerial photography of major rivers and other areas of interest within budget by March 2009.	Achieved. Areas were prioritised and usual outputs reassessed. Prints were replaced with ortho-rectification (geometrical correction so that the scale is uniform) and project completed within budget.

<p>7. Prioritise rating district rivers for cross section studies as funds allow and complete work by June 2009.</p>	<p>Achieved. Surveys of the Grey, Wanganui, Taramakau (for the rating districts at the Settlement & Inchbonnie), and Karamea rivers have been completed as well as Punakaiki.</p>
<p>8. Obtain rock from quarries to facilitate river protection works within two weeks of any request and at a cost in line with the relative operating cost of each quarry without subsidy from general rates.</p>	<p>Achieved. All quarries are functioning. Wanganui Quarry currently has limited use and the Rating District is considering its options.</p>
<p>9. Undertake regular inspections of quarries as required to ensure contractors are leaving the site safe, tidy and ready for the next job.</p>	<p>Ongoing. Staff are assessing contract options for the winning of rock to ensure the quarries are well managed.</p>
<p>10. Undertake an annual review of contractors Health & Safety documentation.</p>	<p>Achieved. Contractors have updated their plans where necessary and this information is held at the Council.</p>
<p>11. Ensure that contractors are made aware of potential hazards in the quarries every time a permit is issued.</p>	<p>Achieved. Being carried out on a job by job basis every time a permit is issued.</p>

Actual 2007/08	Cost of Services Statement for year ended 30 June 2009	Actual 2008/09	Budget 2008/09
River, Drainage & Coastal Protection			
Operating Expenditure			
681,889	Works Within Rating Districts	983,071	1,725,322
120,558	Rating District Management	114,145	127,576
7,805	Asset Mgmt Plans	14,696	14,715
11,551	Inspections	4,613	17,403
81,921	Technical Services	38,252	63,645
188,781	Quarries	197,855	210,669
46,924	River Cross Sections	25,177	63,533
<u>1,139,429</u>	Total Operating Expenditure	<u>1,377,809</u>	<u>2,222,864</u>
Operating Revenue			
72,433	User Charges Rating Districts	229,949	68,100
248,812	User Charges Quarries	367,522	186,000
23,540	User Charges Other	0	0
583,862	Targeted Rates	625,803	573,280
<u>928,647</u>	Total Operating Revenue	<u>1,223,274</u>	<u>827,380</u>
Funding Requirements			
-210,782	Operating Surplus / -Deficit to be funded	-154,535	-1,395,484
0	Capital Expenditure	0	-5,000
25,994	Transfers to Rating District Reserves	-169,667	0
-60,031	Transfers to Quarry Account Reserves	0	0
<u>-245,219</u>	Total Funding Required	<u>-324,202</u>	<u>-1,400,484</u>
Funded by			
0	Loan Raised	0	0
0	Transfers from Rating District Reserves	127,319	1,083,943
0	Transfers from Quarry Account Reserves	0	24,669
0	Depreciation Funds	0	5,000
245,219	General Rates & Investment Income	196,883	286,872
<u>245,219</u>	Total Funding	<u>324,202</u>	<u>1,400,484</u>

Vector Management

Background:

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

From 1 July 2008 Council no longer had a contract for the supply of vector management services to the AHB. Council seconded existing staff to AHB for an agreed fee.

The Council collects the Regional funding share from general rates (25%) and the Tb Pest Management Special Targeted rate.

Key Changes from the Long Term Council Community Plan (LTCCP) for 2006/16

From 1 July 2008 the Vector Programme Manager was employed by the AHB. Other Vector Management staff were seconded to the AHB.

From 1 July 2008 all programme contract payments to contractors were made by AHB instead of the Council as anticipated in the 2006/16 LTCCP.

Performance Targets	Achievements/Progress
1. Provide trained seconded staff and other services to the AHB as per agreement.	Three staff were seconded to the AHB as per the Agreement.
2. Council to continue to be represented on the Regional Animal Health Advisory Committee (RAHAC).	Council was represented on the RAHAC by Councillor Andrew Robb.
3. Council to continue to provide the regional share of funding from rates, and in return AHB will continue to provide monthly reports to Council on contractor performance.	Council funded Regional costs amounting to \$895,235 (budgeted \$868,746). Monthly reports to Council on contractor performance were discontinued.

Actual 2007/08	Cost of Services Statement for year ended 30 June 2009	Actual 2008/09	Budget 2008/09
	Vector Management		
	Operating Expenditure		
9,718,551	Programme	0	0
939,081	Vector Mgmt Admin	388,693	495,191
<u>10,657,632</u>	Total Operating Expenditure	<u>388,693</u>	<u>495,191</u>
	Operating Revenues		
9,722,087	User Charges Vector Control Programme	0	0
1,119,447	User Charges Vector Management	655,900	655,000
0	Targeted Rates		
<u>10,841,534</u>	Total Operating Revenues	<u>655,900</u>	<u>655,000</u>
	Funding Requirements		
183,902	Operating Surplus / -Deficit to be funded	267,207	159,809
-183,902	Transfer to (-) / from Retained Earnings	-267,207	-159,809
-5,717	Capital Expenditure	0	0
<u>-5,717</u>	Total Funding Required	<u>0</u>	<u>0</u>
	Funded by		
5,717	Depreciation Funds	0	0
<u>5,717</u>		<u>0</u>	<u>0</u>

Actual 2007/08	Cost of Services Statement for year ended 30 June 2009	Actual 2008/09	Budget 2008/09
Regional Share of Vector Controls			
Operating Expenditure			
963,203	Regional % Share of Controls	895,235	868,746
<u>963,203</u>	Total Operating Expenditure	<u>895,235</u>	<u>868,746</u>
Operating Revenues			
	User Charges		
	Subsidies		
567,340	Targeted Rates	367,903	365,000
<u>567,340</u>	Total Operating Revenues	<u>367,903</u>	<u>365,000</u>
Funding Requirements			
-395,863	Operating Surplus / -Deficit to be funded	-527,332	-503,746
0	Transfer to Tb Special Rate balance	0	0
<u>0</u>	Capital Expenditure	<u>0</u>	<u>0</u>
<u>-395,863</u>	Total Funding Required	<u>-527,332</u>	<u>-503,746</u>
Funded by			
208,113	Transfer from Tb Special Rate balance	311,161	315,996
0	Retained Earnings	0	0
187,750	General Rates & Investment Income	216,171	187,750
<u>395,863</u>		<u>527,332</u>	<u>503,746</u>

Vector Control Services Business Unit

Background:

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

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

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

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

Key Changes from the Long Term Council Community Plan for 2006/16

The VCS Business Unit is now involved in tendering for and winning Aerial contracts from the Animal Health Board Inc. for the eradication of possums. This was not anticipated in the 2006/16 LTCCP.

Performance Targets	Achievements/Progress
1. Tender for, and win, sufficient Animal Health Board ground and aerial control contracts to achieve the budgeted surplus.	Achieved and exceeded. Actual surplus of \$533,381 compared to budgeted surplus of \$301,558. 2 year aerial control contracts have been negotiated. 62% of the tendered aerial program (by hectare volume) was won.
2. Supply staff and associated equipment as a response unit to marine and terrestrial pollution spill events and Civil Defence needs.	Five staff are trained as Oil Spill respondents. A further 3 staff are booked for training in October.
3. Maintain oil spill response equipment to the level required in the West Coast Tier 2 Oil Spill Response Plan.	Achieved. Four equipment inspections have been completed so far this financial year.
4. Operate the Unit on a fully competitive basis and provide the budgeted return to the Regional Council.	Achieved and exceeded. Budgeted surplus was exceeded.
5. Operate in accordance with Quality Assurance and Health and Safety Plans and safety procedures.	Achieved. Five staff completed forklift training in February. All training and safety requirements are followed for poison use and other hazards.
6. Develop new business areas as appropriate, complementary to existing roles.	A relationship with Landcare Research has been progressed. Minor services are provided to Pike River Coal Limited.

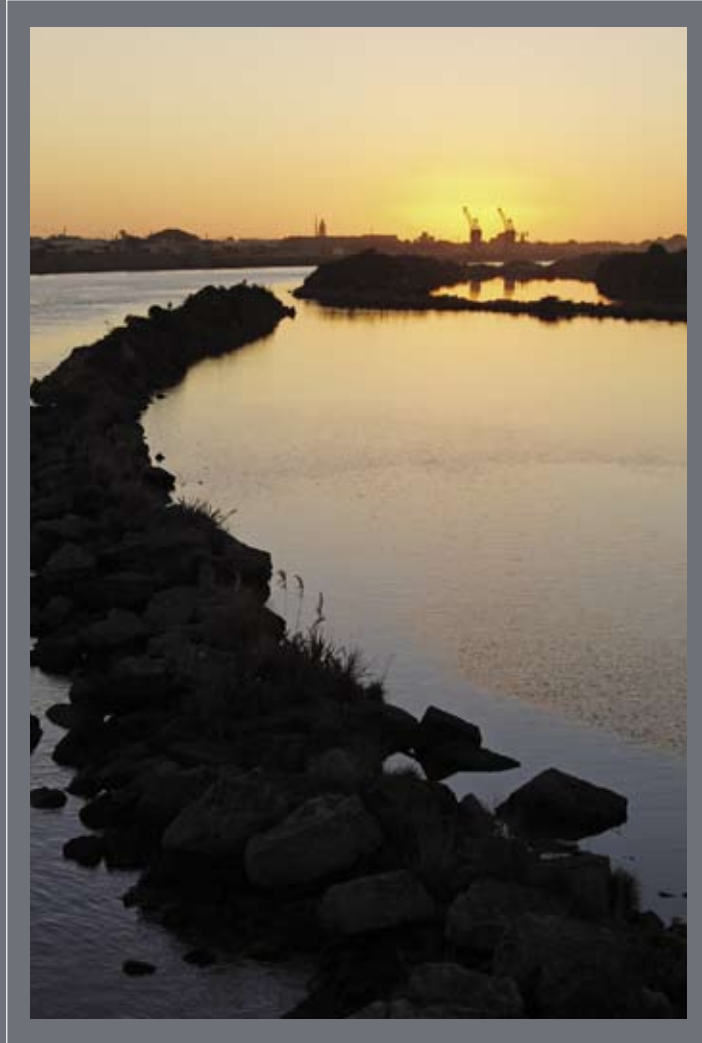
Actual 2007/08	Cost of Services Statement for year ended 30 June 2009	Actual 2008/09	Budget 2008/09
Vector Control services Business Unit			
Operating Expenditure			
-55,001	External expenditure	4,105,974	1,795,548
2,284,367	Internal expenditure	12,915	20,000
<u>2,229,366</u>	Total Operating Expenditure	<u>4,118,889</u>	<u>1,815,548</u>
Operating Revenues			
305,288	External Revenue	4,639,355	2,097,106
2,284,367	Internal Revenue	12,915	20,000
<u>2,589,655</u>	Total Operating Revenues	<u>4,652,270</u>	<u>2,117,106</u>
Funding Requirements			
360,289	Operating Surplus / -Deficit to be funded	533,381	301,558
-360,289	Transfer to Retained earnings	-533,381	-301,558
-23,945	Capital Expenditure	-116,360	-18,000
<u>-23,945</u>	Total Funding required	<u>-116,360</u>	<u>-18,000</u>
Funded by			
23,945	Depreciation Funds	116,360	18,000
0	Transfer from Retained earnings	0	0
<u>23,945</u>	Total Funding	<u>116,360</u>	<u>18,000</u>

Major Budget Variations

Expenditure	Actual	Budget	Variance
1 Governance Actual costs less than budgeted as LTCCP audit costs will now be amortised over the three year LTCCP cycle rather than immediately expensed in the 2008/09 year.	339,884	417,855	-77,971
2 Regulatory, Consents & Compliance Actual costs exceed budget due to the number of large scale resource consent applications which were processed during the year. The number of such applications in any given year are unpredictable.	2,107,595	1,662,778	444,817
3 Planning Processes Expenditure is below budget in a number of areas due to deferral of some Plans work, especially with regard to the Water Management Plan. Refer page 51 for further details.	458,472	580,584	-122,112
4 Environmental Monitoring Expenditure on water quality monitoring is below budget due mainly to Envirolink undertaking some of this work.	627,195	717,546	-90,351
5 Emergency Management Expenditure was below budget as expenditure on Natural Hazard identification was less than budgeted. This was due to budgeted contingency expenditure not required to be spent.	83,557	126,103	-42,546
6 River, Drainage & Coastal Protection The actual costs are substantially less than budget as the Greymouth Floodwall upgrade costs are now expected to occur during the 2009/10 year.	1,377,809	2,222,864	-845,055
7 VCS Business Unit Actual costs exceed budget as the unit carried out more large scale aerial contracts than originally envisaged.	4,105,974	1,815,548	2,290,426
Revenue			
8 Investment Income There were negative returns from Equities internationally and in Australasia. Markets have rallied from their low point of mid March 2009 and this rally has continued into the September 2009 quarter.	-280,124	1,000,000	-1,280,124
9 Regulatory, Consents & Compliance Refer comments in 2 above.	1,511,765	915,500	596,265
10 River, Drainage & Coastal Protection - Quarry income exceeded budget by \$180,000. - Rating District rates income exceeded budget by \$52,000. This is mainly due to a special rate of \$40,000 that was struck regarding the Lower Waihi Rating District outside the Annual Plan / budget process. - Rating District local contributions and other income exceeded budget by \$162,000.	1,223,274	827,380	395,894
11 VCS Business Unit. Refer comments in 4 above.	4,639,355	2,117,106	2,522,249

Statement of Financial Position

12 Current Assets	4,905,871	2,331,755	2,574,116
Actual current assets @ 30 June 2009 exceeded budgeted amount due to;			
- Other financial assets \$1,806,405 current portion of Investment portfolio not budgeted.			
- Derivative financial assets (ie favourable hedge position) of \$69,755 not budgeted for.			
- Cash and Receivables were \$667,000 higher than budgeted.			
13 Non Current Assets			
Property, Plant, Equipment	43,138,481	42,505,200	633,281
Property, Plant, Equipment higher than budgeted by \$633,000			
This is due to unbudgeted revaluation of Land \$492,000 and unbudgeted capital expenditure.			
Other Financial Assets	8,637,785	10,385,381	-1,747,596
Other Financial assets lower than budgeted by \$1,747,000. This is due to classification of \$1,806,000 as current.			
14 Current Liabilities	2,514,292	2,087,978	426,314
Actual current liabilities @ 30 June 2009 exceeded budgeted amount due to;			
- Payables \$366,000 higher than budgeted.			
- Current portion of term borrowings \$25,000 higher than budgeted.			
- Employee benefit liabilities \$27,000 higher than budgeted.			
15 Non Current Liabilities	417,241	341,965	75,276
Term borrowing is higher than budgeted due to new Finance Lease borrowing not budgeted for and borrowing for Lower Waiho Rating District not anticipated in the Annual Plan.			



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