

West Coast Regional Council



ANNUAL REPORT
July 1, 2010 to June 30, 2011



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Chairperson's Report

I am pleased to introduce to you the West Coast Regional Council Annual Report for the Year to 30 June 2011.

The operating surplus was \$1,406,000 compared to the budgeted \$594,000 which was a very good outcome for Council and its ratepayers.

Over the years Council has been able to diversify its revenue sources away from almost total reliance on rates and user charges to a diversified income base of investment income, business unit income, user charges and rates. The benefits of this are evident in the results achieved for the year to 30 June 2011.

Some highlights of the year were;

- 496 non-notified and 10 notified resource consent applications were processed.
- 44 mining work programmes were processed.
- 140 mine inspections were undertaken.
- 262 dairy farms were visited.
- The variation merging the Land, Riverbed, Water and Discharge to Land Plans was notified on 17 September 2010.
- 5 staff were seconded to the Christchurch Emergency Operations Centre following the February 2011 earthquake.
- The West Coast Regional Land Transport Strategy 2011 - 2041 was adopted by Council.
- The new Pest Management Strategy is now operative.
- The Civil Defence Plan was reviewed.
- There was significant demand for river protection works and Quarry rock following December 2010 flood events.

Council will continue with its careful management of finance in the year ahead as well as maintain its efficiency in its core functions.

Ross Scarlett
Chairman

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

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

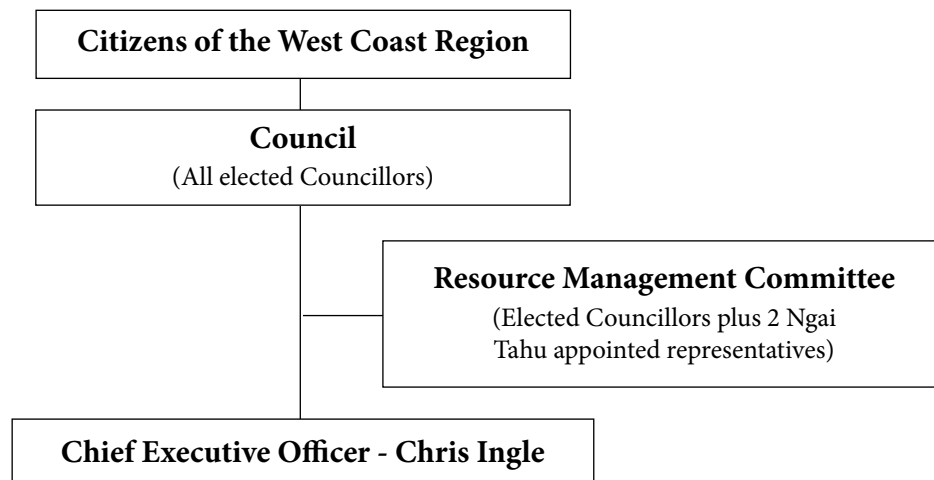
Westland Constituency

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



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

Council Organisation Structure



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

Community Outcomes

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

Analysis of how each Outcome is furthered by Council Activities

There are six community outcomes. The Regional Council does not contribute materially to the education outcome. The remaining five are contributed to as described below:

Economy: *A thriving, resilient and innovative economy creating opportunities for growth and employment.*

- Regional Policy and Plans assist economic development by ensuring an 'enabling' planning framework is in place. Permitted activities in regional plans allow for much development to occur without the need for consent processes. Where consents are needed the activity classification is normally controlled or discretionary which tends to enable activities to proceed without undue delay, with appropriate conditions applied to protect the environment.
- Consent processing within statutory timeframes is one of Council's highest priorities. This ensures that when a consent is needed the applicant should have their consent processed without delay (provided sufficient information is provided). Council also makes full use of non-notified and limited-notified processes to ensure delays in consent processing are minimised as far as is practicable.

- Flood warning services and flood protection works help the economy by ensuring business confidence in investing in flood protected areas. Protection works also increase property values in affected areas.
- Tb control assists our agricultural sector gaining access to lucrative export markets, while the VCS business unit assists ratepayers by keeping rates at a lower level.
- Transport planning enables us to advocate for national road funding, which can result in major transport upgrades (eg Arahura Bridge).

Environment: *The distinctive character of the environment is appreciated and retained.*

- The State of the Environment monitoring programme is critical for establishing environmental baselines so we can measure progress toward improving our environment. Monitoring rivers can also be a useful indicator of what is happening in a catchment. This state of the environment information then feeds into and informs reviews of the Regional Plans and Policy Statement. These policy documents set out the environmental matters that must be given priority. Regional Policy and Plans set the balance between enabling economic development and ensuring environmental protection.
- Council's contribution toward achieving the Environmental Outcome involves achieving the objectives in all of Council's RMA planning documents. The Regional Plans for Air, Water, Coast, Discharges to Land and Land & Riverbeds have all been through a rigorous public consultation process and reflect West Coast community desires.
- Resource Consent processes help to ensure environmental matters are given due consideration by setting appropriate conditions on resource use, in accordance with the policies set by council Plans. Compliance monitoring work ensures the conditions set are adhered to.
- Spill response teams help to ensure accidental spills are cleaned up promptly before major environmental damage occurs.
- Control of pest plants also contributes to the environmental outcome.

Health: *Healthy communities with access to quality facilities and services.*

- The summer contact recreation sampling assists with the health outcome by ensuring swimmers know of sites that are of higher risk of bacterial contamination.
- The air quality monitoring is expected to assist with respiratory health, over time.
- Our transport disadvantaged receive taxi subsidies to enable better mobility.

Identity: *A "happening" region with a strong community spirit and distinctive lifestyle.*

- The Waste Working Group focus on tourism waste aims to keep our roadsides clear of litter and other waste to help maintain the West Coast clean and green identity.
- Our democratic Council processes help to facilitate community input into all aspects of our work; and elected Councillors ensure the 'flavour' of the West Coast is always considered during decision making and policymaking.

Safety: *A region that is a safe place to live.*

- Regional Transport road safety work assists with community road safety.
- The Council's flood warning service and the flood protection works assist with community safety in areas covered by those services, during flood events.
- Civil defence work also assists with regional co-ordination of community safety if there is a major emergency event.
- Resource consents sometimes include conditions set for public safety and spill response work and consent compliance also partially address safety issues.

Measurement of Progress towards achievement of Community Outcomes

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

This is to confirm that Council has not undertaken any such measurement during the year.

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

(Local Government Act 2002, Schedule 10, Clause 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: Francois Tumahai (left) Te Runaka O Ngati Waewae Representative and Terry Scott (right) Te Runanga O Makaawhio 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 2011 fairly reflects the financial position and operations of the West Coast Regional Council.



R. Scarlett
Chairperson



C. Ingle
Chief Executive Officer



R.J. Mallinson
Corporate Services Manager

Dated: 11 October 2011

Report by Audit New Zealand

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of West Coast Regional Council's annual report for the year ended 30 June 2011

The Auditor-General is the auditor of West Coast Regional Council (the Regional Council). The Auditor-General has appointed me, John Mackey, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements, non-financial performance information and other information required by schedule 10 of the Local Government Act 2002 (other information) of the Regional Council on her behalf.

We have audited:

- the financial statements of the Regional Council on pages 12 to 63, that comprise the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies, explanatory information and other information required by schedule 10 of the Local Government Act 2002; and
- the non-financial performance information of the Regional Council on pages 44 to 60 that includes other information required by schedule 10 of the Local Government Act 2002.

Opinion on the financial statements, the non-financial performance information and the other information

In our opinion:

- The financial statements of the Regional Council on pages 12 to 63:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the Regional Council's financial position as at 30 June 2011; and
 - the results of its operations and cash flows for the year ended on that date.
- The non-financial performance information of the Regional Council on pages 44 to 60:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the Regional Council's levels of service for the year ended 30 June 2011, including:
 - the levels of service as measured against the intended levels of service adopted in the long-term council community plan; and

- the reasons for any significant variances between the actual service and the expected service.
- The other information of the Regional Council contained in the financial statements and the non-financial performance information, complies with the requirements of Schedule 10 of the Local Government Act 2002 applicable to the annual report and fairly reflects the required information.

Our audit was completed on 11 October 2011. This is the date at which our opinion is expressed.

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

Basis of opinion

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

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

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

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of all disclosures in the financial statements, non-financial performance information and other information;
- determining the appropriateness of the reported non-financial performance information within the Council's framework for reporting performance; and
- the overall presentation of the financial statements, non-financial performance information and other information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements, non-financial performance information and other information. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Council

The Council is responsible for preparing:

- financial statements and non-financial performance information that:
 - comply with generally accepted accounting practice in New Zealand;
 - fairly reflect the Regional Council's financial position, financial performance and cash flows;
 - fairly reflect its service performance, including achievements compared to forecast; and
- other information in accordance with Schedule 10 of the Local Government Act 2002 that fairly reflects the required information.

The Council is responsible for such internal control as it determines is necessary to enable the preparation of financial statements, non-financial performance information and other information that are free from material misstatement, whether due to fraud or error.

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

Responsibilities of the Auditor

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

Independence

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

Other than the audit, we have no relationship with or interests in the Regional Council.



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

Statement of Accounting Policies for year ended 30 June 2011

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 2011. The financial statements were authorised for issue by Council on 11 October 2011.

Basis of preparation

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

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

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

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

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

Changes in Accounting Policies

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

Standards and interpretation issued and not yet adopted

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

- NZ IAS 24 Related party Disclosures (revised 2009) replaces NZ IAS 24 Related Party Disclosures (issued 2004). The revised standard simplifies the definition of a related party, clarifying its intended meaning and eliminates inconsistencies from the definition.
- NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement.

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

Revenue

Revenue is measured at the fair value of consideration received.

Rates Revenue

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

Other revenue

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

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

Interest income is recognised using the effective interest method.
Dividends are recognised when the right to receive payment has been established.

Borrowing costs

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

Finance leases

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

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

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

Operating leases

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

Cash and cash equivalents

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

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

Trade and other receivables

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

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

Inventories

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

The write down from cost to current replacement cost or net realisable value is recognised in the surplus or deficit.

Foreign Currency Transactions

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

Derivative Financial Instruments and Hedge Accounting

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

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

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

- Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or

- Hedges of highly probable forecast transactions (cash flow hedge).

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

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

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

Fair value hedge

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

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

Cash flow hedge

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

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

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

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

Other Financial assets

WCRC has two classifications for its financial assets:

Financial assets at fair value through profit or loss.

Loans and receivables.

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

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

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

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

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

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

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

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

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

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

WCRC does not hold or issue derivative financial instruments for trading purposes.

WCRC has adopted the provisions of hedge accounting.

(2) Loans and receivables

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

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

Impairment of financial assets

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

Non-current assets held for sale

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

Property, plant and equipment

Property, plant and equipment consists of:

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

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

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

Additions

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

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

Disposals

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

Subsequent costs

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

Depreciation

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

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

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

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

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

Revaluation

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

Operational land:

This is revalued on a cyclical 3-year basis at fair value as determined from the most recent market based rating valuations. Valuations are as at 1 September 2009 (Grey District area land), 1 September 2010 (Westland District area land), and 1 September 2008 (Buller District area land).

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

At fair value determined on a replacement cost basis by a staff member and peer reviewed by an independent river control engineer. At balance date WCRC assesses the carrying value of its infrastructural assets to ensure that they do not materially differ from the assets' fair values. The most recent valuation was carried out by a staff engineer Mr W Moen (NZCE) and was peer reviewed by Mr R E Reid (BE). The valuation date was as at 31 December 2009.

Accounting for revaluations:

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

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

INTANGIBLE ASSETS

Software acquisition and development

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

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

Amortisation

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

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

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

Impairment of non-financial assets

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

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the 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 surplus or deficit.

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

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

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

Employee benefits

Short-term benefits

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

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

Long-term benefits:

Long service leave

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

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

Superannuation schemes

Defined contribution schemes

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

Provisions

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

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

Borrowings

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

Equity

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

The components of equity are:

- Retained earnings
- Restricted reserves
- Asset revaluation reserves

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 28.

Good and Service Tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

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

Cost allocation

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

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

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

Critical accounting estimates and assumptions

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

Quarry aftercare provision

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

NZ Mutual Liability Riskpool call on members

Council has provided for an expected final call on 1 July 2012 amounting to \$55,000 by Riskpool with regard to weather-tight home liabilities.

Statement of Comprehensive Income for Year ended 30 June 2011

2010 Actual	Cost of Services	Notes	2011 Actual	2011 Budget
356,756	Governance		381,808	384,044
1,758,100	Regulatory Consents & Compliance		1,574,488	1,673,900
551,841	Planning Processes		640,333	619,814
621,669	Environmental Monitoring		723,988	738,077
108,192	Emergency Management		131,390	134,700
4,585,319	River, Drainage & Coastal Protection		1,862,293	1,183,535
848,889	Regional Share of Vector Controls		940,076	834,899
3,069,302	Vector Control services Business Unit		2,172,205	3,436,463
113,632	Other		169,433	0
<u>12,013,700</u>		3,4,5,6	<u>8,596,014</u>	<u>9,005,432</u>
	Less Income			
1,928,034	General Rates		1,931,100	1,942,000
64,927	Penalties		65,231	75,000
894,098	Investment and Dividend Income		929,421	820,000
1,091,627	Regulatory Consents & Compliance		829,601	930,898
77,688	Planning Processes		192,676	104,100
10,718	Environmental Monitoring		0	0
46,797	Emergency Management		59,070	40,000
1,593,889	River, Drainage & Coastal Protection		1,957,020	1,087,395
574,737	Regional Share of Vector Controls		665,648	650,000
3,641,841	Vector Control Services Business Unit		3,372,318	3,950,000
<u>9,924,356</u>		1,2	<u>10,002,085</u>	<u>9,599,393</u>
-2,089,344	Net Surplus / (Deficit) for year		1,406,071	593,961
9,601,913	Property, Plant & Equipment Revaluation Gains		0	0
-165,619	Movement in Cash Flow Hedge Reserve		-25,386	0
<u>7,346,950</u>	Total Comprehensive Income		<u>1,380,685</u>	<u>593,961</u>

(Refer Page 61 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 2011

Actual 2010	Notes	Actual 2011	Budget 2011
53,796,516	Balance 1 July	61,143,466	56,084,469
7,346,950	Comprehensive Income	1,380,685	593,961
<u>61,143,466</u>	Balance 30 June	<u>62,524,151</u>	<u>56,678,430</u>

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

Statement of Financial Position as at 30 June 2011

Actual 2010	ASSETS	Notes	Actual 2011	Budget 2011
	Current Assets			
71,401	Cash & Cash equivalents	8	1,537,956	515,553
3,890,702	Receivables	9	2,608,373	1,500,000
124,311	Inventories	10	186,753	80,000
1,961,520	Other Financial Assets	11	3,019,030	1,500,000
104,849	Derivative Financial Assets	17	142,787	0
<u>6,152,783</u>	Total Current Assets		<u>7,494,899</u>	<u>3,595,553</u>
	Non-Current Assets			
53,026,208	Property, Plant & Equipment	12	53,088,878	47,425,733
73,863	Intangible Assets	13	86,505	128,000
8,531,631	Other Financial Assets	11	8,311,358	9,597,617
<u>61,631,702</u>	Total Non-Current Assets		<u>61,486,741</u>	<u>57,151,350</u>
<u>67,784,485</u>	Total Assets		<u>68,981,640</u>	<u>60,746,903</u>
	LIABILITIES			
	Current Liabilities			
140,511	Borrowings	16	152,164	147,804
3,589,683	Payables	14	3,512,878	1,400,000
271,636	Employee Benefit Liabilities	15	280,908	170,000
0	Derivative Financial Liabilities		0	0
<u>4,001,830</u>			<u>3,945,950</u>	<u>1,717,804</u>
	Non-Current Liabilities			
12,418	Employee Benefit Liabilities	15	13,614	10,000
2,404,453	Borrowings	16	2,246,920	2,254,869
165,618	Derivative Financial Liabilities	17	191,005	0
56,700	Future Quarry Restoration	26	60,000	85,800
<u>2,639,189</u>			<u>2,511,539</u>	<u>2,350,669</u>
<u>6,641,019</u>	Total Liabilities		<u>6,457,489</u>	<u>4,068,473</u>
	EQUITY			
18,157,524	Ratepayers Equity	18(a)	18,577,120	19,757,875
1,361,459	Rating Districts	18(b)	1,540,201	1,421,425
32,316,638	Revaluation Reserve	18(c)	32,316,638	26,898,090
-165,618	Hedge Accounting Reserve	18(g)	-191,005	0
-34,554	Tb Special Rate	18(f)	1,037	0
302,017	Quarry Account	18(e)	379,160	0
9,206,000	Investment Growth Reserve	18(d)	9,901,000	8,601,040
<u>61,143,466</u>			<u>62,524,151</u>	<u>56,678,430</u>
<u>67,784,485</u>	Total Liabilities and Equity		<u>68,981,640</u>	<u>60,746,903</u>

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

Statement of Cash Flows for the Year Ended 30 June 2011

2010 Actual	Notes	2011 Actual	2011 Budget
	Cashflow from Operating Activities		
	Cash was provided from:		
3,321,394	Rates	3,515,620	3,488,395
3,733,190	Other Income	6,596,833	5,290,998
20,248	Other Investment Income	54,715	820,000
<u>7,074,832</u>		<u>10,167,168</u>	<u>9,599,393</u>
	Cash was Disbursed to:		
10,378,731	Payments to Suppliers & Employees	8,257,511	8,509,493
65,806	Interest Paid	170,304	187,307
298,675	Net GST Movement	-224,336	0
<u>10,743,212</u>		<u>8,203,479</u>	<u>8,696,800</u>
<u>-3,668,380</u>	Net Cash Flow from Operations	<u>1,963,689</u>	<u>902,593</u>
	Cashflow from Investing Activities		
	Cash was provided from:		
800,000	Redemption of Investments	0	-17,395
22,978	Sale of Fixed Assets	49,206	0
<u>822,978</u>		<u>49,206</u>	<u>-17,395</u>
	Cash was Disbursed to:		
603,840	Purchase of Fixed assets	399,991	444,000
10,205	Investments Purchased	469	400,000
<u>614,045</u>		<u>400,460</u>	<u>844,000</u>
<u>208,933</u>	Net Cash Flow from Investing	<u>-351,254</u>	<u>-861,395</u>
	Cashflow from Financing Activities		
	Cash was provided from:		
2,200,000	Loan Raised	0	0
<u>2,200,000</u>		<u>0</u>	<u>0</u>
	Cash was Disbursed To:		
113,726	Loan Principal Repaid	145,880	142,275
<u>113,726</u>		<u>145,880</u>	<u>142,275</u>
<u>2,086,274</u>	Net Cash Flow from Financing	<u>-145,880</u>	<u>-142,275</u>
-1,373,173	Total Increase in Cash Held	1,466,555	-101,077
1,444,574	Opening Balance of Cash Resources	71,401	616,630
<u>71,401</u>	Closing Balance of Cash Resources	<u>1,537,956</u>	<u>515,553</u>

Notes to the Financial Statements

1	Actual 2010	Rates Revenue	Actual 2011
	1,928,034	General Rates	
		Targeted Rates attributable to activities:	1,931,100
	814,711	River, Drainage & Coastal Erosion	868,736
	574,737	Tb Pest Management	665,648
	40,689	Regional Emergency Management	40,413
	<u>3,358,171</u>	Total Rates Revenue	<u>3,505,897</u>
	0	Rates Remissions	0
	<u>3,358,171</u>	Rates Revenue net of remissions	<u>3,505,897</u>
2	Actual 2010	Other Revenues	Actual 2011
		Investment Income:	
	50,466	Realised Gains/-Losses (Price)	94,522
	250,672	Unrealised Gains/-Losses(Price)	343,103
	35,094	Exchange Rate Variations	37,939
	388,110	Interest	310,393
	169,756	Dividends	143,464
	<u>894,098</u>	Total Investment Income	<u>929,421</u>
		Other Income:	
	779,178	User Charges	1,145,816
	64,023	Land Transport NZ Govt Grants	153,203
	20,713	Ministry for the Environment Grants	0
	0	Department of Conservation	33,778
	0	Ministry Civil defence & Emergency Mgmt	18,444
	1,670	Other Local Authority contributions	0
	3,641,841	Animal Health Board	3,372,318
	878,057	Regulatory	659,319
	278,497	Infringements, Fines	183,889
	8,108	Other	0
	<u>6,566,185</u>		<u>6,496,188</u>
3	Actual 2010	Other -Gains /Losses	Actual 2011
	2,254	Disposal of property, plant, equipment	-36,693
	<u>2,254</u>	Total	<u>-36,693</u>
4	Actual 2010	Employee Benefit Expenses	Actual 2011
	3,094,756	Salaries and wages	3,243,113
		Employer contributions to multi-employer defined benefit plans	0
	0		0
	32,658	Increase in Annual Leave liability	-7,365
	833	Increase in Long Service Leave provision	1,196
	1,521	Increase in Alternative Holidays Provision	654
	-2,919	Increase in Time in Lieu Liability	3,127
	10,121	Increase in accrued payroll	12,856
	<u>3,136,970</u>		<u>3,253,581</u>

5	2010 Actual	Other Expenses	2011 Actual
		Fees paid to Auditor (Audit NZ)	
	61,400	Fees for Financial statement audit	62,400
	2,347	Impairment of receivables	13,000
	77,105	Minimum Lease payments Operating Leases	44,607
	0	Canterbury Earthquake Donation	10,000
	8,667,818	Other Operating expenses	5,078,815
	<u>8,808,670</u>		<u>5,208,822</u>
6	Actual 2010	Finance Costs	Actual 2011
	65,806	Interest on borrowings	170,304
	<u>65,806</u>		<u>170,304</u>
7	Actual 2010	Tax Expense	Actual 2011
	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	
	-2,089,344	Surplus / (deficit) before tax	1,406,071
	626,803	Tax @ 30%	421,821
	-626,803	Tax Effect of Non taxable income	-421,821
	0	Prior year adjustment	
	<u>0</u>	Income Tax expense	<u>0</u>
8	Actual 2010	Cash & Cash Equivalents	Actual 2011
	70,406	Cash at bank and in hand	35,009
	995	Short term deposits maturing 3 months or less from date of acquisition	1,502,947
	<u>71,401</u>		<u>1,537,956</u>
		The carrying value of short term deposits with maturity dates of 3 months or less approximates their fair value.	
9	Actual 2010	Trade and Other Receivables	Actual 2011
	308,868	Rates Receivables	299,950
	3,080,059	Other Receivables	1,747,428
	101,014	Other Receivables accrued	233,453
	276,291	Prepayments	227,482
	126,817	Revenue work in progress	113,060
	3,893,049		2,621,373
	-2,347	Less provision for impairment of receivables	-13,000
	<u>3,890,702</u>		<u>2,608,373</u>
	0	Non current	0
	3,890,702	Current	2,608,373
	<u>3,890,702</u>		<u>2,608,373</u>

The major concentration of credit risk is with the Animal Health Board Inc. receivables which amounted to \$1,372,811 @ 30 June 2011 (\$2,610,859 @ 30 June 2010). These amounts were subsequently paid in the ordinary course of business.

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

As at 30 June 2011 all overdue receivables have been assessed for impairment and appropriate provisions applied. Council has recourse under the Local Government (Rating) act 2002 to recover overdue rates. However, provision has been made for specific rates debts that may be unenforceable under section 65 of the Local Government (Rating) act 2002.

With regard to non rates receivables, WCRC holds no collateral as security over receivables that are either past due or impaired.

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

Movements in the provision for impairment of receivables are as follows

Actual 2010		Actual 2011
	0 @ 1 July	2,347
	2,347 Additional provision made during year.	13,000
	0 Receivables written off during period.	-2,347
	<u>2,347 @ 30 June</u>	<u>13,000</u>
10	Actual 2010 Inventories	Actual 2011
	17,066 Poison and pest supplies	143,635
	89,727 Rock in Quarries	31,886
	17,518 Stationery and Office supplies	11,232
	<u>124,311</u>	<u>186,753</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 2010	Other Financial Assets	Actual 2011
		Current	
	1,961,520	Financial Assets at fair value through profit or loss	3,019,030
	0	Financial Assets at fair value through equity	0
	0	Held to maturity investments	0
	0	Loans and receivables	0
	<u>1,961,520</u>		<u>3,019,030</u>
		Non Current	
	8,531,631	Financial Assets at fair value through profit or loss	8,311,358
	0	Financial Assets at fair value through equity	0
	0	Held to maturity investments	0
	0	Loans and receivables	0
	<u>8,531,631</u>		<u>8,311,358</u>
	10,493,151	Total Current and Non Current	11,330,388

Actual 2010	By Asset Class	Actual 2011
5,595,475	Fixed Interest	5,100,799
1,808,788	Australasian Equities	2,053,518
1,916,355	International Equities	2,973,895
526,329	Property Equities	574,884
646,204	Alternative Asset Classes	627,292
<u>10,493,151</u>	Total	<u>11,330,388</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

2011	Cost/Revaluation 1 July 10	Accumulated de- preciation/ impair- ment 1 July 10	Carrying amount 1 July 10	Current year additions	Current year disposals	Current year impairment	Transfer depreciation on disposal	Current year depreciation	Revaluation surplus	Cost/revaluation 30 June 11	Accumulated depreciation/ Impairment 30 June 11	Carrying amount 30 June 11
Land	1933000	0	1933000	0	0	0	0	0	0	1933000	0	1933000
Buildings	1520768	-223399	1297369	0	0	0	0	-41594	0	1520768	-264993	1255775
Plant & equipment	1854082	-1232570	621512	116181	-227812	0	228837	-210753	0	1742451	-1214486	527965
Vehicles	278314	-111098	167216	262004	-101295	0	87757	-50655	0	439023	-73996	365027
	5586164	-1567067	4019097	378185	-329107	0	316594	-303002	0	5635242	-1553475	4081767

Council Infrastructure Assets - River, Drainage & Coastal Protection Assets

Canavans Knob	339169	0	339169	0	0	0	0	0	0	339169	0	339169
Coal Creek	1977682	0	1977682	0	0	0	0	0	0	1977682	0	1977682
Franz Josef	2838070	0	2838070	0	0	0	0	0	0	2838070	0	2838070
Inchbonnie	2604257	0	2604257	0	0	0	0	0	0	2604257	0	2604257
Kaniere	367150	0	367150	0	0	0	0	0	0	367150	0	367150
Karamea	3349323	0	3349323	0	0	0	0	0	0	3349323	0	3349323
Kongahu Swamp	600531	0	600531	0	0	0	0	0	0	600531	0	600531
Kowhiritirangi	4044232	0	4044232	0	0	0	0	0	0	4044232	0	4044232
Lower Waiho	1818689	0	1818689	0	0	0	0	0	0	1818689	0	1818689
Matainui Creek	51275	0	51275	0	0	0	0	0	0	51275	0	51275
Nelson Creek	2141651	0	2141651	0	0	0	0	0	0	2141651	0	2141651
Raft Creek	278200	0	278200	0	0	0	0	0	0	278200	0	278200
Redjacks	468968	0	468968	0	0	0	0	0	0	468968	0	468968
Taramakau Settlement	7888210	0	7888210	0	0	0	0	0	0	7888210	0	7888210
Vine Creek	1624830	0	1624830	0	0	0	0	0	0	1624830	0	1624830
Waitangitaoa	1861210	0	1861210	0	0	0	0	0	0	1861210	0	1861210
Wanganui	13970780	0	13970780	0	0	0	0	0	0	13970780	0	13970780
Okuru	709239	0	709239	0	0	0	0	0	0	709239	0	709239
Hokitika South Bank	765285	0	765285	0	0	0	0	0	0	765285	0	765285
Punakaiki	1308360	0	1308360	0	0	0	0	0	0	1308360	0	1308360
	49007111	0	49007111	0	0	0	0	0	0	49007111	0	49007111

TOTAL	54593275	-1567067	53026208	378185	-329107	0	316954	-303002	0	54642353	-1553475	53088878
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2010	Cost/revaluation 1 July 09	Accumulated Depreciation/Impairment 1 July 09	Carrying amount 1 July 09	Current year additions	Current yr disposals	Current yr impairment	Transfer Depreciation on disposal	Current year depreciation	Revaluation surplus	Cost/ Revaluation 30 June 10	depreciation/ impairment 30 June 10	Carrying amount 30 June 10
Land	1690000	0	1690000	0	0	0	0	0	243000	1933000	0	1933000
Buildings	1511773	-181873	1329900	8995	0	0	0	-41526	0	1520768	-223399	1297369
Plant & equipment	2104636	-1464627	640009	202347	-452901	0	444925	-212868	0	1854082	-1232570	621512
Vehicles	155154	-80228	74926	144476	-21316	0	4060	-34930	0	278314	-111098	167216
	5461563	-1726728	3734835	355818	-474217	0	448985	-289324	243000	5586164	-1567067	4019097
Council Infrastructure Assets - River, Drainage & Coastal Protection Assets												
Canavans Knob	287501	0	287501	0	0	0	0	0	51668	339169	0	339169
Coal Creek	1487637	0	1487637	0	0	0	0	0	490045	1977682	0	1977682
Franz Josef	2279282	0	2279282	0	0	0	0	0	558788	2838070	0	2838070
Inchbonnie	1982922	0	1982922	244552	0	0	0	0	376783	2604257	0	2604257
Kaniere	329521	0	329521	0	0	0	0	0	367150	367150	0	367150
Karamea	2249839	0	2249839	0	0	0	0	0	3349323	3349323	0	3349323
Kongahu Swamp	463404	0	463404	0	0	0	0	0	137127	600531	0	600531
Kowhitirangi	2998123	0	2998123	0	0	0	0	0	1046109	4044232	0	4044232
Lower Waio	1344657	0	1344657	0	0	0	0	0	474032	1818689	0	1818689
Matainui Creek	38639	0	38639	0	0	0	0	0	12636	51275	0	51275
Nelson Creek	1636314	0	1636314	0	0	0	0	0	505337	2141651	0	2141651
Raft Creek	240097	0	240097	0	0	0	0	0	38103	278200	0	278200
Redjacks	364868	0	364868	0	0	0	0	0	468968	468968	0	468968
Taramakau Settlement	6973850	0	6973850	0	0	0	0	0	914360	7888210	0	7888210
Vine Creek	1357196	0	1357196	0	0	0	0	0	267634	1624830	0	1624830
Waitangitona	1429127	0	1429127	0	0	0	0	0	432083	1861210	0	1861210
Wanganui	11534714	0	11534714	0	0	0	0	0	13970780	13970780	0	13970780
Okuru	535059	0	535059	0	0	0	0	0	709239	709239	0	709239
Hokitika South Bank	694378	0	694378	0	0	0	0	0	70907	765285	0	765285
Punakaiki	1176518	0	1176518	0	0	0	0	0	1308360	1308360	0	1308360
	39403646	0	39403646	244552	0	0	0	0	9358913	49007111	0	49007111
Total	44161906	-1552113	42609793	376912	-165609	0	103218	-277833	9601913	54593275	-1567067	53026208

13 Intangible Assets 2011

	Cost 1 July 2010	Accumulated Amortisation/ Impairment 1 July 2010	Carrying Amount 1 July 2010	Current year additions	Current year disposals	Current year impair- ment	Transfer Am- ortisation on disposal	Current year amortisa- tion	Revaluation Surplus	Cost/ Revaluation 30 June 2011	Accumulated Amortisation/ Impairment 30 June 2011	Carrying Amount 30 June 2011
Computer Software	268145	-194282	73863	26681	0	0	0	-14039	0	294826	-208321	86505
Other	0	0	0	0	0	0	0	0	0	0	0	0
	268145	-194282	73863	26681	0	0	0	-14039	0	294826	-208321	86505

Intangible Assets 2011

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

14	Actual 2010	Trade and Other Payables	Actual 2011
	1,885,994	Trade Payables	1,310,545
	446,552	Deposits and bonds	590,305
	374,313	Accrued Expenses	480,466
	823,679	Other Revenue in Advance	1,070,622
	59,145	Rates in advance	60,940
	0	Due to related parties	0
	3,589,683		3,512,878

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 2010	Employee Benefit Liabilities	Actual 2011
	28,995	Accrued payroll	41,851
	224,973	Annual Leave	217,608
	12,418	Long Service Leave	13,614
	11,523	Time in Lieu	14,650
	6,145	Alternative Holidays	6,799
	0	Sick Leave	0
	284,054		294,522
	271,636	Current	280,908
	12,418	Non Current	13,614
	284,054		294,522

	Actual 2010	Borrowing	Actual 2011
		Reconciliation	
		Opening Balance 1 July	
	103,878	Lease Liabilities	90,193
	45,294	Lower Waiho	6,768
		Inchbonnie	100,000
		Greymouth Floodwalls	2,100,000
	283,436	Punakaiki Seawall Loan	248,003
	432,608		2,544,964
		Borrowed	
	2,100,000	Greymouth Floodwalls	0
	100,000	Inchbonnie	0
	26,082	Lease Liabilities	0
	2,226,082		0
		Repaid	
	-39,768	Lease Liabilities	-32,133
	-38,526	Lower Waiho	-6,768
	0	Greymouth Floodwalls	-51,709
	0	Inchbonnie	-17,123

-35,432	Punakaiki Seawall Loan	-38,147
<u>-113,726</u>		<u>-145,880</u>

Closing Balance 30 June

90,193	Lease Liabilities	58,060
6,768	Lower Waiho	0
2,100,000	Greymouth Floodwalls	2,048,291
100,000	Inchbonnie	82,877
248,003	Punakaiki Seawall Loan	209,856
<u>2,544,964</u>		<u>2,399,084</u>

Actual 2010	Current	Actual 2011
38,292	Punakaiki Seawall	42,291
6,768	Lower Waiho	0
46,195	Greymouth Floodwalls.	55,028
17,123	Inchbonnie	18,454
32,133	Lease Liabilities	36,391
<u>140,511</u>		<u>152,164</u>
	Non Current	
209,712	Punakaiki Seawall	167,565
2,053,804	Greymouth Floodwalls.	1,993,262
82,877	Inchbonnie	64,424
58,060	Lease Liabilities	21,669
<u>2,404,453</u>		<u>2,246,920</u>
<u>2,544,964</u>	Total Borrowings	<u>2,399,084</u>

Fixed Rate Debt

90,193	Lease liabilities for whole term of Lease.	58,060
248,003	Punakaiki Seawall Loan	209,856
900,000	Greymouth Floodwall. Interest Rate Swap Agreement for 5 years	879,835
1,000,000	Greymouth Floodwall. Interest Rate Swap Agreement for 10 years	978,456
100,000	Inchbonnie Rating District. Interest Rate Swap Agreement for 5 years	82,877
6,768	Lower Waiho	0
<u>2,344,964</u>	Total Fixed Rate	<u>2,209,084</u>
	Floating Rate debt	
200,000	Greymouth Floodwalls	190,000

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

Maturity Analysis and effective interest rates

140,511	< 1 Year	152,164
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8.77%	weighted average interest rate	8.29%
2,404,453	> 1 year	2,246,920
7.75%	weighted average interest rate	7.15%
<u>2,544,964</u>	Total	<u>2,399,084</u>
2,404,453	Fair Value of non current borrowings	2,246,920

Analysis of Finance Lease Liabilities

Actual 2010		Actual 2011
	Minimum Lease Payments Due	
41,620	Not later than 1 year	41,620
64,159	Later than 1 year: not later than 5	22,539
0	Later than 5 years	0
<u>105,779</u>		<u>64,159</u>
-15,586	Less: Future finance charges	-6,099
<u>90,193</u>	Present value of minimum lease payments	<u>58,060</u>
	Present value of minimum lease payments payable	
32,133	Not later than 1 year	36,392
58,060	Later than 1 year: not later than 5	21,668
0	Later than 5 years	0
<u>90,193</u>		<u>58,060</u>
32,133	Current	36,392
58,060	Non Current	21,668
<u>90,193</u>		<u>58,060</u>

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

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

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

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

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

17 Derivative Financial Instruments

Actual 2010		Actual 2011
	Current Assets	
104,849	Foreign Exchange Hedges	142,787
0	Non Current assets	0
<u>104,849</u>	Total Derivative Financial Instrument Assets	<u>142,787</u>
0	Current Liabilities	0
	Non Current Liabilities	
165,618	Interest Rate Swaps – Cash Flow Hedges	191,005
<u>165,618</u>	Total Derivative Financial Instrument Liabilities	<u>191,005</u>

Fair value

Interest rate swaps

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

Forward foreign exchange contracts

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

Interest rate swaps

The notional principal amounts of the two outstanding interest rate swap contracts for the Council was \$1,939,946 (2010 \$2,000,000).

At 30 June 2011, the fixed interest rates of the two cash flow hedge interest rate swaps were 6.36% and 6.69%. Gains and losses recognised in other comprehensive income and the hedging reserve in equity (note 18 (g)) on interest rate swap contracts as at 30 June 2011 will be released to the surplus or deficit as interest is paid on the underlying debt.

Council currently has no fair value hedges.

Forward foreign exchange contracts

The notional principal amounts of outstanding forward foreign exchange contracts was \$AUS 1,712,095 and \$US 1,361,972

18	Actual 2010	Equity	Actual 2011
(a)		Ratepayers Equity	
	20,472,883	Balance 1 July	18,157,524
	-2,089,344	Surplus transferred	1,406,071
	1,046,408	Net Transfers (to)/from Rating District Equity	-178,741
	-1,820	Transfers(to)/from Tb Targeted Rate Balance	-35,591
	-149,603	Transfers(to)/from Quarry Account	-77,143
	-1,121,000	Transfers(to)/from Investment Growth Reserve	-695,000
	<u>18,157,524</u>	Balance 30 June	<u>18,577,120</u>
(b)		Rating District Equity (River, Drainage & Coastal Protection Schemes)	
	2,407,867	Balance 1 July	1,361,459
	1,134,932	Revenue	1,248,998
	-4,065,086	Expenditure	-958,994
	-244,552	Capital Expenditure	0
	2,200,000	Loan raised	0
	-71,702	Loan Principal repaid	-111,262
	<u>1,361,459</u>	Balance 30 June	<u>1,540,201</u>
(c)	Actual 2010	Asset Revaluation Reserves	Actual 2011
(i)		Infrastructural Assets	
	22,122,725	Opening Balance	31,481,638
	9,358,913	Revaluation gains / (losses)	0
	<u>31,481,638</u>		<u>31,481,638</u>
(ii)	Actual 2010	Land	Actual 2011
	592,000	Opening Balance	835,000
	243,000	Revaluation gains / (losses)	0
	<u>835,000</u>		<u>835,000</u>
	<u>32,316,638</u>	Total Revaluation Reserve	<u>32,316,638</u>
(d)	Actual 2010	Investment Growth Reserve	Actual 2011
	8,085,000	Balance 1 July	9,206,000
	1,121,000	Transfer (to) / from Ratepayers Equity	695,000
	<u>9,206,000</u>	Balance 30 June	<u>9,901,000</u>
(e)	Actual 2010	Quarry Account	Actual 2011
	152,415	Balance 1 July	302,017
	149,602	Transfer (to) / from Ratepayers Equity	77,143
	<u>302,017</u>	Balance 30 June	<u>379,160</u>

(f)	Actual 2010	Tb Pest Management	Actual 2011
	-36,374	Balance 1 July	-34,554
	1,820	Transfer (to) / from Ratepayers Equity	35,591
	<u>-34,554</u>	Balance 30 June	<u>1,037</u>

(g)	Actual 2010	Derivatives Hedge Reserve	Actual 2011
	0	Balance 1 July	-165,618
	-165,618	Transfer (to) / from Ratepayers Equity	-25,387
	<u>-165,618</u>	Balance 30 June	<u>-191,005</u>

Restricted Reserves

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

Rating District Equity Reserves

Tb Pest Management

19	Reconciliation of net surplus/(deficit) to net cash flow from operating activities		Actual 2011
	Actual 2010		
(i)	-2,089,344	Reported Surplus (Deficit) for the year	1,406,071
(ii)		Add non cash items:	
	302,151	Depreciation	317,041
	-35,094	Unrealised Foreign Exchange Gains/Losses	-37,939
	-250,672	Unrealised Price -Gains/Losses	-343,103
	2,254	Gains/Losses on sale of assets included in Investing Activities	-36,693
	833	Movement in employee entitlements (non current)	1,196
	11,228	Item Classified as Investing activity – Movement in capital creditors	4,874
	-588,084	Portfolio interest, dividends & gains	-493,665
	<u>-557,384</u>		<u>-588,289</u>
(iii)		Movements in working capital items	
		current assets	
	-2,131,900	accounts receivable & accruals	1,133,269
	-33,885	inventories	-62,442
		current liabilities	
	1,442,808	accounts payable and accruals	-149,256
	-298,675	Net GST movement	224,336
	<u>-1,021,652</u>		<u>1,145,907</u>
	<u>-3,668,380</u>	Net Cashflows from Operating Activities	<u>1,963,689</u>

20	Actual 2010	Capital Commitments and operating leases.	Actual 2011
		Capital expenditure contracted for at 30 June but not yet incurred for property, plant and equipment.	42,647
	0		42,647
		Non-cancellable operating leases as lessee:	
	36,399	not later than 1 year	10,150
	10,150	Later than 1 year but not later than 5 years	0
	0	Later than 5 years	0
	46,549		10,150

WCRC leases property, plant and equipment in the normal course of its business.

These leases are for motor vehicles and have non-cancellable terms of 36 months.

The future aggregate minimum lease payments to be paid by WCRC under these non cancellable operating leases are as above.

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

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

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

21	Contingencies		Actual 2011
Actual 2010	Contingent Liabilities		
90,000	Weather-tight home liabilities	0	

Actual 2010	Contingent Assets	Actual 2011
Nil		Nil

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

ye 30/6/10		Salaries	Superannuation	Vehicle	ye 30/6/11
	Councillors				
63,800	Chairman R Scarlett	64,541			64,541
31,900	Deputy Chairman P Ewen (until October 2010)	9,111			9,111
26,040	Deputy Chairman B Chinn (from October 2010)	29,736			29,736
26,040	Councillor D Davidson	25,963			25,963
26,040	Councillor A Robb	25,963			25,963
26,040	Councillor T Archer	25,963			25,963
26,040	Councillor A Birchfield	25,963			25,963
0	Councillor I Cummings (from October 2010)	18,525			18,525
225,900		225,765			225,765

194,200	Chief Executive	173,996	3,484	13,953	191,433
459,944	4 Second Tier Managers	456,015	15,372	11,718	483,105
<hr/> 880,044		<hr/> 855,776	<hr/> 18,856	<hr/> 25,671	<hr/> 900,303

The above remuneration comprises salaries and other short term benefits.

23. Related Party Transaction

Payments to elected Councillors acting as Hearing Commissioners amounted to \$3,570. These amounts are in addition to the amounts paid to elected Councillors disclosed in Note 22 above. (2010 Nil)

24. Severance Payments

No severance payments were made during the year to 30 June 2011. (2010 nil)

25. Events After Balance Date of 30 June 2011.

LAPP Fund

Council withdrew from the NZ Local Authority Protection Programme (LAPP) with effect from 1 July 2011 due to the annual levies becoming unaffordable. This was as a consequence of the two Canterbury earthquakes and the cost of re-insurance to the LAPP Fund. As an alternative to LAPP, Council has established a Regional Catastrophe Fund with an initial deposit of \$500,000.

Investment Portfolio Returns 1 July 2011 to 31 August 2011

The portfolio incurred a loss of \$296,465 for the two months to 31 August 2011.

26. Future Quarry Restoration Liability @ 30 June 2011

Assessed liability as at 30 June 2011 \$60,000. This liability is calculated using a net present value approach to discounting future cash flows. (2010 \$56,700)

27. Financial Instrument Risks

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

(a) Market Risk

Price Risk

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

set out in the Statement of Investment Policies and Objectives (SIPO).

Currency Risk

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

Fair value interest rate risk

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

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

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

Cash flow interest rate risk

This is the risk that cash flows from a financial instrument will fluctuate due to changes in market interest rates. The SIPO helps WCRC mitigate this risk by ensuring Council is invested in a diversified portfolio including Cash, Bonds, Equities etc.

Management of interest rate cash flow risk.

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

(b) Credit Risk

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

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

(c) Liquidity Risk

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

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

WCRC has overdraft facilities available to \$250,000 with its banker and a multi option credit line amounting to \$3,000,000 (\$2,200,000 utilised by term borrowing @ 30 June 2011)

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

(d)		Actual 2011
Actual 2010	Financial Instruments	
	Financial Assets	
	Fair Value Through Profit and Loss – Held for trading	
	Categories	
104,849	Derivative Financial Asset	142,788
	Other Financial Assets	
5,595,475	Fixed Interest	5,100,799
1,808,788	Australasian Equities	2,053,518

1,916,355	International Equities	2,973,895
526,329	Property Equities	574,884
646,204	Alternative Asset Classes	627,292
<u>10,493,151</u>	Total Financial Assets	<u>11,330,388</u>
	at Fair Value Through Profit & Loss	
0	Available for Sale	0
	Loans and Receivables	
71,401	Cash & cash Equivalents	1,537,956
3,895,967	Debtors & Other Receivables	2,608,373
<u>3,967,368</u>		<u>4,146,329</u>
0	Held to Maturity	0
0	Fair Value Through Equity	0
<u>14,565,368</u>	Total Financial Assets	<u>15,619,505</u>
	Financial Liabilities	
0	Fair Value Through Profit and Loss -Held for Trading	0
0	Derivative Financial Liabilities	0
	Financial Liabilities at Amortised Cost	
3,589,683	Creditors & Other Payables	3,512,878
	Borrowings	
2,454,772	Term Loans	2,341,024
90,193	Finance Lease Liabilities	58,060
<u>6,134,648</u>	Total financial Liabilities at Amortised Cost	<u>5,911,962</u>
6,134,648	Total Financial Liabilities	5,911,962
Actual 2010	Maximum Exposure to Credit Risk	Actual 2011
	Financial Instruments	
70,406	Cash at Bank Westpac	35,009
995	Cash on Call Deposits Westpac	1,502,947
3,895,967	Debtors & Other Receivables	2,608,373
5,595,475	Fixed Interest	5,100,799
<u>9,562,843</u>		<u>9,247,128</u>

(e) Counterparties with Credit Ratings (Standard & Poor's)			
Actual 2010			Actual 2011
	Fixed Interest		
1,292,581	A-1+	Government Guarantee	0
0	A-1+		1,936,133
0	A-2		397,568
1,139,364	AAA	Government Guarantee	882,715
80,485	AAA		924

3,386	AA	Government Guarantee	0
150,745	AA		683,816
1,367,823	AA-		214,416
0	A+		474,260
634,961	A		209,414
157,075	A-		0
151,269	BBB+		0
137,447	BB	Government Guarantee	0
240,000	B	Government Guarantee	0
240,339	Unrated – no prior defaults		301,553
<u>5,595,475</u>			<u>5,100,799</u>
Cash at bank			
<u>70,406</u>	A-1+		<u>35,009</u>
On call Deposit Account			
<u>995</u>	A-1+		<u>1,502,947</u>

(f) Sensitivity of Financial Instrument Risk

Interest Rate Risk

As at 30 June 2011 it is estimated that a two percentage point increase in market interest rates would increase the Council's surplus by approximately \$172,000.

This calculation is based on a reassessment of the fair values of financial assets that are held for trading (30 June 2010 \$56,000).

Currency Risk

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

It is estimated that a ten percent increase/decrease in the value of the New Zealand dollar against both the US\$ and Australian\$ would decrease/increase the Council's surplus by approximately \$113,000

(30 June 2010 \$55,000).

(g) Contractual Maturity Analysis of Financial Liabilities

Council 2011	Carrying Amount	Contractual Cash Flows	< 1 year	1-2 years	2 - 5 years	> 5 years
Creditors & Other Payables	3,512,878	3,512,878	3,512,878	0	0	0
Net Position of Derivative Financial Liabilities	0	0	0	0	0	0
Term Loan	978,456	1,884,443	99,181	99,181	297,544	1,388,537
Term Loan	879,835	1,654,332	87,070	87,070	261,210	1,218,982
Term Loan	190,000	325,969	23,906	23,156	64,969	213,938
Term Loan	82,877	96,205	24,051	24,051	48,103	0
Term Loan	13,452	15,524	3,509	3,509	8,506	0
Term Loan	196,404	226,667	51,235	51,235	124,197	0
	2,341,024	4,203,140	288,952	288,202	804,529	2,821,457
Finance Lease Liability	44,555	49,379	31,187	18,192	0	0
Finance Lease Liability	13,505	14,780	10,433	4,347	0	0
	58,060	64,159	41,620	22,539	0	0
Total Financial Liabilities	5,911,962	7,780,177	3,843,450	310,741	804,529	2,821,457

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

(h)

Fair Value Hierachy under NZ IFRS 7 Financial Instruments: Disclosures

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

- Level 1. Quoted Market Values. Financial Instruments with quoted prices for identical instruments in active markets.
- Level 2. Valuation techniques using observable inputs. Financial Instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Level 3. Valuation techniques with significant non-observable inputs. Financial instruments are valued using models where one or more significant inputs are not observable.

30 June 2011	Total	Level 1	Level 2	Level 3
Fixed Interest	5,100,799	1,474,529	3,410,930	215,340
Australasian Equities	2,053,518	2,053,518		
International Equities	2,973,895	641,346	2,332,549	
Property Equities	574,884	574,884		
Alternative Asset Classes	627,292		627,292	
Derivative Hedge asset	142,788		142,788	
Total Financial Assets	11,473,176	4,744,277	6,513,559	215,340
30 June 2010	Total	Level 1	Level 2	Level 3
Fixed Interest	5,595,475	3,054,826	1,625,880	914,769
Australasian Equities	1,808,788	1,808,788	0	0
International Equities	1,916,355	619,373	1,296,982	0
Property Equities	526,329	526,329	0	0
Alternative Asset Classes	646,204	639,159	0	7,045
Derivative Hedge asset	104,849	0	104,849	0
Total Financial Assets	10,598,000	6,648,475	3,027,711	921,814

(i)

Contractual Maturity Analysis of Financial Assets

30 June 2011	Total	< 1 Year	1 – 2 Years	2 – 5 Years	> 5 Years
Fixed Interest	5100799	2949746	429341	727725	993987
Australasian Equities	2053518	2053518			
International Equities	2973895	2973895			
Property Equities	574884	574884			
Alternative Asset Classes	627292	627292			
Derivative Hedge asset	142788	142788			
	11473176	9322123	429341	727725	993987

Cash & Cash Equivalents	1,537,956	1,537,956	0	0	0
Debtors & Other Receivables	2,608,373	2,608,373	0	0	0
Total Financial Assets	4,146,329	4,146,329	0	0	0

30 June 2010	Total	< 1 Year	1 – 2 Years	2 – 5 Years	> 5 Years
Fixed Interest	5,595,475	1,882,572	652,925	997,129	2,062,849
Australasian Equities	1,808,788	1,808,788	0	0	
International Equities	1,916,355	1,916,355	0	0	
Property Equities	526,329	526,329	0	0	
Alternative Asset Classes	646,204	646,204	0	0	
Derivative Hedge asset	104,849	104,849	0	0	
	10,598,000	6,885,097	652,925	997,129	2,062,849
Cash & Cash Equivalents	71,401	71,401	0	0	0
Debtors & Other Receivables	3,895,967	3,895,967	0	0	0
Total Financial Assets	14,565,368	10,852,465	652,925	997,129	2,062,849

28. Capital Management

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

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

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

WCRC has the following Council created reserves.

- Investment Growth Fund.
- Quarry Account.

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

WCRC has the following reserves of this nature.

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

29. Cash Bond

West Coast Regional Council has received an \$892,000 (2010 \$892,000) bond from a mining company. The money is held in a separate bank account and is not controlled by Council. Council can access these funds when, and only to the extent that, Council has to incur expenditure to make good any default of the company's. Therefore no asset or liability in respect of this bond has been recognized in the financial statements.

Governance

Background

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

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

None.

Performance Targets	Achieved / Progress																											
Conduct eleven monthly meetings of Council and the Resource Management Committee, plus other scheduled meetings and scheduled workshops during the year with 80% attendance by all Councillors.	<p>Achieved</p> <table border="1"> <thead> <tr> <th>Councillor</th> <th>Number attended</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Scarlett</td> <td>11 out of 12</td> <td>92%</td> </tr> <tr> <td>Ewen</td> <td>3 out of 3</td> <td>100%</td> </tr> <tr> <td>Davidson</td> <td>12 out of 12</td> <td>100%</td> </tr> <tr> <td>Chinn</td> <td>12 out of 12</td> <td>100%</td> </tr> <tr> <td>Robb</td> <td>12 out of 12</td> <td>100%</td> </tr> <tr> <td>Birchfield</td> <td>12 out of 12</td> <td>100%</td> </tr> <tr> <td>Archer</td> <td>11 out of 12</td> <td>92%</td> </tr> <tr> <td>Cummings</td> <td>9 out of 9</td> <td>100%</td> </tr> </tbody> </table> <p>Ten* Council meetings occurred in the reporting period plus the Triennial Meeting and Annual Plan Hearing. *There was no ordinary Council meeting held in October 2010 due to the triennial election.</p>	Councillor	Number attended	%	Scarlett	11 out of 12	92%	Ewen	3 out of 3	100%	Davidson	12 out of 12	100%	Chinn	12 out of 12	100%	Robb	12 out of 12	100%	Birchfield	12 out of 12	100%	Archer	11 out of 12	92%	Cummings	9 out of 9	100%
Councillor	Number attended	%																										
Scarlett	11 out of 12	92%																										
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Birchfield	12 out of 12	100%																										
Archer	11 out of 12	92%																										
Cummings	9 out of 9	100%																										
Prepare and notify the Council's Annual Plan by 31 May each year in accordance with the procedures outlined in the Local Government Act 2002.	Achieved. The Draft Annual Plan was notified following the 12 April 2011 Council meeting. Public hearings were conducted on 31 May 2011 and the Annual plan was finally approved at the 14 June 2011 Council meeting.																											
Prepare and notify the Council's Annual Report by 31 October each year in accordance with the procedures outlined in the Local Government Act 2002.	Achieved. The audited 2010 Annual Report was adopted by Council on 26 October 2010.																											
Publish an informative Council newsletter twice a year to be circulated to all ratepayers, with their rate demand, in March and September.	Achieved. Newsletters were issued in September 2010 and March 2011.																											
Maintain the Council website up-to-date at all times, as the Council's primary information transfer point and an information resource for the community.	Achieved. New information has been posted relating to special rating districts. The 2010 Flood Report was also included on the website.																											
Continue to invite attendance of Makaawhio and Ngati Waewae representatives as appointees to the Council's resource management committee, to enable Maori participation in resource management decision-making.	Achieved. Council has continued to invite representatives from Makaawhio and Ngati Waewae. Ngati Waewae have appointed a new representative.																											

Actual 2009/10	Cost of Services Statement for year ended 30 June 2011 Governance	Actual 2010/11	Budget 2010/11
	Operating Expenditure		
338,085	Governance	362,015	364,560
18,671	Community Consultation	19,793	19,484
<u>356,756</u>	Total Operating Expenditure	<u>381,808</u>	<u>384,044</u>
<u>0</u>	Operating Revenue	<u>0</u>	<u>0</u>
	Funding Requirements		
-356,756	Operating Surplus / -Deficit to be funded	-381,808	-384,044
	Capital Expenditure	0	0
<u>-356,756</u>	Total Funding Required	<u>-381,808</u>	<u>-384,044</u>
	Funded by:		
356,756	General Rates and Investment Income	381,808	384,044
<u>356,756</u>	Total Funding	<u>381,808</u>	<u>384,044</u>

Consents and Compliance

Background

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

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

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

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

Nil

Resource Consent Processing Targets	Achieved / Progress
Process at least 95% of non-notified resource consent applications within the statutory timeframes	Achieved. 97.8% (485/496) of applications were processed within the statutory timeframes. (93.6% 2010)
Work with consent applicants to seek to reduce the need for formal requests for further information under Section 92 of the RMA	Achieved. A total of 15 Section 92 requests were made in relation to the consent applications being processed in the reporting period. (15 in 2010). This performance needs to be understood in the context of total number of applications, which increased from 342 in 2010 to 496 in 2011
Complete staff reports for all notified consent applications within 10 working days of receipt of all required information	Achieved for 10 out of 10 notified consent applications processed during year met the statutory timeframes. (9 out of 10 in 2010)
Respond to enquiries on resource consent processes and requirements within 10 working days	Partially achieved. 99% (460/465) of written enquiries were responded to within 10 working days. (99% 2010)

Compliance Monitoring Targets	Achievements/Progress
Process at least 95% of mining work programmes ¹ within 20 working days of receipt.	Achieved. 98%. 50 work programmes were received. 43 out of 44 valid work programmes were processed within the 20 day timeframe. Six (6) work programmes were invalid due to outstanding consent requirements. (100% 61/61 2010)
Release 100% of bonds within four months of the surrender, forfeiture or expiry of the corresponding mining licence or permit, provided that rehabilitation requirements have been met	Achieved. 7 bonds were released in the reporting period, all within the four month target. (7 in 2010)
Review bond levels for all large-scale mines ² by 2011 and set new bond levels to better reflect the environmental effects/risks of those mines.	Achieved. The bonds for the Globe Progress, Stockton and Strongman mines were reviewed.

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

Inspect every consent and/or mining licence for operating mining activities at least once annually, and where problems are identified follow up to ensure compliance is achieved and/or environmental effects are reduced.	Achieved. 140 mine inspections were undertaken during the reporting period for compliance with resource consent conditions. These inspections covered all of the 44 mines (excluding quarries and gravel extraction sites) that were operating during the year. Where problems were identified these were followed up. (145 mine inspections; 61 operating mines 2010).
Inspect all new consents that involve major ³ construction works after completion of those works, and follow up to ensure compliance is achieved.	Achieved. The completed works for the Wanganui river bridge underpinning (RC09124), Kiwi Point rail tunnel day-lighting (RC09149), and 10 Mile creek bridge replacement (RC09091) were inspected during the reporting period. There were no issues identified requiring follow up to achieve compliance.
Inspect all consents for whitebait stands on the Little Wanganui, Taramakau, Hokitika, Wanganui, Paringa and Waitoto Rivers annually and the remaining rivers with whitebait stand consents at least once every three years to check consent compliance and ensure that any environmental effects are no more than minor.	Partially achieved: Whitebait stands on the Taramakau, Hokitika, Wanganui, Paringa, Ohinetamatea, Karangarua, Jacobs, Mahitahi, Ohinemaka, Moeraki, Haast, Okuru, Turnbull, Waitoto and Arawhata Rivers were inspected during the reporting period. No issues arose on the Little Wanganui River during the Whitebait Season and so the river did not need to be inspected.
Inspect every dairy shed effluent discharge at least once every three years, depending on compliance, and work with farmers so that consent compliance is achieved and environmental effects are managed.	Achieved. All dairy farms were inspected during the previous 3 years and in the 2010/11 year 262 of the 386 operating dairy farms were visited at least once. Where problems were identified these were followed up by further visits. There were 62 follow up inspections. In total there were 324 inspections including follow up visits. (2010: 377 visits plus 50 follow up inspections.)
Assess farm compliance in the Lake Brunner catchment annually, in recognition of the need for stricter environmental management in this sensitive lake catchment, and follow up to ensure compliance is achieved.	Achieved. All 21 farms in the catchment were inspected. 5 farms were re-inspected. (2010 = 21 farms in catchment inspected).
Operate a 24-hour complaints service, responding to all complaints and report all complaints to the monthly Resource Management Committee.	Achieved. 223 complaints were received and responded to during the reporting period. (2010 224 complaints received.)
Respond to breaches of the RMA, regional plan rules or resource consents by taking enforcement action through abatement notices, infringement notices or recommend prosecution in accordance with Council Enforcement Policy.	Achieved. 16 abatement and 41 infringement notices were issued, 16 formal warnings issued, and 3 prosecutions were laid in relation to 2 illegal activities, during the reporting period. (2010 20 abatement notices, 27 infringement notices, prosecutions relating to 4 illegal activities.)

Marine Oil Spill Response Targets	Achievements/Progress
Maintain a team of at least 25 Maritime NZ (MNZ) trained personnel at all times to deal with marine oil spills and terrestrial hazardous substance spills.	Achieved. Currently there are 27 trained personnel, and 2 Regional On Scene Commanders. (2010 27 trained personnel and 2 On Scene Commanders.)
Respond within 4 hours to all terrestrial hazardous substance spills, and where necessary use Council or MNZ spill equipment to manage containment and clean up to minimise adverse environmental impacts.	Achieved. No major spills occurred during the reporting period.
Ensure response equipment is maintained quarterly to a level ready to respond to a Tier 2 marine oil spill response.	Achieved. Maintenance inspections were undertaken at the required quarterly intervals.)
Contribute to four yearly reviews of the Tier 2 Marine Oil Spill Response Plan within statutory timeframes in 2009/10, and 2014/15, or as agreed with MNZ.	Achieved. The Tier 2 Plan is current.

Terrestrial Spill Response Targets	Achievements/Progress
Review the Contingency and Procedure Plan for terrestrial hazardous substance spill responses in 2009/10 and 2014/15.	Achieved. The plan review was completed in February 2011.

Actual 2009/10	Cost of Services Statement for year ended 30 June 2011 Consents & Compliance	Actual 2010/11	Budget 2010/11
	Operating Expenditure		
593,987	Resource Consent Processing	363,731	498,529
160,500	Consents Support	179,236	153,591
22,639	Consents Review	26,966	34,793
44,549	Consent Appeals	57,386	36,697
93,280	Consent Enquiries	108,118	91,726
12,636	Building Act - Dams	12,009	14,694
45,850	Whitebait Stand Compliance	19,657	26,776
192,326	Compliance Monitoring	196,461	247,603
97,892	Compliance Monitoring Support	124,207	125,765
51,870	Compliance Enquiries	59,674	45,635
10,965	Mining Licence Compliance	15,594	33,794
31,470	Mining Licence Support	26,553	34,137
95,351	Dairy Farm Monitoring	102,406	82,165
114,927	Complaints	138,684	121,448
153,396	Enforcement Appeals	103,443	58,325
36,462	Oil Spill response	40,363	68,222
<u>1,758,100</u>	Total Operating Expenditure	<u>1,574,488</u>	<u>1,673,900</u>
	Operating Revenue		
1,091,627	User Charges	829,601	930,898
0	Subsidies	0	0
0	Targeted Rates	0	0
<u>1,091,627</u>	Total Operating Revenue	<u>829,601</u>	<u>930,898</u>
	Funding requirements		
-666,473	Operating Surplus / -Deficit to be funded	-744,887	-743,002
0	Capital Expenditure	-2,606	0
<u>-666,473</u>	Total Funding Required	<u>-747,493</u>	<u>-743,002</u>
	Funded by:		
666,473	General Rates & Investment Income	744,887	743,002
0	Depreciation Funds	2,606	0
<u>666,473</u>	Total Funding	<u>747,493</u>	<u>743,002</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 2009/19

None.

Planning Performance Targets	Achievements/Progress
Notify the Variation merging the Land and Riverbed, Water, and Discharge to Land Plans by December 2010.	Achieved. The Variation merging the Land and Riverbed, Water, and Discharge to Land Plans was notified on 17 September 2010.
Commence a full review of the Pest Plant Management Strategy by August 2010.	Achieved. The Strategy was notified prior to August 2010 and is now operative.
Commence a full review of the Regional Coastal Plan by February 2011.	Achieved. The review commenced in February 2011.
Prepare and disseminate information for resource users on rules, and best practice, as detailed in the annual communications programme.	Achieved. All tasks on the annual programme are completed.

Transport Planning Targets	Achievements/Progress
Facilitate at least two public Regional Transport Committee meetings per year and arrange working group meetings as requested by the Committee.	Achieved. Regional Transport Committee meetings were held on 3 February 2011 and 27 May 2011.
Complete a review of the RLTS within the timeframe set under Transport legislation, to a standard acceptable to the Regional Transport Committee	Achieved. The West Coast Regional Land Transport Strategy 2011 - 2041 was adopted by Council on 14 June 2011.
Participate, with the three district councils, NZ Police, and others in the West Coast Road Safety Co-ordinating Committee.	Achieved. The Road Safety Coordinating Committee met on 23 November 2010 and 31 March 2011. Projects have commenced in the Road Safety Action Plan, designed under the 'Safer Journeys' national direction.
Implement the total mobility programme where taxi services exist, ensuring at least 90% of users rate the overall service and value for money as good, very good or excellent	Council agreed to move to two-yearly surveying on total mobility satisfaction and defer the annual plan reporting requirements for 2010/2011 until 2011/12. In 2010 98% of users rated the service and value for money as good, very good or excellent. There have been no changes to the service provided during 2010/11.

Actual 2009/10	Cost of Services Statement for the year ended 30 June 2011	Actual 2010/11	Budget 2010/11
	Planning Processes		
	Operating Expenditure		
22,520	Regional Policy Statement	13,282	85,621
193,912	Land & Riverbed mgmt Plan	110,705	13,360
9,314	Discharge Contaminants to Land	172	0
15,774	Water Mgmt Plan	93,520	104,291
756	Pest Mgmt Strategy	8,552	11,042
21,719	Responses	26,121	49,493
48,424	Regional Coastal Plan	40,953	93,011
45,049	Policy & Plan Implementation & Review	54,112	29,199
27,259	Public Enquiries	23,783	24,540
489	Wetlands	23,950	7,410
19,057	Waste Management	2,191	4,068
8,460	Pest Strategy Implementation	21,680	9,817
12,500	Contributions to National Strategies	7,500	15,000
4,930	Honda Tree Fund	3,985	0
8,200	Total Mobility Admin	8,910	13,082
55,930	Total Mobility	58,114	65,500
29,112	Regional Land Transport Admin	42,471	59,295
6,593	Passenger Transport Admin	8,464	8,880
21,843	Safety Programme	91,868	26,205
<u>551,841</u>	Total Operating Expenditure	<u>640,333</u>	<u>619,814</u>
	Operating Revenue		
3,670	User Charges	5,695	0
74,018	Subsidies	186,981	104,100
	Targeted Rates		
<u>77,688</u>	Total Operating Revenue	<u>192,676</u>	<u>104,100</u>
	Funding Requirements		
-474,153	Operating Surplus / -Deficit to be funded	-447,657	-515,714
0	Capital Expenditure	0	0
<u>-474,153</u>	Total Funding Required	<u>-447,657</u>	<u>-515,714</u>
	Funded by:		
474,153	General Rates & Investment Income	447,657	515,714
0	Depreciation Funds	0	0
<u>474,153</u>	Total Funding	<u>447,657</u>	<u>515,714</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 2009/19

None.

Hydrology Performance Targets	Achievements/Progress
Provide a continuous flood monitoring service for the five rivers monitored and respond in accordance with the flood-warning manual and ensure real time data on river levels is available on the Council website and Info line.	Not fully achieved. Due to staff error an alarm was missed for the Waiho River on one occasion. A back-up system is being investigated to avoid the risk of this occurring again.
Review the flood-warning manual annually and liaise with work groups as required.	Achieved. The Grey River manual was updated following the December and January floods. The Franz Josef, Hokitika, Buller and Karamea manuals have been updated.

Complete all regular water sampling programmes and prepare a State of the Environment report for surface water quality by June 2011; plus an annual Lake Brunner summary report every December, for Council's web site.	Achieved. Water quality sampling is up to date. The December 2010 Lake Brunner monitoring report is on Council's web site. The State of Environment report was completed in final draft form at June 2011. The Report was subjected to an external review and was presented to Councillors at a workshop following the August 2011 meeting.
Report monthly summer contact recreation results to Council, and to media, and complete any follow-up investigations required by Council as they arise.	Achieved. Contact recreation information has been reported to Council monthly over the summer months, and was summarised in the Council's March newsletter. Media and other agencies were advised of this information as it became available. No follow-up investigations were required.

Air Quality Performance Targets	Achievements/Progress
Continue wintertime ambient air quality monitoring in Reefton and provide monthly summary reports to Council during winter months.	Achieved. 2010 winter monitoring was completed and 2011 monitoring is underway.

Potentially Contaminated Sites Targets	Achievements/Progress
Maintain the 'Sites Associated with Hazardous Substances' (SAHS) database, ensure District Councils and land buyers have access to up to date information and assist landowners to securing external funding to investigate or remediate high priority SAHS sites, where landowners are interested and funding is available.	Achieved. The database is maintained with all SAHS classifications updated according to the newly reviewed WCRC Contaminated Land Strategy. Staff are assisting with an application for funding for a high risk site.

Actual 2009/10	Cost of Services Statement for year ended 30 June 2011 Environmental Monitoring	Actual 2010/11	Budget 2010/11
	Operating Expenditure		
282,769	Hydrology	361,108	369,058
6,366	Ground Water Monitoring	15,843	7,785
288,562	Surface Water Quality Monitoring	314,879	319,577
25,675	Contaminated Sites	16,463	21,509
15,354	Air Quality Monitoring	12,262	20,148
2,943	Information and general	3,433	0
<u>621,669</u>	Total Operating Expenditure	<u>723,988</u>	<u>738,077</u>
	Operating Revenue		
0	User Charges	0	0
10,718	Subsidies	0	0
0	Targeted Rates	0	0
<u>10,718</u>	Total Operating Revenue	<u>0</u>	<u>0</u>
	Funding Requirements		
-610,951	Operating Surplus / -Deficit to be funded	-723,988	-738,077
-59,654	Capital Expenditure	-57,097	-73,000
<u>-670,605</u>	Total Funding Required	<u>-781,085</u>	<u>-811,077</u>
	Funded by:		
610,951	General Rates & Investment Income	723,988	738,077
59,654	Depreciation Funds	57,097	73,000
<u>670,605</u>	Total Funding	<u>781,085</u>	<u>811,077</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.

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

None.

Performance Targets	Achievements/Progress
Prepare and organise the distribution of public information linked to the development and release of the national public information programme.	Achieved. Council Newsletters include articles urging personal preparedness for emergencies. An application to the Resilience Fund to undertake a survey on personal preparedness to better target public education on the West Coast was successful. This survey will be undertaken in 2012.
Maintain a ready-to-operate headquarters in preparation for potential emergencies, in accordance with the Group Plan and Group Controllers Guide.	Achieved. The Group Emergency Operations Centre is ready to operate for potential emergencies.
Train at least 30 Council staff as EOC personnel so that we have three shifts of EOC staff trained and exercised in case of a regional emergency.	Achieved. There are currently 31 staff trained as EOC personnel. Five new staff have been given an induction into the CDEM role for Council. Note that 5 staff assisted directly at the Christchurch earthquake event, while other staff were involved in co-ordination roles from the West Coast.

Actual 2009/10	Cost of Services Statement for year ended 30 June 2011 Emergency Management	Actual 2010/11	Budget 2010/11
	<u>Operating Expenditure</u>		
88,771	Civil Defence Response	106,616	100,147
19,421	Natural Hazards	24,774	34,553
<u>108,192</u>	<u>Total Operating Expenditure</u>	<u>131,390</u>	<u>134,700</u>
	<u>Operating Revenue</u>		
	User Charges	213	0
6,108	Subsidies	18,444	0
40,689	Targeted Rates	40,413	40,000
<u>46,797</u>		<u>59,070</u>	<u>40,000</u>
	<u>Funding Requirements</u>		
-61,395	Operating Surplus / -Deficit to be funded	-72,320	-94,700
0	Capital Expenditure	-2,958	-10,000
<u>-61,395</u>	<u>Total Funding Required</u>	<u>-75,278</u>	<u>-104,700</u>
	Funded by		
61,395	General Rates & Investment Income	72,320	94,700
0	Depreciation Funds	2,958	10,000
<u>61,395</u>	<u>Total Funding</u>	<u>75,278</u>	<u>104,700</u>

River, Drainage and Coastal Protection Works

Background

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

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

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

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

Franz Josef Rating District: The LTCCP identified capital works estimated at \$225,000 to increase the level of protection afforded by the scheme stopbanks. This work will now occur during 2011/12 at an estimated cost of \$350,000. The work originally identified to occur during 2010/11 was deferred due to December 2010 flood events which necessitated a re-design.

Lower Waiho Rating District: The LTCCP identified possible capital works estimated at \$1,000,000. As these works are not supported by the community they will not be proceeding in the foreseeable future.

Performance Targets	Achievements/Progress
Oversee implementation of the quarry management plans, and review those plans by 2011.	Achieved. The review has been undertaken and its recommendations are in the process of being implemented.
Monitor and review quarry contracts and permits and visit sites to ensure Health and Safety and other legal requirements are met.	Achieved. Health and Safety plans have been updated. Quarries are receiving more regular visits to monitor health and safety.
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.	Not fully achieved. There was a significant demand for rock post the December floods. Council has since caught up and contracted other companies to undertake blasting in its quarries.
Review Rating District Asset Management Plans where information indicates a significant change from what is stated in the asset management plan or where communities support an early review of the service levels of existing infrastructure.	Achieved. All Asset Management Plans have been reviewed and are available on the Council's website.

<p>Organise and oversee maintenance of all rating district infrastructural assets to the service level consistent with the Asset Management Plan of each Rating District, or whatever level the community and the Council decide on as an acceptable risk.</p>	<p>Achieved. Annual inspections were carried out, and required maintenance works discussed with the rating districts. All rating districts are maintained in line with the service levels stated in the LTCCP and Asset Management Plan.</p>
<p>Complete all annual maintenance works identified in the adopted annual works report for each rating district, and complete all rating district meetings by November 2010.</p>	<p>Achieved. All rating district meetings were completed in September 2010. All maintenance works for rating districts are complete. Additional work was required in a number of rating districts following the December 2010 floods, this work has mostly been completed.</p>
<p>Assist with organising and securing infrastructure loans for major capital works as and when required.</p>	<p>No new loans required this financial year.</p>
<p>Provide civil engineering advice on Council's behalf for consent applications and compliance matters within statutory timeframes.</p>	<p>Achieved. Advice has been sought and provided for consent applications and compliance matters in a timely manner.</p>

Actual 2009/10	Cost of Services Statement for year ended 30 June 2011 River, Drainage & Coastal Protection	Actual 2010/11	Budget 2010/11
	Operating Expenditure		
4,065,086	Works Within Rating Districts	919,984	783,315
116,325	Rating District Management	162,469	123,545
15,454	Asset Mgmt Plans	7,577	2,125
6,644	Inspections	12,791	4,042
41,167	Technical Services	39,220	47,156
309,354	Quarries	669,891	159,810
31,289	River Cross Sections	50,361	63,542
<u>4,585,319</u>	Total Operating Expenditure	<u>1,862,293</u>	<u>1,183,535</u>
	Operating Revenue		
320,221	User Charges Rating Districts	341,250	47,000
458,957	User Charges Quarries	747,034	179,000
814,711	Targeted Rates	868,736	861,395
<u>1,593,889</u>	Total Operating Revenue	<u>1,957,020</u>	<u>1,087,395</u>
	Funding Requirements		
-2,991,430	Operating Surplus / -Deficit to be funded	94,727	-96,140
-244,552	Capital Expenditure	0	-225,000
0	Transfers to Rating District Reserves	-290,002	-125,080
-149,603	Transfers to Quarry Account Reserves	-77,143	-19,190
<u>-3,385,585</u>	Total Funding Required	<u>-272,418</u>	<u>-465,410</u>
	Funded by:		
2,200,000	Loan Raised	0	0
974,706	Transfers from Rating District Reserves	0	225,000
0	Transfers from Quarry Account Reserves	0	0
0	Depreciation Funds	0	0
210,879	General Rates & Investment Income	272,418	240,410
<u>3,385,585</u>	Total Funding	<u>272,418</u>	<u>465,410</u>

Vector Control Services Business Unit

Background:

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

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

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

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

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

Nil.

Performance Targets	Achievements/Progress
Tender for, and win, sufficient contracts to provide or exceed the annual budgeted return to Council.	Achieved and exceeded. Actual surplus of \$1,200,113 compared to budgeted \$513,537.
Meet the performance objectives and contractual obligations set by the Animal Health Board for ground and aerial pest control contracts.	Partially achieved. 24 out of 25 blocks passed. One block passed a re-monitor following further work.
Keep sufficient pest plant work records to assist the review of the Pest Plant Management Strategy.	Achieved. Records are kept of all inspections in response to pest plant enquiries. These inspection notes allow Council to review the Pest Management Strategy to see its effectiveness in the region.
Have staff available as a response unit for marine and terrestrial pollution spill events as per the MOU between the Council's Compliance section, Maritime New Zealand and Vector Control Services dated 11 November 2005.	Achieved. Six staff trained to meet this target.
Maintain oil spill response equipment to the level required in the West Coast Tier 2 Oil Spill Response Plan.	Achieved. Quarterly inspections and maintenance programme completed.
Develop new business areas as appropriate, complementary to existing roles.	Achieved. Provided increasing services to Landcare Research; Provided monitoring services to DOC; Provided operational management services to the Department of Natural Land; New Caledonia; Carried out three North Island aerial possum control operations. Tendering for new possum control work outside region for future years.

Actual 2009/10	Cost of Services Statement for year ended 30 June 2011	Actual 2010/11	Budget 2010/11
	Vector Control Services Business Unit		
	Operating Expenditure		
3,069,302	External expenditure	2,172,205	3,436,463
8,256	Internal expenditure	15,870	0
<u>3,077,558</u>	Total Operating Expenditure	<u>2,188,075</u>	<u>3,436,463</u>
	Operating Revenues		
3,641,841	External Revenue	3,372,318	3,950,000
8,256	Internal Revenue	15,870	0
<u>3,650,097</u>	Total Operating Revenues	<u>3,388,188</u>	<u>3,950,000</u>
	Funding Requirements		
572,539	Operating Surplus / -Deficit to be funded	1,200,113	513,537
-572,539	Transfer to Retained earnings	-1,200,113	-513,537
-91,922	Capital Expenditure	-175,377	-69,000
<u>-91,922</u>	Total Funding required	<u>-175,377</u>	<u>-69,000</u>
	Funded by:		
91,922	Depreciation Funds	175,377	69,000
	Transfer from Retained earnings	0	0
<u>91,922</u>	Total Funding	<u>175,377</u>	<u>69,000</u>

Major Budget Variations

	2011	2011	Variance Actual/ Budget	%	Note
<u>Cost of Services</u>	Actual	Budget			
	\$	\$	\$		
Governance	381,808	384,044	(2,236)	-1%	
Regulatory Consents & Compliance	1,574,488	1,673,900	(99,412)	-6%	1
Planning Processes	640,333	619,814	20,519	3%	2
Environmental Monitoring	723,988	738,077	(14,089)	-2%	
Emergency Management	131,390	134,700	(3,310)	-2%	
River, Drainage & Coastal Protection	1,862,293	1,183,535	678,758	57%	3
Regional Share of Vector Controls	940,076	834,899	105,177	13%	4
Vector Control services Business Unit	2,172,205	3,436,463	(1,264,258)	-37%	5
Other	169,433	0	114,433		6
	8,596,014	9,005,432	(409,418)	-5%	
Income					
General Rates	1,931,100	1,942,000	(10,900)	-1%	
Penalties	65,231	75,000	(9,769)	-13%	
Investment Income	929,421	820,000	109,421	13%	7
Regulatory Consents & Compliance	829,601	930,898	(101,297)	-11%	8
Planning Processes	192,676	104,100	88,576	85%	9
Emergency Management	59,070	40,000	19,070	48%	10
River, Drainage & Coastal Protection	1,957,020	1,087,395	869,625	80%	11
Regional Share of Vector Controls	665,648	650,000	15,648	2%	
Vector Control Services Business Unit	3,372,318	3,950,000	(577,682)	-15%	12
	10,002,085	9,599,393	402,692	4%	
Net Surplus / (Deficit) for year	1,406,071	593,961			

Statement Of Financial Position @ 30 June 2011	Actual 2011	Budget 2011	Variance	Note
Current Assets				
Total Current Assets	7,494,899	3,595,553	3,899,346	13
Non-Current Assets				
Total Non-Current Assets	61,486,741	57,151,350	4,335,391	14
Total Assets	68,981,640	60,746,903		
Liabilities				
Current Liabilities				
	3,945,950	1,717,804	2,228,146	15
Non-Current Liabilities				
	2,511,539	2,350,669	160,870	16
Total Liabilities	6,399,189	4,068,473		
Equity				
	62,582,451	56,678,430		
Total Liabilities and Equity	68,981,640	60,746,903		

Note	Commentary
1	<u>Regulatory Consents & Compliance Expenditure</u> : Total expenditure depends on the mix of small v large scale consent applications. Both revenue and expenditure is below budget by a similar amount.
2	<p><u>Planning Processes</u></p> <p>Total spending on the review of the Regional Policy Statement (RPS) of \$13,000 was low compared to the budgeted \$85,000. The review of the RPS only commenced in February 2011 because Council had been awaiting the release of the Government National Policy Statement on bio-diversity.</p> <p>Total spending on the Land & Riverbed Management Plan of \$110,000 substantially exceeded the budgeted \$13,000 as Council was involved in Court proceedings with Department of Conservation (DOC) with regards to the “wetlands variation.” The cost of these Court proceedings had not been budgeted for.</p> <p>Total spending on the review of the Regional Coastal Plan \$41,000 was less than budgeted as Council had been waiting on the release of the Government National Policy Statement on Coastal Policy.</p> <p>Total spending on the Regional Road Safety Programme \$92,000 was high compared to the budgeted \$26,000. The budget did not envisage the scale of the programme finally approved by the NZ Transport Agency (NZTA). However, the total subsidies claimed from NZTA for the Regional Road Safety Programme amounting to \$70,000 exceeded the budgeted \$12,000.</p> <p>Subsidies revenue also included \$37,000 of unbudgeted grants from DOC for specific projects.</p>

3	<u>River, Drainage & Coastal Protection expenditure:</u> Rating District works and Quarry expenditure exceeds budget. This is influenced by December 2010 floods which increased the demand for remedial works and Quarry rock.
4	<u>Regional Share of Vector Controls expenditure.</u> Council approved an additional \$100,000 expenditure at its September 2010 meeting. This enabled the Animal Health Board to fund an additional \$1 million of work in the West Coast Region.
5	<u>VCS Business Unit expenditure:</u> Total expenditure is dependant on the number of aerial contracts undertaken. Total aerial expenditure was less than budgeted due to the number of contracts won.
6	The \$169,433 includes the Riskpool calls of \$110,050 and portfolio management fees of \$59,383.
7	<u>Investment Income:</u> This exceeded budget due to better than expected returns from our Investment portfolio.
8	<u>Regulatory Consents & Compliance Revenue:</u> Refer comments in 1 above.
9	<u>Planning Processes Revenue:</u> NZTA Subsidies for Regional Road Safety Co-ordinator programme exceeded budgeted amount (as did eligible expenditure.)
10	<u>Emergency Management Revenue:</u> Income from subsidies from MCDEM resilience fund was not budgeted for.
11	<u>River, Drainage & Coastal Protection Revenue:</u> This substantially exceeds budget due to ratepayer contributions to remedial works and increased Quarry revenue not budgeted for. (Refer also 2 above.)
12	<u>VCS Business Unit:</u> Refer also 4 above.
	Statement of Financial Position:
13	<u>Current Assets:</u> Actual \$7,495,000 exceeds budgeted \$3,595,000 by \$3,900,000. This is due to <ul style="list-style-type: none"> • greater cash (\$1,023,000) than expected due to better than budgeted surplus. • Receivables higher than expected (\$1,108,000). This is influenced by timing of billing to AHB for large aerial contacts. • Inventories (\$107,000) higher than budgeted due to aerial bait stocks on hand. • Other Financial Assets. This is higher than expected (\$1,519,000) due to maturity dates of Investments. Derivative Financial Assets. (\$143,000)
14	<u>Non-Current Assets:</u> Actual \$61,486,000 exceeds budget \$57,151,000 by \$4,335,000 due to; <ul style="list-style-type: none"> • Property, Plant, Equipment exceeds budgeted mainly due to impact of revaluation @ 31/12/2009, completed after 2010/11 Annual Plan was finalised. Other Financial Assets less than budgeted. Refer comments under “Current Assets” above.
15	<u>Current Liabilities:</u> Actual \$3,946,000 compared to budgeted \$1,718,000 due to; Payables substantially exceeded budget due to costs of AHB aerial contracts accrued as at 30/6/2011.
16	<u>Non-Current Liabilities:</u> These exceed budget mainly due to derivative financial liabilities not budgeted amounting to \$191,000

