

# West Coast Regional Council



**ANNUAL REPORT**

1 July 2014 to 30 June 2015



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## Chairman's Report

I would like to present Council's annual report for the 2014/2015 year.

The financials for the year reflect a challenging year where the downturn in the mining sector has begun to impact on volumes of resource consents and other RMA activity council staff normally are busy with. This has affected the ability of staff in those areas to achieve the normal cost recovery associated with their work areas.

On the positive side, Council has achieved all the work scheduled for the year, with some notable achievements:

1. The new civil defence structure has settled in with increased capability for responding to local and regional emergency events.
2. The State of the Environment report was published in April this year and showed that water quality in our rivers is generally improving, which demonstrates that our RMA planning, consenting and compliance monitoring work is having a very real environmental benefit.
3. Lake Brunner has now reached its trophic level index target, which means water quality in our largest lake has improved.
4. Council brokered the purchase of the Glacier gateway motels at Franz Josef, dealing with our region's biggest risk of loss of life due to river flooding.

The work that has been done in the Lake Brunner catchment shows that we can achieve a balance between using our region's natural resources and at the same time maintain or improve our special places for the enjoyment of future generations. Councillors and staff are very proud of this achievement.

**Andrew Robb**  
**Chairman**



## Directory & Councillors

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The Council has seven Councillors, representing the following constituencies:

### **Buller Constituency**

Neal Clementson - Councillor  
Terry Archer - Councillor

### **Grey Constituency**

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

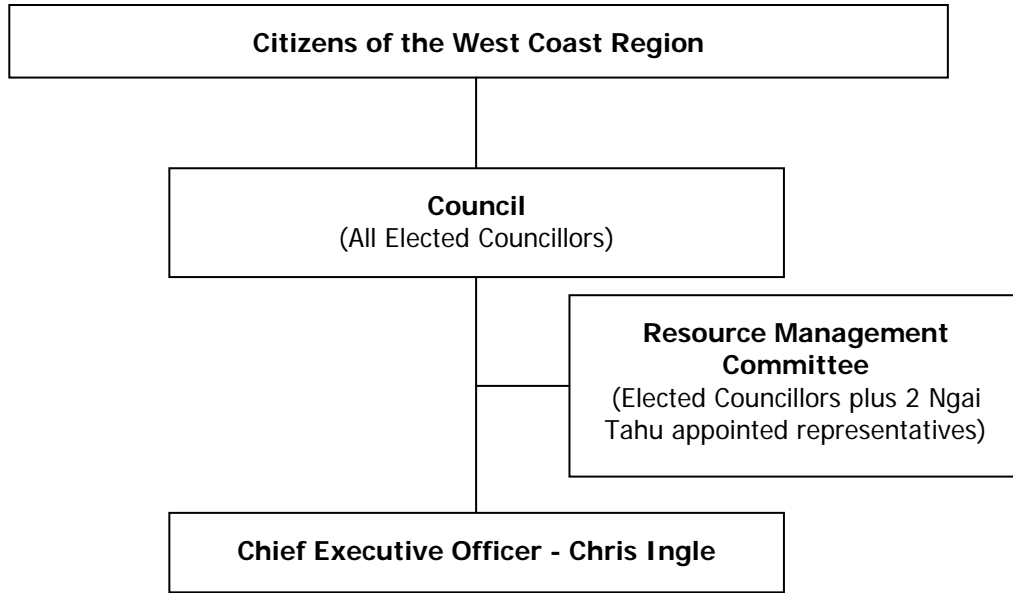
### **Westland Constituency**

Peter McDonnell – Councillor  
Stuart Challenger - Councillor



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

**Council Organisation Structure**



<b>Division</b>	<b>Manager</b>	<b>Functions</b>
CEO's Office	Chris Ingle	Civil Defence Emergency Management Regional Transport Planning
Corporate Services	Robert Mallinson	Accounting Services Corporate Planning Rating Administration Information Technology
Consents & Compliance	John (Jackie) Adams	Resource Consent Processing Compliance Monitoring & Enforcement Environmental Incident Complaints Pollution Response
Planning & Environmental	Michael Meehan	RMA Plan Preparation and Review State of Environment Monitoring Flood Warning & Natural Hazards Quarry & Rating District Management Oil Spill Response
VCS Business Unit	Randal Beal	Service delivery of vector (possum) control on contract to Animal Health Board A variety of other smaller work areas related to the environmental or pest management
Total Staff		47.66

## Community Outcomes

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

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

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

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

### **Measurement of Progress towards achievement of Community Outcomes**

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

Council has not undertaken any such measurement during the year.

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

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

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

## Statement of Compliance and Responsibility

### Compliance

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

### Responsibility

1. The Council and management of the West Coast Regional Council accept responsibility for the preparation of the annual financial statements and the judgements used in them.
2. The Council and management of the West Coast Regional Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.
3. In the opinion of the Council and management of the West Coast Regional Council, the annual financial statements for the year ended 30 June 2015 fairly reflects the financial position and operations of the West Coast Regional Council.



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A Robb  
Chairperson



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C. Ingle  
Chief Executive Officer

Dated: 2 November 2015



## Independent Auditor's Report

### To the readers of West Coast Regional Council's annual report for the year ended 30 June 2015

The Auditor-General is the auditor of West Coast Regional Council (the Regional Council). The Auditor-General has appointed me, Scott Tobin, using the staff and resources of Audit New Zealand to audit:

- the financial statements of the Regional Council that comprise:
  - the statement of financial position as at 30 June 2015 on page 22;
  - the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ending 30 June 2015 on pages 20, 21 and 23;
  - the funding impact statement of the Regional Council on page 49;
  - the statements about budgeted and actual capital expenditure in relation to each group of activities of the Regional Council on pages 50 to 57; and
  - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 13 to 19, 24 to 36 and 66 to 68;
- the statement of service provision of the Regional Council on pages 37 to 48 and the funding impact statements in relation to each group of activities of the Regional Council on pages 50 to 57; and
- the disclosures of the Regional Council that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 58 to 65.

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

- Information about:
  - reserve funds on pages 33 to 34;
  - each group of activities carried out by the Regional Council on pages 37 to 48;
  - remuneration paid to the elected members and certain employees of the Regional Council on page 35;
  - employee staffing levels and remuneration on page 35;

- severance payments on page 36;
- rating base units on page 36; and
- insurance of assets on page 36.
- A report on the activities undertaken by the Regional Council to establish and maintain processes to provide opportunities for Maori to contribute to the Council's decision-making processes on page 6.
- A statement of compliance signed by the chairperson of the Council, and by the Regional Council's chief executive on page 7.

## Opinion

### Audited information

In our opinion:

- The financial statements of the Regional Council on pages 13 to 36 and pages 66 to 68:
  - present fairly, in all material respects:
    - the Regional Council's financial position as at 30 June 2015;
    - the results of its operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand.
- The funding impact statement of the Regional Council on page 49, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the Regional Council's annual plan.
- The statements about budgeted and actual capital expenditure in relation to each group of activities of the Regional Council on pages 50 to 57, present fairly, in all material respects, by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the Regional Council's long-term plan.
- The statement of service provision of the Regional Council on pages 37 to 48:
  - presents fairly, in all material respects, the Regional Council's levels of service for the year ended 30 June 2015, including:
    - the levels of service as measured against the intended levels of service adopted in the long-term plan;
    - the reasons for any significant variances between the actual service and the expected service; and
  - complies with generally accepted accounting practice in New Zealand.

- The funding impact statements in relation to each group of activities of the Regional Council on pages 50 to 57, present fairly, in all material respects, by each group of activities, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the Regional Council's long-term plan.
- The disclosures on pages 58 to 65 represent a complete list of required disclosures and accurately reflects the information drawn from Regional Council's audited information.

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

The Regional Council's annual report complies with the Other Requirements of schedule 10 that are applicable to the annual report.

Our audit was completed on 20 October 2015. This is the date at which our opinion is expressed.

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

### **Basis of opinion**

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

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

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

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of the disclosures in the information we audited;

- determining the appropriateness of the reported statement of service provision within the Council's framework for reporting performance; and
- the overall presentation of the information we audited.

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

When reporting on whether the annual report complies with the Other Requirements of schedule 10 of the Local Government Act 2002, our procedures were limited to making sure the information required by schedule 10 was included in the annual report, where relevant, and identifying material inconsistencies, if any, with the information we audited. This work was carried out in accordance with International Standard on Auditing (New Zealand) 720; The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements. As a result we do not express an audit opinion on the Regional Council's compliance with the requirements of schedule 10.

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

## **Responsibilities of the Council**

The Council is responsible for preparing:

- financial statements and the statement of service provision that:
  - comply with generally accepted accounting practice in New Zealand;
  - present fairly the Regional Council's financial position, financial performance and cash flows;
  - present fairly its service performance, including achievements compared to forecast;
- a funding impact statement that presents fairly the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the Regional Council's annual plan;
- funding impact statements in relation to each group of activities that presents fairly by each group of activities, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the Regional Council's long-term plan;
- statements about budgeted and actual capital expenditure in relation to each group of activities that presents fairly by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the Regional Council's long-term plan or annual plan;
- disclosures in accordance with the requirements of the Local Government (Financial Reporting and Prudence) Regulations 2014; and
- the other information in accordance with the requirements of schedule 10 of the Local Government Act 2002.

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

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

### **Responsibilities of the Auditor**

We are responsible for expressing an independent opinion on, the information we are required to audit, and whether the Council has complied with the Other Requirements of schedule 10, and reporting that opinion to you. Our responsibility arises under section 15 of the Public Audit Act 2001.

### **Independence**

When carrying out this audit, which includes our report on the Other Requirements, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. Other than this audit, which includes our report on the Other Requirements and the audit of the Regional Council's 2015-25 Long Term Plan we have no relationship with, or interests, in the Regional Council.



Scott Tobin  
Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand



## Statement of Accounting Policies for year ended 30 June 2015

### **Reporting Entity**

WCRC has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The financial statements of WCRC are for the year ended 30 June 2015. The financial statements were authorised for issue by Council on 2 November 2015.

### **Basis of preparation**

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

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

The financial statements have been prepared in accordance with Tier 2 PBE accounting standards. WCRC qualifies as a Tier 2 entity as its total expenditure is less than \$30 million per annum.

These financial statements comply with the PBE standards.

These financial statements are the first financial statements presented in accordance with the new PBE accounting standards. There were no material adjustments arising on transition to the new PBE accounting standards.

These financial statements are presented in New Zealand dollars.

### **Investment in associate**

The Council's associate investment is accounted for using the equity method.

An associate is an entity over which the Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. The investment in an associate is initially recognised at cost and subsequently equity accounted.

### **Revenue**

Revenue is measured at the fair value of consideration received.

### **Rates revenue**

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

### **Other revenue**

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

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

### **Borrowing costs**

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

### **Finance leases**

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

### **Operating leases**

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

### **Trade and other receivables**

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

### **Inventories**

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

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

### **Foreign currency transactions**

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

### **Derivative financial instruments and hedge accounting**

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

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

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

Council has not designated any derivatives as hedging instruments.

The Council designates certain derivatives as either:

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

The Council documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Council also documents its assessment, both at hedge inception and on an ongoing basis, 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 derivative is classified as non-current if the remaining maturity of the hedged item is more than 12 months, and as current if the remaining maturity of the hedged item is less than 12 months.

### **Other Financial assets**

WCRC has two classifications for its financial assets:

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

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

Financial assets are initially measured at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. Council fund manager Westpac obtains independent verified market prices from third parties such as trading banks, broking houses and originating companies for all assets/securities. Managed funds are valued at the value date price used as the exit price at month end and can be deemed to be fair value. Westpac valuations use the redemption unit price to value unit trust products. The value of a unit is based on the net value of the relevant fund.

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

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

#### **1) Financial assets at fair value through surplus or deficit**

This category has two sub-categories: financial assets held for trading, and those designated at fair value through surplus or deficit at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date. After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the surplus or deficit. Financial assets in this category include derivatives and Council's investment portfolio. WCRC has foreign exchange contracts which are used to manage currency risk for those Investments denominated in foreign currencies. WCRC does not hold or issue derivative financial instruments for trading purposes. WCRC has adopted the provisions for hedge accounting.

#### **(2) Loans and receivables**

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition they are measured at amortised cost using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit. Loans and receivables are classified as "trade and other receivables" in the statement of financial position.

#### **Impairment of financial assets**

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

#### **Non-current assets held for sale**

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets

held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised. Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

### Property, plant and equipment

Property, plant and equipment consists of:

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

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

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

### Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to WCRC and the cost of the item can be measured reliably. In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

### Disposals

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

### Subsequent costs

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

### Depreciation

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

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

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

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

### Revaluation

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

*Operational land:*

This is revalued on a cyclical 3-year basis at fair value as determined from the most recent market based rating valuations. Valuations are as at 1 September 2012 (Grey District area land), 1 September 2011 (Westland District area land), and 1 September 2013 (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 staff engineer Mr W. Moen (NZCE) and was peer reviewed by Mr R. E. Reid (BE). The valuation date was as at 31 December 2012.

**Accounting for revaluations:**

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

**INTANGIBLE ASSETS**

**Software acquisition and development**

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

**Mining rights**

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

**Amortisation**

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

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

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

**Impairment of non-financial assets**

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

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



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

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

### **Investment property**

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

### **Employee benefits**

#### *Short-term benefits*

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

#### *Long-term benefits:*

##### Long service leave

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

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

##### Superannuation schemes

###### *Defined contribution schemes*

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

### **Provisions**

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

### **Borrowings**

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

### **Equity**

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

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

**Restricted and Council created reserves**

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

**Goods and Services Tax (GST)**

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

**Budget figures**

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

**Cost allocation**

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

**Critical accounting estimates and assumptions**

In preparing these financial statements WCRC has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**Statement of Comprehensive Revenue and Expense for Year ended 30 June 2015**

2014 Actual	Expenses	Notes	2015 Actual	2015 Budget
437,481	Governance		397,666	431,939
3,164,265	Resource Management		3,228,374	2,910,979
142,888	Transport		180,113	168,549
446,164	Hydrology & Flood-warning Services		571,065	470,938
132,142	Emergency Management		328,891	315,597
2,630,918	River, Drainage & Coastal Protection		1,803,714	1,525,423
746,027	Regional Share of Vector Controls		759,181	686,571
2,983,319	Vector Control services Business Unit		3,617,651	2,795,861
170,848	Other		195,538	268,172
10,854,052		3,4,5	11,082,193	9,574,029
	<u>Revenue</u>			
4,033,001	Rates		4,271,303	4,321,136
350,487	Subsidies & Grants		464,910	88,600
0	Commercial Property rental		46,859	0
12,955	Gains/-Losses disposal of assets		14,301	0
935,947	Investment Income		1,189,585	1,095,409
5,893,615	User Fees & Charges		5,180,943	4,989,461
11,226,005		1,2	11,167,901	10,494,606
371,953	Net Surplus / (Deficit) for year		85,708	920,577
79,296	Movement in Cash Flow Hedge Reserve		0	0
0	Revaluation Reserve Movement		-675,000	0
451,249	Total Comprehensive Revenue and Expense		-589,292	920,577

(Refer Page 66 for explanation of major variances)

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

<b>Statement of Changes in Equity for Year Ended 30 June 2015</b>
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The accompanying notes and accounting policies form part of these financial statements

<b>Actual 2014</b>	<b>Notes</b>	<b>Actual 2015</b>	<b>Budget 2015</b>
67,375,827	Balance 1 July	67,827,076	68,652,357
451,249	Comprehensive Income	-589,292	920,577
<u>67,827,076</u>	<b>Balance 30 June</b>	<u>67,237,784</u>	<u>69,572,934</u>

## Statement of Financial Position as at 30 June 2015

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

Actual 2014		Notes	Actual 2015	Budget 2015
<b>ASSETS</b>				
<b>Current Assets</b>				
225,145	Cash & Cash equivalents	7	55,384	264,653
2,430,603	Receivables	8	1,453,032	1,600,000
987,046	Inventories	9	810,494	650,000
68,229	Loan Advances	10	68,079	91,842
1,456,350	Other Financial Assets	10	1,841,430	1,500,000
<u>5,167,373</u>	Total Current Assets		<u>4,228,419</u>	<u>4,106,495</u>
<b>Non-Current Assets</b>				
58,455,142	Property, Plant & Equipment	11	58,714,932	57,128,084
279,155	Intangible Assets	12	245,803	245,802
691,908	Investment Property	13	1,340,000	1,347,172
732,282	Loan Advances	10	627,496	893,004
575,099	Investment in Associate	20	694,454	0
206,212	Investment in Council Controlled Company	21	215,059	0
10,712,281	Other Financial Assets	10	10,370,019	13,378,535
<u>71,652,079</u>	Total Non-Current Assets		<u>72,207,763</u>	<u>72,992,597</u>
<u><b>76,819,452</b></u>	<b>Total Assets</b>		<u><b>76,436,182</b></u>	<u><b>77,099,092</b></u>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
12,559	Borrowings	18	36,686	341,896
1,946,085	Payables	16	1,789,639	1,500,000
329,572	Employee Benefit Liabilities	17	485,778	280,000
0	Derivative Financial Liabilities		180,435	0
<u>2,288,216</u>			<u>2,492,538</u>	<u>2,121,896</u>
<b>Non-Current Liabilities</b>				
1,874	Employee Benefit Liabilities	17	11,419	20,000
6,534,156	Borrowings	18	6,624,441	5,314,262
98,130	Derivative Financial Liabilities	19	0	0
70,000	Future Quarry Restoration	29	70,000	70,000
<u>6,704,160</u>			<u>6,705,860</u>	<u>5,404,262</u>
8,992,376	<b>Total Liabilities</b>		9,198,398	7,526,158
<b>EQUITY</b>				
18,980,384	Ratepayers Equity	22(a)	19,569,640	19,779,487
1,810,269	Rating Districts	22(b)	1,720,248	1,521,816
35,299,357	Revaluation Reserve	22(c)	34,624,357	35,299,357
0	Lake Brunner Project Reserve	22(h)	69,250	0
226,336	Tb Special Rate	22(f)	317,206	271,429
-11,751	Quarry Account	22(e)	-267,076	-2,119
10,743,000	Investment Growth Reserve	22(d)	10,307,000	11,829,964
779,481	Catastrophe Fund	22(i)	897,159	873,000
<u>67,827,076</u>	<b>Total Equity</b>		<u>67,237,784</u>	<u>69,572,934</u>
<u><b>76,819,452</b></u>	<b>Total Liabilities and Equity</b>		<u><b>76,436,182</b></u>	<u><b>77,099,092</b></u>



## Statement of Cash Flows for the Year Ended 30 June 2015

2014 Actual	Notes	2015 Actual	2015 Budget
<b>Cashflow from Operating Activities</b>			
Cash was provided from:			
3,945,871	Rates	4,346,605	4,261,136
6,288,695	Other Income	6,538,597	5,138,061
11,248	Other Investment Income	69,558	1,095,409
<u>10,245,814</u>		<u>10,954,760</u>	<u>10,494,606</u>
Cash was Disbursed to:			
10,093,361	Payments to Suppliers & Employees	10,294,404	8,749,885
313,505	Interest Paid	351,002	370,650
87,346	Net GST Movement	-124,093	0
<u>10,494,212</u>		<u>10,521,313</u>	<u>9,120,535</u>
<u>-248,398</u>	Net Cash Flow from Operations	<u>433,447</u>	<u>1,374,071</u>
<b>Cashflow from Investing Activities</b>			
Cash was provided from:			
961,879	Redemption of Investments	1,138,371	0
47,807	Sale of Fixed Assets	109,382	111,992
<u>1,009,686</u>		<u>1,247,753</u>	<u>111,992</u>
Cash was Disbursed to:			
2,460,649	Purchase of Fixed assets	1,353,821	460,000
428,235	Investment Property	676,475	0
74,809	Investment in Associates	40,012	0
0	Investments Purchased	0	470,780
<u>2,963,693</u>		<u>2,070,308</u>	<u>930,780</u>
<u>-1,954,007</u>	Net Cash Flow from Investing	<u>-822,555</u>	<u>-818,788</u>
<b>Cashflow from Financing Activities</b>			
Cash was provided from:			
3,310,000	Loan Raised	575,000	200,000
91,885	Loans repaid by Borrowers	104,936	72,857
<u>3,401,885</u>		<u>679,936</u>	<u>272,857</u>
Cash was Disbursed To:			
395,906	Loans Advanced	0	200,000
663,218	Loan Principal Repaid	460,589	413,487
<u>1,059,124</u>		<u>460,589</u>	<u>613,487</u>
<u>2,342,761</u>	Net Cash Flow from Financing	<u>219,347</u>	<u>-340,630</u>
140,356	Total Increase in Cash Held	-169,761	214,653
84,789	Opening Balance of Cash Resources	225,145	50,000
<u>225,145</u>	Closing Balance of Cash Resources	<u>55,384</u>	<u>264,653</u>

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

## Notes to the Financial Statements

<b>1</b>	<b>Actual 2014</b>	<b>Rates Revenue</b>	<b>Actual 2015</b>
	2,130,289	<b>General Rates</b>	2,117,945
	54,018	<b>Penalties</b>	42,533
		<b>Targeted Rates attributable to activities:</b>	
	1,116,093	River, Drainage & Coastal Erosion	1,140,439
	665,524	Tb Pest Management	660,256
	71,043	Warm West Coast	109,563
	50,052	Regional Emergency Management	200,567
	<u>4,033,001</u>	Total Rates Revenue	<u>4,271,303</u>
	-4,819	Rates Remissions	0
	<u>4,028,182</u>	Rates Revenue net of remissions	<u>4,271,303</u>
<b>2</b>	<b>Actual 2014</b>	<b>Revenue</b>	<b>Actual 2015</b>
		<b>Other Revenue</b>	
		Investment Income:	
	191,880	Realised Gains/-Losses (Price)	179,994
	474,732	Unrealised Gains/-Losses(Price)	682,252
	16,499	Income from Associate	88,190
	202,528	Interest	185,814
	50,308	Dividends	53,335
	<u>935,947</u>	Total Investment Income	<u>1,189,585</u>
	0	Commercial Property Rental	46,859
	12,955	Gains / -Losses on disposal Property, Plant, Equipment	14,300
	<u>948,902</u>		<u>1,250,745</u>
		<b>Fees and Charges</b>	
	714,265	Resource Consents & Compliance Monitoring	535,990
	3,895,849	Rendering of Services (Business Unit Income)	4,120,430
	590,125	Sale of Goods (Quarry Rock)	144,349
	111,534	Infringements & Fines	37,957
	581,842	Other Fees & Charges	342,217
	<u>5,893,615</u>		<u>5,180,943</u>
		<b>Subsidies &amp; Grants</b>	
	<b>Actual 2014</b>		<b>Actual 2015</b>
	69,071	NZ Transport Agency	421,662
	196,633	Ministry for Environment	4,552
	54,783	Department of Conservation	8,696
	30,000	Ministry Civil Defence Emergency Mgmt	30,000
	<u>350,487</u>	Total	<u>464,910</u>
<b>3 (a)</b>	<b>Actual 2014</b>	<b>Employee Benefit Expenses</b>	<b>Actual 2015</b>
	3,644,069	Salaries and wages	3,843,528
	11,960	Increase in Annual Leave liability	26,922
	-3,576	Increase in Long Service Leave provision	6,184
	3,283	Increase in Alternative Holidays Provision	-273
	1,492	Increase in Time in Lieu Liability	-1,409
	9,777	Increase in accrued payroll	16,515
	<u>3,667,005</u>		<u>3,891,467</u>

**3 (b) Key Personnel Remuneration Disclosures in accordance with Local Government Act 2002, schedule 10, clause 32 (1), (a), (b), (c)**

Ye 30/6/14		Salaries	Superannuation	Vehicle	ye 30/6/15
<b>Councillors</b>					
21,422	N Clementson	31,100			31,100
21,422	P McDonnell	31,100			31,100
24,639	P Ewen	36,052			36,052
21,422	S Challenger	31,100			31,100
19,923	R Scarlett	0			0
9,677	B Chinn	0			0
7,899	D Davidson	0			0
55,954	A Robb	72,300			72,300
29,321	T Archer	31,100			31,100
29,321	A Birchfield	31,100			31,100
7,899	I Cummings	0			0
<u>248,899</u>		<u>263,852</u>			<u>263,852</u>
205,706	Chief Executive	199,759	6,000	14,030	219,789
504,784	4 Second Tier Managers	547,486	17,400	11,492	576,378
<u>959,389</u>		<u>1,011,097</u>	<u>23,400</u>	<u>25,522</u>	<u>1,060,019</u>

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

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

@		@
30/6/14		30/6/15
25.69	< \$60,000	22.66
11.00	> \$60,000 < \$80,001	13.00
6.00	> \$80,000 < \$100,001	6.00
6.00	> \$100,000 < \$220,001	6.00
<u>48.69</u>		<u>47.66</u>
46.00	Full time employees (either on 37.50 or 40.00 hour / week contracts)	45.00
2.69	Part time employees (based on full time equivalents "fte's")	2.66
<u>48.69</u>	Total fte's	<u>47.66</u>
5.00	Head count of part time employees	5.00
46.00	Head count of full time employees	45.00

4	Actual 2014	Other Expenses	Actual 2015
	19,936	Impairment of receivables	20,838
	12,600	Minimum Lease payments Operating Leases	12,958
	6,841,006	Other Operating expenses	6,565,844
	0	Investment property revaln	28,383
	0	Inventory write off	129,396
	<u>6,873,542</u>		<u>6,757,419</u>

<b>5</b>	<b>Actual 2014</b>	<b>Finance Costs</b>	<b>Actual 2015</b>
	313,505	Interest on borrowings	351,002
	0	Interest rate swap losses	82,305
	<u>313,505</u>		<u>433,307</u>
<b>6</b>	<b>Actual 2014</b>	<b>Tax Expense</b>	<b>Actual 2015</b>
	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>
		<b>Reconciliation</b>	
	371,953	Surplus / (deficit) before tax	85,708
	-104,147	Tax @ 28%	-23,998
	104,147	Tax Effect of Non-taxable income	23,998
	0	Prior year adjustment	
	<u>0</u>	Income Tax expense	<u>0</u>
<b>7</b>	<b>Actual 2014</b>	<b>Cash &amp; Cash Equivalentents</b>	<b>Actual 2015</b>
	-41,931	Cash at bank and in hand	54,393
	267,076	Short term deposits maturing 3 months or less from date of acquisition	991
	<u>225,145</u>		<u>55,384</u>

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

<b>8</b>	<b>Actual 2014</b>	<b>Trade and Other Receivables</b>	<b>Actual 2015</b>
	324,157	Rates Receivables	237,561
	1,560,775	Other Receivables	917,020
	121,367	Other Receivables accrued	122,446
	122,172	Prepayments	139,731
	362,510	Unbilled revenue	117,490
	<u>2,490,981</u>		<u>1,534,248</u>
	-60,378	Less provision for impairment of receivables	-81,216
	<u>2,430,603</u>		<u>1,453,032</u>
	0	Non-current	0
	<u>2,430,603</u>	Current	<u>1,453,032</u>
	<u>2,430,603</u>		<u>1,453,032</u>

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

<b>Actual 2014</b>		<b>Actual 2015</b>
40,442	@ 1 July	60,378
19,936	Additional provision made during year.	20,838
0	Receivables written off during period.	0
<u>60,378</u>	@ 30 June	<u>81,216</u>

<b>9</b>	<b>Actual 2014</b>	<b>Inventories</b>	<b>Actual 2015</b>
	293,926	Poison and pest supplies	233,618
	671,004	Rock in Quarries	557,712
	22,116	Stationery and Office supplies	19,164
	<u>987,046</u>		<u>810,494</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.

10	<b>Actual 2014</b>	<b>Other Financial Assets</b>	<b>Actual 2015</b>
		<b>Current</b>	
	1,456,350	Financial Assets at fair value through profit or loss	1,841,430
	0	Financial Assets at fair value through equity	
	0	Held to maturity investments	
	<u>68,229</u>	Loans and receivables	<u>68,079</u>
	<u>1,524,579</u>		<u>1,909,509</u>
		<b>Non-Current</b>	
	10,712,281	Financial Assets at fair value through profit or loss	10,370,019
	0	Financial Assets at fair value through equity	
	0	Held to maturity investments	
	<u>732,282</u>	Loans and receivables	<u>627,496</u>
	<u>11,444,563</u>		<u>10,997,515</u>
	<u>12,969,142</u>	<b>Total Current and Non-Current</b>	<u>12,907,024</u>
	<b>Actual 2014</b>	<b>By Asset Class</b>	<b>Actual 2015</b>
	7,077,391	Fixed Interest	7,045,613
	1,602,503	Australasian Equities	1,592,105
	2,238,031	International Equities	2,342,187
	800,511	Loans	695,575
	521,023	Property Equities	532,217
	<u>729,683</u>	Alternative Asset Classes	<u>699,327</u>
	<u>12,969,142</u>	Total	<u>12,907,024</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.

## 11 Property, Plant and equipment – Council Operational Assets

2015	Cost/Revaluation 1 July 14	Accumulated depreciation/impairment 1 July 14	Carrying amount 1 July 14	Current year additions	Current year disposals	Current year impairment	Transfer depreciation on disposal	Current year depreciation	Revaluation surplus	Cost/revaluation 30 June 15	Accumulated depreciation/Impairment 30 June 15	Carrying amount 30 June 15
Land	1853000	0	1853000	735000					-675000	1913000	0	1913000
Quarry Development	433402	0	433402	89555				0		522957	0	522957
Buildings	1538774	-367995	1170779					-34831		1538774	-402826	1135948
Plant & equipment	1893979	-1455383	438596	221661				-147823		2115640	-1603206	512434
Vehicles	793827	-296419	497408	299888	-231899		136818	-133579		861816	-293180	568636
	6512982	-2119797	4393185	1346104	-231899		136818	-316233	-675000	6952187	-2299212	4652975
<b>Council Infrastructure Assets - River, Drainage &amp; Coastal Protection Assets</b>												
Canavans Knob	340471	0	340471	0	0	0	0	0	0	340471	0	340471
Coal Creek	2208011	0	2208011	0	0	0	0	0	0	2208011	0	2208011
Franz Josef	3167209	0	3167209	0	0	0	0	0	0	3167209	0	3167209
Inchbonnie	2795023	0	2795023	0	0	0	0	0	0	2795023	0	2795023
Kaniere	391690	0	391690	0	0	0	0	0	0	391690	0	391690
Karamea	3556633	0	3556633	0	0	0	0	0	0	3556633	0	3556633
Kongahu Swamp	600531	0	600531	0	0	0	0	0	0	600531	0	600531
Kowhitirangi	4070895	0	4070895	0	0	0	0	0	0	4070895	0	4070895
Lower Waiho	1974789	0	1974789	0	0	0	0	0	0	1974789	0	1974789
Matainui Creek	51275	0	51275	0	0	0	0	0	0	51275	0	51275
Nelson Creek	2282268	0	2282268	0	0	0	0	0	0	2282268	0	2282268
Raft Creek	280674	0	280674	0	0	0	0	0	0	280674	0	280674
Redjacks	536005	0	536005	0	0	0	0	0	0	536005	0	536005
Taramakau Settlement	8294321	0	8294321	0	0	0	0	0	0	8294321	0	8294321
Vine Creek	1712287	0	1712287	0	0	0	0	0	0	1712287	0	1712287
Waitangitaona	2163321	0	2163321	0	0	0	0	0	0	2163321	0	2163321
Wanganui	14686983	0	14686983	0	0	0	0	0	0	14686983	0	14686983
Okuru	779925	0	779925	0	0	0	0	0	0	779925	0	779925
Hokitika South Bank	905359	0	905359	0	0	0	0	0	0	905359	0	905359
Punakaiki	1445405	0	1445405	0	0	0	0	0	0	1445405	0	1445405
Hokitika Seawall	1818882	0	1818882	0	0	0	0	0	0	1818882	0	1818882
	54061957	0	54061957	0	0	0	0	0	0	54061957	0	54061957
<b>TOTAL</b>	<b>60574939</b>	<b>-2119797</b>	<b>58455142</b>	<b>1346104</b>	<b>-231899</b>	<b>0</b>	<b>136818</b>	<b>-316233</b>	<b>-675000</b>	<b>61014144</b>	<b>-2299212</b>	<b>58714932</b>

<b>2014</b>	Cost/revaluation 1 July 13	Accumulated Depreciation/ Impairment 1 July 13	Carrying amount 1 July 13	Current year additions	Current yr disposals	Current yr impairment	Transfer Depreciation on disposal	Current year depreciation	Revaluation surplus	Cost/ Revaluation 30 June 14	depreciation/ impairment 30 June 14	Carrying amount 30 June 14
Land	1853000	0	1853000			0			0	1853000	0	1853000
Quarry Development	0	0	0	433402	0	0	0	0	0	433402	0	433402
Buildings	1538774	-331841	1206933	0	0	0	0	-36154	0	1538774	-367995	1170779
Plant & equipment	1931587	-1462529	469058	106159	-143767	0	143767	-136621	0	1893979	-1455383	438596
Vehicles	809179	-246279	562900	94902	-110254	0	75403	-125543	0	793827	-296419	497408
	6132540	-2040649	4091891	634463	-254021	0	219170	-298318	0	6512982	-2119797	4393185
<b>Council Infrastructure Assets – River, Drainage &amp; Coastal Protection Assets</b>												
Canavans Knob	340471	0	339169	0	0	0	0	0	0	340471	0	340471
Coal Creek	2208011	0	1977682	0	0	0	0	0	0	2208011	0	2208011
Franz Josef	3167209	0	3011316	0	0	0	0	0	0	3167209	0	3167209
Inchbonnie	2795023	0	2604257	0	0	0	0	0	0	2795023	0	2795023
Kaniere	391690	0	367150	0	0	0	0	0	0	391690	0	391690
Karamea	3556633	0	3349323	0	0	0	0	0	0	3556633	0	3556633
Kongahu Swamp	600531	0	600531	0	0	0	0	0	0	600531	0	600531
Kowhitirangi	4070895	0	4044232	0	0	0	0	0	0	4070895	0	4070895
Lower Waiho	1974789	0	1818689	0	0	0	0	0	0	1974789	0	1974789
Matainui Creek	51275	0	51275	0	0	0	0	0	0	51275	0	51275
Nelson Creek	2282268	0	2141651	0	0	0	0	0	0	2282268	0	2282268
Raft Creek	280674	0	278200	0	0	0	0	0	0	280674	0	280674
Redjacks	536005	0	468968	0	0	0	0	0	0	536005	0	536005
Taramakau Settlement	8294321	0	7888210	0	0	0	0	0	0	8294321	0	8294321
Vine Creek	1712287	0	1624830	0	0	0	0	0	0	1712287	0	1712287
Waitangitaona	2163321	0	1861210	0	0	0	0	0	0	2163321	0	2163321
Wanganui	14686983	0	13970780	0	0	0	0	0	0	14686983	0	14686983
Okuru	779925	0	709239	0	0	0	0	0	0	779925	0	779295
Hokitika South Bank	905359	0	765285	0	0	0	0	0	0	905359	0	905359
Punakaiki	1445405	0	1308360	0	0	0	0	0	0	1445405	0	1445405
Hokitika wall	0	0	0	1818882	0	0	0	0	0	1818882		1818882
	52243075	0	52243075	1818882	0	0	0	0	0	54061957	0	54061957
<b>Total</b>	<b>58375615</b>	<b>-2040649</b>	<b>56334966</b>	<b>2453345</b>	<b>-254021</b>	<b>0</b>	<b>219170</b>	<b>-298318</b>	<b>0</b>	<b>60574939</b>	<b>-2119797</b>	<b>58455142</b>

<b>12 Intangible Assets 2015</b>	Cost 1 July 2014	Accumulated Amortisation/ Impairment 1 July 2014	Carrying Amount 1 July 2014	Current year additions	Current year disposals	Current year impairment	Transfer Amortisation on disposal	Current year amortisation	Revaluation Surplus	Cost/ Revaluation 30 June 2015	Accumulated Amortisation/ Impairment 30 June 2015	Carrying Amount 30 June 2015
Computer Software	369742	-90587	279155	0	0	0	0	-33352	0	369742	-123939	245803

<b>Intangible Assets 2014</b>	Cost 1 July 2013	Accumulated Amortisation/ Impairment 1 July 2013	Carrying Amount 1 July 2013	Current Year additions	Current Year disposals	Current Year impairment	Transfer Amortisation on disposal	Current year amortisation	Revaluation Surplus	Cost/ Revaln 30 June 2014	Accumulated Amortisation/ Impairment 30 June 2014	Carrying Amount 30 June 2014
Computer Software	369742	-57235	312507	0	0	0	0	-33352	0	369742	-90587	279155

*Council holds mining licences acquired at nil cost. As at balance date (30 June 2015) these mining licences had a fair value of \$987,000.*



<b>13</b>	<b>Investment Property</b>	<b>Actual 2015</b>
	1 July	691,908
	Additions from acquisitions	0
	Additions from subsequent expenditure	676,475
	Disposals	0
	Transfer to inventory	0
	Fair value gains / (losses) on valuation	-28,383
	30 June	<u>1,340,000</u>
<b>14</b>	<b>Actual 2014</b>	<b>Actual 2015</b>
	<b>Depreciation and Amortisation Expense by Groups of Activities</b> (Required by Local Government (Financial Reporting) Regulation 2011)	
	13,924 Resource Management	8,984
	50,604 Hydrology & Floodwarning Services	51,674
	1,848 Emergency Management	4,335
	846 River, Drainage & Coastal Protection	4,386
	<u>86,290</u> Vector Control Services Business Unit	<u>91,618</u>
	153,512	160,997
	<u>178,159</u> Corporate not directly related to Groups of Activities	<u>188,588</u>
	<u>331,671</u>	<u>349,585</u>

#### Statement of Significant Capital Acquisitions

<b>15</b>	<b>Actual 2014</b>	<b>Group of Activities</b>	<b>Classification</b>	<b>Description</b>	<b>Actual 2015</b>	<b>Budget 2015</b>	
	5,174	Res Mgmt	Improve levels of service	Plant		40,000	
	43,858	Res Mgmt	Replace existing assets	Plant	27,139	60,000	
		River protection	Improve level of service	Land	735,000	0	
	14,036	VCS Business Unit	Replace existing assets	Plant	14,461		
		VCS Business Unit	Replace existing assets	Vehicles	124,737	100,000	
	433,402	River protection	Improve levels of service	Quarry development	89,555	0	
		River protection	Improve levels of service	Plant	70,505	0	
		River protection		Protection infrastructure			
	<u>1,818,881</u>		Improve levels of service				
	2,315,351				<u>1,061,397</u>	<u>200,000</u>	
		<b>Not directly related to Groups of Activities</b>					
	32,611	Corporate	Replace existing assets	IT	67,669	40,000	
	0	Corporate	Improve levels of service	IT	15,554	50,000	
		Corporate	Improve levels of service	Software		15,000	
	2,851	Corporate	Replace existing assets	Furn. & Fttgs	7,228		
	7,629	Corporate	Replace existing assets	Plant	16,706	10,000	
	<u>94,902</u>	Corporate	Replace existing assets	Vehicle	<u>177,551</u>	<u>145,000</u>	
	137,993				<u>284,708</u>	<u>260,000</u>	
	<u>2,454,344</u>	<b>TOTAL</b>			<u>1,346,105</u>	<u>460,000</u>	

16	<b>Actual 2014</b>	<b>Trade and Other Payables</b>	<b>Actual 2015</b>
	916,212	Trade Payables	637,654
	665,675	Deposits and bonds	759,466
	227,967	Accrued Expenses	83,433
	32,731	Other Revenue in Advance	217,273
	103,500	Rates in advance	91,813
	0	Due to related parties	0
	<u>1,946,085</u>		<u>1,789,639</u>

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

17	<b>Actual 2014</b>	<b>Employee Benefit Liabilities</b>	<b>Actual 2015</b>
	70,529	Accrued payroll	87,044
	225,556	Annual Leave	252,478
	12,212	Long Service Leave	18,397
	14,712	Time in Lieu	13,806
	8,437	Alternative Holidays	5,472
	0	Sick Leave	0
	0	Accrued Bonuses	120,000
	<u>331,446</u>		<u>497,197</u>
	329,572	Current	485,778
	1,874	Non-Current	11,419
	<u>331,446</u>		<u>497,197</u>

18	<b>Actual 2014</b>	<b>Borrowing</b>	<b>Actual 2015</b>
		<b>Current</b>	
	0	Punakaiki Seawall	22,543
	0	Greymouth Floodwalls	0
	0	Inchbonnie	0
	0	Westpac short term loans	0
	0	Warm West Coast	0
	0	Strategic Investments	0
	0	Lower Waiho	0
	0	Hokitika Seawall	0
	12,558	Lease Liabilities	14,143
	<u>12,558</u>		<u>36,686</u>
		<b>Non-Current</b>	
	74,281	Punakaiki Seawall	0
	1,300,000	Westpac working capital	1,200,000
	1,872,185	Greymouth Floodwalls.	1,804,244
	23,101	Inchbonnie	0
	790,000	Warm West Coast	730,000
	260,000	Lower Waiho	235,140
	1,462,500	Hokitika Seawall	1,387,500
	727,538	Strategic Investments	1,257,160
	24,551	Lease Liabilities	10,397
	<u>6,534,156</u>		<u>6,624,441</u>
	<u>6,546,714</u>	Total Borrowings	<u>6,661,127</u>

### Security

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

### Analysis of Finance Lease Liabilities

<b>Actual 2014</b>	<b>Minimum Lease Payments Due</b>	<b>Actual 2015</b>
16,319	Not later than 1 year	16,319
27,199	Later than 1 year: not later than 5	10,879
0	Later than 5 years	0
<u>43,518</u>		<u>27,199</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 11. 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.

<b>19</b>	<b>Derivative Financial Instruments</b>	<b>Actual 2015</b>
	<b>Actual 2014</b>	
	<b>Current Assets</b>	
	0	0
	0	0
	<u>0</u>	<u>0</u>
	<b>Non-Current assets</b>	
	0	0
	<u>0</u>	<u>0</u>
	<b>Current Liabilities</b>	
	0	0
	<b>Non-Current Liabilities</b>	
	98,130	180,435
	<u>98,130</u>	<u>180,435</u>

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

<b>20</b>	<b>2014</b>	<b>Investment in Associate @ 30 June (49%)</b>	<b>2015</b>
	<u>575,099</u>	Investment in Pest Control Research LP	<u>694,454</u>

<b>21</b>	<b>2014</b>	<b>Investment in Council Controlled Organisation @ 30 June (4%)</b>	<b>2015</b>
	<u>206,212</u>	Investment in Regional Software Holdings Ltd	<u>215,059</u>

Actual 2014	Equity	Actual 2015
<b>(a)</b>	<b>Ratepayers Equity</b>	
19,703,993	Balance 1 July	18,980,384
371,953	Surplus transferred	85,708
-476,604	Net Transfers (to) / from Rating District Equity	90,021
-106,004	Transfers (to) / from Tb Targeted Rate Balance	-90,870
0	Transfer (to) / from Lake Brunner Project Funding	-69,250
-98,130	Transfer (to) from Derivatives Hedge Reserve	0
320,197	Transfers (to) / from Quarry Account	255,325
-632,000	Transfers (to) / from Investment Growth Reserve	436,000
-103,021	Transfers (to) / from Catastrophe Fund	-117,678
<u>18,980,384</u>	Balance 30 June	<u>19,569,640</u>

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

1,333,665	Balance 1 July	1,810,269
2,185,713	Revenue	1,882,954
-1,483,708	Expenditure	-1,733,652
-1,818,881	Capital Expenditure	0
1,760,000	Loan raised	0
-166,520	Loan Principal repaid	-239,323
<u>1,810,269</u>	Balance 30 June	<u>1,720,248</u>

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

Actual 2014	Asset Revaluation Reserves	Actual 2015
<b>(c)</b>	<b>Infrastructural Assets</b>	
34,544,357	Opening Balance	34,544,357
0	Revaluation gains / (losses)	0
<u>34,544,357</u>		<u>34,544,357</u>
	<b>Land</b>	
755,000	Opening Balance	755,000
0	Revaluation gains / (losses)	-675,000
<u>755,000</u>		<u>80,000</u>
<u>35,299,357</u>	<b>Total Revaluation Reserve</b>	<u>34,624,357</u>

Actual 2014	Investment Growth Reserve	Actual 2015
<b>(d)</b>		
10,111,000	Balance 1 July	10,743,000
632,000	Transfer (to) / from Ratepayers Equity	-436,000
<u>10,743,000</u>	Balance 30 June	<u>10,307,000</u>

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

Actual 2014	Quarry Account	Actual 2015
<b>(e)</b>		
308,446	Balance 1 July	-11,751
-320,197	Transfer (to) / from Ratepayers Equity	-255,325
<u>-11,751</u>	Balance 30 June	<u>-267,076</u>

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

<b>(f)</b>	<b>Actual 2014</b>	<b>Tb Pest Management</b>	<b>Actual 2015</b>
	120,332	Balance 1 July	226,336
	106,004	Transfer (to) / from Ratepayers Equity	90,870
	<u>226,336</u>	Balance 30 June	<u>317,206</u>

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

<b>(g)</b>	<b>Actual 2014</b>	<b>Derivatives Hedge Reserve</b>	<b>Actual 2015</b>
	-177,426	Balance 1 July	0
	79,296	Movement in interest rate hedge	0
	98,130	Transfers (to) / from Ratepayers Equity	0
	<u>0</u>	Balance 30 June	<u>0</u>

<b>(h)</b>	<b>Actual 2014</b>	<b>Lake Brunner Project Funding Reserve</b>	<b>Actual 2015</b>
	0	Balance 1 July	0
	0	Transfer (to) / from Ratepayers Equity	69,250
	<u>0</u>	Balance 30 June	<u>69,250</u>

<b>(i)</b>	<b>Actual 2014</b>	<b>Catastrophe Fund</b>	<b>Actual 2015</b>
	676,460	Balance 1 July	779,481
	103,021	Transfer (to) / from Ratepayers Equity	117,678
	<u>779,481</u>	Balance 30 June	<u>897,159</u>

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

<b>23</b>	<b>Actual 2014</b>	<b>Capital Commitments and operating leases.</b>	<b>Actual 2015</b>
	701,007	Capital expenditure contracted for at 30 June but not yet incurred for property, plant and equipment.	0
	<u>701,007</u>		<u>0</u>
	4,000	Non-cancellable operating leases as lessee: not later than 1 year	0
	0	Later than 1 year but not later than 5 years	0
	<u>0</u>	Later than 5 years	<u>0</u>
	4,000		0

<b>24</b>	<b>Contingencies</b>		
	<b>Actual 2014</b>	<b>Contingent Liabilities</b>	<b>Actual 2015</b>
	0		0

#### Contingent Assets

- Council is seeking royalties from a contracting company that took substantial volumes of rock from a Council permitted Quarry area without permission. Negotiations are continuing and could result in a recovery from the company of between \$50,000 - \$100,000
- Council VCS Business Unit has an agreement with Birchfield Minerals Ltd with regard to the costs of obtaining the Grey River Dredge consent as part of readying the Dredge for sale. VCS Business Unit will recover the costs of the resource consent and various marketing costs (\$118,335 @ 30 June 2015) + a % of the sale price if a sale agreement for the Dredge is secured. There can be no absolute certainty of recovery of these costs until a sale agreement for the Dredge is secured.

2014 – Nil.

## 25 Related Party Transaction

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

VCS Business Unit will recover the costs of the resource consent and various marketing costs (\$118,335 @ 30 June 2015) + a % of the sale price if a sale agreement for the Dredge is secured. There can be no absolute certainty of recovery of these costs until a sale agreement for the Dredge is secured.

During 2014/15 costs amounting to \$103,820 were incurred by VCS Business unit with regard to this consent. (2013/14: \$14,515)

## 26 Severance Payments

There were no severance payments made during the year to 30 June 2015.

(2014 \$5,881)

## 27 Future Quarry Restoration Liability at 30 June 2015.

Assessed liability as at 30 June 2015 \$70,000.

This liability is calculated using a net present value approach to discounting future cash flows.

(2014 \$70,000)

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

(a)	The number of rating units within the West Coast region as at 30 June 2014	22,279
(b)	The total capital value of these rating units as at 30 June 2014	\$7,411,493,000
(c)	The total land value within the West Coast Region as at 30 June 2014	\$4,001,239,000

## 29 Information regarding Insurance of Assets as at 30 June 2015

(a)	The total value of all assets of the West Coast Regional Council that are covered by insurance contracts.	
	Land & Buildings, Plant & equipment, Motor Vehicles, Commercial Property Values included in Statement of Financial Position.	\$4,520,636
	Buildings are insured for replacement values Plant & Equipment is insured for indemnity value Motor Vehicles are insured for market value Inventory is insured for indemnity value	\$6,909,700 \$800,000 \$640,000 \$200,000
(b)	Total value of assets that are covered by risk sharing arrangements	Nil
(c)	Total value of assets that are self-insured River, Drainage & Coastal protection infrastructure with a value in the Statement of Financial Position totaling	\$54,062,000
	Total value of separately invested Catastrophe Fund as at 30 June 2015	\$897,159

## 30 Changes due to transition to Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS)

There were no changes required to the measurement or classification of items in the Financial Statements on adoption of PBE IPSAS in these financial statements.

## Governance

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

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

Levels of Service	Measure	Performance Target	Achievement																								
Maintain a Council of elected representatives in accordance with statutory requirements and in a manner that promotes effective decision-making, transparency, and accountability to the West Coast regional community.	Number of public meetings held and individual Councillor attendance.	Conduct eleven monthly meetings of Council and the Resource Management Committee, plus other scheduled meetings and scheduled workshops during the year with at least 80% attendance by all Councillors.	<table border="1"> <thead> <tr> <th>Councillor</th> <th>Number attended</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Robb</td> <td>14 out of 14</td> <td>100%</td> </tr> <tr> <td>Birchfield</td> <td>14 out of 14</td> <td>100%</td> </tr> <tr> <td>Archer</td> <td>13 out of 14</td> <td>93%</td> </tr> <tr> <td>Ewen</td> <td>14 out of 14</td> <td>100%</td> </tr> <tr> <td>Challenger</td> <td>13 out of 14</td> <td>93%</td> </tr> <tr> <td>McDonnell</td> <td>13 out of 14</td> <td>93%</td> </tr> <tr> <td>Clementson</td> <td>13 out of 14</td> <td>93%</td> </tr> </tbody> </table>	Councillor	Number attended	%	Robb	14 out of 14	100%	Birchfield	14 out of 14	100%	Archer	13 out of 14	93%	Ewen	14 out of 14	100%	Challenger	13 out of 14	93%	McDonnell	13 out of 14	93%	Clementson	13 out of 14	93%
	Councillor	Number attended	%																								
	Robb	14 out of 14	100%																								
Birchfield	14 out of 14	100%																									
Archer	13 out of 14	93%																									
Ewen	14 out of 14	100%																									
Challenger	13 out of 14	93%																									
McDonnell	13 out of 14	93%																									
Clementson	13 out of 14	93%																									
Compliance with statutory timeframes.	Prepare and notify the Council's Annual Plan or LTP Statement of Proposal by 31 May each year, and the Annual Report by 31 October, in accordance with the procedures outlined in the Local Government Act 2002.	Achieved. The audited Annual Report for the year to 30 June 2014 was adopted by Council at the Council meeting on 14 October 2014. The 2015-25 Long Term Plan Consultative Document was notified on 23 April 2015 and the final Long Term Plan was adopted on 23 June 2015.																									
Timing and number of newsletters, and internet website based information related to public consultation processes.	Publish an informative Council newsletter twice a year to be circulated to all ratepayers, with their rate demand, in March and September and ensure required information is posted on the Council website when Council invites submissions on a new or revised policy document.	Achieved. The audited Annual Report for the year to 30 June 2014 was adopted by Council at the Council meeting on 14 October 2014. The 2015-25 Long Term Plan Consultative Document was released on 23 April 2015 and the final Long Term Plan was adopted on 23 June 2015.																									
Continue to support the contribution our two West Coast Runanga make to Council's decision-making processes; and continue to seek contributions from other Maori.	Attendance of Iwi appointees at Resource Management Committee meetings.	Continue to invite attendance of Makaawhio and Ngati Waewae representatives as appointees to the Council's resource management committee, to enable Maori participation in resource management decision-making.	Achieved. In 2014/15 both Runanga were invited to attended committee meetings.																								

## Resource Management Activities

### **Background**

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

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

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

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

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

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

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

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

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



Levels of Service	Measure	Performance Target	Achievement
To maintain or enhance water quality in the West Coast's rivers.	Ammoniacal nitrogen, periphyton, clarity, turbidity and faecal coliforms are measured quarterly at 38 river sites. These parameters characterise the water quality of West Coast rivers and have been measured since 1996.	Improvement of these parameters, when compared with a baseline of 1996 data on water quality.	Achieved: Periphyton (algal growth) improved at 90% of council monitored sites <sup>1</sup> ; faecal coliforms and ammoniacal nitrogen <sup>2</sup> were either stable or showed improvement at 94% of council monitoring sites, while both turbidity and water clarity were either stable or improved at 86% of sites.
	The number of compliant or non-compliant point source discharges to water, or discharges likely to enter water; and council's response to any non-compliance.	All significant consented discharges <sup>3</sup> are monitored at least annually, and all dairy sheds at least bi-annually depending on each individual compliance record. All non-compliances publicly reported to the Resource Management Committee and responded to using Council's Enforcement Policy.	Achieved: All significant discharges have been inspected. All dairy farms and active mine sites have been inspected. All non-compliance has been publicly reported and 65 infringement notices were issued for the year. (2014: 35 infringement notices were issued)
To maintain or enhance the water quality in Lake Brunner.	The trophic state of Lake Brunner is measured by the Trophic Level Index (TLI) which combines clarity, nutrient and algal measures. The rolling 5-year mean is compared with a 2002-2006 baseline mean.	The annual (rolling 5-year mean) TLI of Lake Brunner is less than the 2002-2006 TLI baseline mean of 2.79.	Achieved: As of Jan 2015 the rolling 5-year mean TLI of Lake Brunner, from May 2010 - May 2015, was 2.78, slightly lower than the 2002-2006 TLI baseline mean of 2.79. This means that the TLI target has now been met.

<sup>1</sup> Periphyton is assessed by comparing the current rolling 5-year mean with a baseline 2002-2006 mean.

<sup>2</sup> For ammoniacal nitrogen, clarity, turbidity, and faecal coliforms, trends are assessed using Seasonal Kendall trend testing (4 seasons beginning in March, no medians). Only sites with 20 or more data points will be considered for this assessment. An important change is that one has a P value of less than 0.05, and a percent annual change of the median of more than 1%. The whole data record is used for each site.

<sup>3</sup> Significant Consented Discharge includes: any consented discharge from a municipal sewage scheme or landfill, any consented discharge from a working mine site, any consented discharge of dairy effluent to water, and any large scale industrial discharge (WMP, Kokiri).

Levels of Service	Measure	Performance Target	Achievement
To maintain or enhance the life supporting capacity and amenity value of the West Coast's rivers.	Instream macroinvertebrate community health (SQMCI) scores are measured at 29 river sites. The values for each site are calculated using five year rolling means and comparing them to baseline means calculated from data from 2005-2009.	Macroinvertebrate health index <sup>4</sup> (SQMCI) mean is higher, or no more than 20% lower, than the baseline mean.	Partially achieved: 27 of the 29 river sites met this standard. (2014: all sites were either higher than, or not more than 20% lower than, the baseline scores)
	16 swimming sites are sampled, ten times per summer season (fortnightly) for E coli (moderate-high risk > 550) or Enterococci (moderate-high risk > 280).	Scheduled swimming sites do not exceed the moderate-high risk threshold more than once during the summer sampling season.	Not achieved: 3 sites exceeded the moderate-high risk threshold more than once last summer: Seven Mile Creek @ SH6 Rapahoe, Hokitika Beach and Buller River @ Marrs Beach (2014: 2 sites exceeded the threshold)
To protect human health from adverse impacts of poor groundwater quality.	28 Wells are monitored at least twice annually, 24 of which are used for human consumption.  The guideline of 11.3mg/L of nitrate is used to protect human health, particularly for babies. The data from the year is averaged before comparing against the 11.3mg guideline.	In wells used for human consumption, nitrate levels remain below the health guideline of 11.3 mg/L.	Partially achieved: 27 of the 28 wells met the standard. The owner of the well that did not meet the standard was advised of this result (2014: 24 of 24 wells met the standard)

<sup>4</sup> This macroinvertebrate index uses comparative samples of aquatic invertebrates to evaluate water quality, based on the type of invertebrates (bugs) found at that site and how those communities of invertebrates may change over time. Some bug species are pollution tolerant while others are pollution sensitive, so the mix of species tells us a lot about the water quality at the site.

<p>To protect human health from any adverse impacts of poor air quality in Reefton.</p>	<p>Reefton's air is monitored in accordance with the National Environmental Standard (NES) for air quality by measuring PM<sub>10</sub> (airborne particles smaller than ten micrometers, which affect human respiration).</p> <p>The threshold is a 24hr mean PM<sub>10</sub> of 50 micrograms/m<sup>3</sup>.</p>	<p>NES Requirement: 24hr PM<sub>10</sub> values do not exceed the NES threshold more than three times in one year, between 2016 &amp; 2020; whereas after 2020 only 1 exceedance per year is allowed.</p>	<p>Not achieved: There were 17 exceedances of the Resource Management (National Environmental Standards for Air Quality) Regulations 2004 for PM10 in Reefton for the winter ending August 2014.</p> <p>Council has received recommendations from the Reefton Airshed Committee regarding changes to the Regional Air Quality Plan. Council is awaiting guidance from the Ministry for the Environment in light of the Parliamentary Commissioner for the Environment's report on air quality in New Zealand.</p>
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Levels of Service	Measure	Performance Target	Achievement
<p>Compliance with the consent processing timeframes in the RMA and mining legislation.</p>	<p>Compliance with discounting regulations and mining timeframes.</p>	<p>Process all resource consent applications without incurring any cost to Council due to the RMA discounting regulations; and process at least 95% of mining work programmes<sup>5</sup> within 20 working days of receipt.</p>	<p>Achieved: Council has not incurred any costs for consent processing. 128 Work programs have been received during the period and all were processed within the 20 day time frame (2014: Council incurred costs for 5 consent applications. 73 work programs were received and processed within the 20 day time-frame)</p>
<p>Respond to all genuine incident complaints received by the Council and take enforcement action where needed.</p>	<p>Number of complaints received and number of enforcement actions resulting from these.</p>	<p>Operate a 24-hour complaints service, assess and respond to all genuine complaints within 24 hours where necessary.</p>	<p>Achieved: 276 incidents were responded to during the year. Council has issued 54 abatement notices, 65 infringement notices and 50 formal warnings (2014: 157 incidents, 33 abatement notices, 35 infringement notices, 36 formal warnings)</p>

<sup>5</sup> This target assumes the work programme is submitted with all necessary information provided.

Complete current regional plans to operative stage, and review them to maintain their community acceptability.	Statutory requirements for review.	Compliance with statutory requirements for the review of Council's plans and strategies.	Achieved: Council received 72 submissions on the Proposed Regional Policy Statement. Pre consultation work is underway on the Coastal Plan review.
Advocate for the West Coast interests when external environmental policymaking may affect the West Coast.	Number of submissions made and number of successful advocacy outcomes.	Submit on all central or local government discussion documents, draft strategies, policies or Bills that may impact on West Coast interests, within required timeframes.	Achieved: Council submitted on various discussion documents, strategies, policies or bills. Resource Management Act amendments have been signalled for the 2015/16 year.
Respond to marine oil spills in coastal waters in accordance with the Tier 2 Oil Spill Response Plan and maintain readiness for spill response.	Timing of responses & number of trained staff.	Respond within 4 hours to all spills, using Council or MNZ spill equipment to contain spills; plus ensure at least 25 staff are trained responders.	Achieved: There are 24 trained Regional Responders, 2 trained On-Scene Commanders, plus 8 trained oiled wildlife responders (2014: 26 trained staff)

## Regional Transport Planning

### Background

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

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

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

Levels of Service	Measure	Performance Target	Achievement
Continue to fund the Total Mobility Programme according to New Zealand Transport Agency (NZTA) requirements.	User satisfaction, by 2 yearly survey.	Implement the total mobility programme where taxi services exist, ensuring at least 90% of users rate the overall service and value for money as good, very good or excellent.	Achieved. The new Regional Land Transport Plan was approved by Council on 14 April 2015 and was subsequently received by the NZ Transport Agency.
Maintain a Regional Land Transport strategy that delivers Council's transport functions in compliance with relevant legislation and is acceptable to our West Coast community.	An operative Regional Land Transport Strategy	Compliance with statutory requirements for the preparation, review and implementation of the Regional Transport strategy and programme.	Achieved. Funding of this service continues. User satisfaction surveys are undertaken in conjunction with information requirements determined by the NZ Transport Agency. These have been put on hold pending a review of the Total Mobility scheme and its reporting requirements. There have been no complaints made regarding the services provided over the past 12 months.

## Hydrology and Flood Warning Services

### Background

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

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

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

Level of Service	Measure	Performance Targets	Achievement
Continue to provide flood warning to assist communities to assess risk of impending floods, for the five rivers (Karamea, Buller, Grey, Hokitika, and Waiho).	Availability of information about high flow events and the staff response to those.	Provide a continuous flood monitoring service for the five rivers monitored and respond in accordance with the flood-warning manual, ensuring real time data on river levels is available on the Council website.	Achieved: A continuous flood monitoring and response service for the five rivers was provided, with real time data on river levels available on the Council web-site.  For the Waiho river real time data on river levels was only available on the Council website from September 2015.
	Complete the decision making on whether or not to install new warning system.	Assess the practicalities of installing a new flood warning system on the Mokihinui River to warn those that live in Seddonville of impending river floods.	Achieved: A river flow and a rainfall site have been installed in the Mokihinui River catchment. Civil Defence staff are working with the community to produce a community civil defence plan.

## Emergency Management

### Background

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

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

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

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

Level of Service	Measure	Performance Targets	Achievement
Maintain a Civil Defence Plan that delivers efficient and effective management of the region's civil defence functions in compliance with the legislation and is acceptable to West Coast community desires.	Civil Defence Plan always operative.	Compliance with statutory requirements for the preparation, review and implementation of the Group CDEM Plan.	Achieved. The Civil Defence Plan is currently operative. It is due to be reviewed during the 2015 – 2016 year.
	Number of trained staff.	Ensure at least 30 Council staff are trained as Emergency Operations Centre (EOC) personnel so that we have three shifts of EOC staff trained and exercised in case of a regional emergency.	Achieved. Sufficient staff are EOC trained. An EOC foundation course was held for 15 staff. The new CDEM structure has increased the training resource available.

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

## River, Drainage and Coastal Protection Works

### Background

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

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

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

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

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

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

**Key Changes from the Long Term Plan for 2012/22:** The Hokitika seawall was constructed during 2014/15. This construction and the targeted rating related to it were not specifically identified in the 2012/22 Long Term Plan.



Levels of Service for Quarries	Measure	Performance Targets	Achievement
Ensure efficient and effective management and safe operation of Council's quarries, delivering rock to any customers within ten working days with priority given to Council rating district customers.	Timing of delivering on rock requests.	Deliver on requests for rock within two weeks, and ensure sufficient stockpiled rock is available where practical.	Achieved.
	Number of site inspections to monitor contractor health and safety and performance.	Visit each active quarry site at least twice a year, when contractors are working the quarry (where possible), to ensure Health and Safety standards and other permit requirements are being adhered to.	Achieved: Council quarries are visited frequently to ensure that Health and Safety legislation and best practice is adhered to.

Other Levels of Service	Measure	Performance Targets	Achievement
Meet or exceed the flood protection, drainage or erosion protection levels as described in the 'levels of service – background' section above.	Completion of rating district works and annual consultation meetings.	Complete all rating district meetings, and perform all repair and maintenance works as agreed at those meetings.	Achieved. Staff have recently flown over the schemes to inspect the assets following the recent flood event.
	Proportion of schemes performing to their agreed service level.	Monitor all rating district infrastructural assets to ensure they perform to the service level consistent with the Asset Management Plan of each Rating District, or whatever level the community has decided is an acceptable risk.	Achieved. All Rating District assets are inspected annually. Staff work with the spokesperson and/or committee during the year to ensure action points from the annual meeting are achieved.
	Meet timeframes for plan review	Review Rating District Asset Management Plans and update registers that were not reviewed or updated within the last 3 years.	Achieved, the full review of the Asset Management Plans is complete with all assets within the schemes now GPS'd and updated on aerial maps.

## Vector Control Services Business Unit

### Background

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

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

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

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

Levels of Service	Measure	Performance Targets	Achievement
To produce a financial surplus (to offset general rates) by tendering for, winning and delivering on vector control contracts.	Achieve or exceed budgeted financial return.	Tender for, and win, sufficient contracts to provide or exceed the annual budgeted return to Council.	Partially achieved. The final surplus of \$531,000 was close to the budgeted \$550,000.
To provide marine oil spill and terrestrial hazardous substance spill support, and biosecurity response services for the MNZ, MPI and the Regional Council.	Availability of trained staff.	Have staff available as a response unit for marine and terrestrial pollution spill events as per the MOU dated 11 November 2005.	Achieved. Seven staff are trained. Four staff are on the national response team.
	Availability of trained staff.	Have 4 staff plus a vehicle available for biosecurity emergencies, as per the National Biosecurity Capability Network agreement 2011.	Achieved. Staff and a vehicle are available to assist with a national biosecurity emergency.

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

Annual Plan 2013/14	Annual Report 13/14		Annual Report 2014/15	Annual Plan 2014/15
<b>West Coast Regional Council</b>				
<b>Sources of Funding</b>				
2,060,000	2,076,271	General Rates	2,117,943	2,100,000
60,000	54,018	Rates Penalties	42,533	60,000
1,746,029	1,902,712	Targeted Rates	2,110,825	2,161,136
99,300	350,487	Subsidies & Grants	129,910	104,600
4,007,163	5,741,018	Fees & Charges	4,880,943	4,973,461
0	0	Income from Investments	1,189,585	0
934,734	165,552	Fines, Infringement Fees & Other Receipts	61,162	1,095,409
<u>8,907,226</u>	<u>10,290,058</u>	<b>Total Operating Funding (A)</b>	<u>10,532,901</u>	<u>10,494,606</u>
<b>Applications of Operating Funding</b>				
7,616,894	10,208,876	Payments to staff and suppliers	10,270,918	8,749,883
204,890	313,505	Finance costs	351,002	370,650
		Other operating funding applications	0	
<u>7,821,784</u>	<u>10,522,381</u>	<b>Total Applications of operating funding (B)</b>	<u>10,621,920</u>	<u>9,120,533</u>
1,085,442	-232,323	<b>Surplus (deficit) of Operating Funding (A) - (B)</b>	<b>-89,019</b>	1,374,073
<b>Sources of Capital Funding</b>				
		Subsidies and Grants	635,000	0
		Development and Financial Contributions	0	
-130,748	2,646,781	Increase (decrease) in debt	114,413	-318,487
	47,805	Gross Proceeds Sale assets	109,382	111,912
		Lump sum contributions	0	
<u>-130,748</u>	<u>2,694,586</u>	<b>Total Sources of capital funding (C)</b>	<u>858,795</u>	<u>-206,575</u>
<b>Applications of capital funding</b>				
	1,818,881	Capital expenditure-additional demand	0	
50,000	438,576	Capital expenditure-improved levels of service	910,614	150,000
285,538	195,887	Capital expenditure-replace existing assets	435,491	310,000
0	428,136	Increase (decrease) in investments	239,513	0
619,156	-419,217	Increase (decrease) in reserves	-815,842	707,498
<u>954,694</u>	<u>2,462,263</u>	<b>Total applications of capital funding (D)</b>	<u>769,776</u>	<u>1,167,498</u>
-		<b>Surplus (Deficit) of Capital Funding (C) - (D)</b>	<b>89,019</b>	-1,374,073
1,085,442	232,323		<b>89,019</b>	-1,374,073
0	0	Funding Balance (A - B) + (C - D)	<b>0</b>	0

LTP 2013/14	Annual Report 2013/14		Annual Report 2014/15	LTP 2014/15
		<b>Governance</b>		
		<b>Sources of Funding</b>		
313,386	262,585	General Rates	<b>190,800</b>	305,570
10,496	6,832	Rates Penalties	<b>3,832</b>	9,967
		Targeted Rates		
		Subsidies & Grants		
		Fees & Charges		
		Internal Charges & Overheads Recovered		
		Fines, Infringement Fees & Other Receipts	<b>107,167</b>	
<b>323,882</b>	<b>269,417</b>	<b>Total Operating Funding (A)</b>	<b>301,799</b>	315,537
		<b>Applications of Operating Funding</b>		
384,029	405,801	Payments to staff and suppliers	<b>365,414</b>	367,277
	2775	Finance costs	<b>336</b>	
34,380	27,190	Internal charges and overheads applied	<b>29,886</b>	37,198
		Other operating funding applications		
<b>418,409</b>	<b>435,766</b>	<b>Total Applications of operating funding (B)</b>	<b>395,636</b>	404,475
<b>-94,527</b>	<b>-166,349</b>	<b>Surplus (deficit) of Operating Funding (A) - (B)</b>	<b>-93,838</b>	-88,938
		<b>Sources of Capital Funding</b>		
		Subsidies and Grants		
	20,266	Development and Financial Contributions		
	1,090	Increase (decrease) in debt	<b>-1,232</b>	
		Gross Proceeds Sale assets	<b>1,197</b>	
		Lump sum contributions		
<b>0</b>	<b>21356</b>	<b>Total Sources of capital funding (C)</b>	<b>-35</b>	0
		<b>Applications of capital funding</b>		
		Capital expenditure-additional demand	<b>170</b>	
	3,146	Capital expenditure-improved levels of service	<b>2,946</b>	
<b>-94,527</b>	<b>-148,139</b>	Capital expenditure-replace existing assets	<b>-96,988</b>	-88,938
		Increase (decrease) in reserves		
<b>-94,527</b>	<b>-144,993</b>	<b>Total applications of capital funding (D)</b>	<b>-93,872</b>	-88,938
<b>94,527</b>	<b>166,349</b>	<b>Surplus (Deficit) of Capital Funding (C) - (D)</b>	<b>93,838</b>	88,938
<b>0</b>	<b>0</b>	<b>Funding Balance (A - B) + (C - D)</b>	<b>0</b>	0

LTP 2013/14	Annual Report 13/14		Annual Report 2014/15	LTP 2014/15
		<b>Transport</b>		
		<b>Sources of Funding</b>		
50,546	44,306	General Rates	<b>44,838</b>	52,176
1,693	1,153	Rates Penalties	<b>900</b>	1,702
	0	Targeted Rates		
99,300	69,071	Subsidies & Grants	<b>86,662</b>	104,600
		Fees & Charges		
		Internal Charges & Overheads Recovered		
		Fines, Infringement Fees & Other Receipts	<b>25,184</b>	
<b>151,539</b>	<b>114,530</b>	<b>Total Operating Funding (A)</b>	<b>157,584</b>	158478
		<b>Applications of Operating Funding</b>		
118,444	94,085	Payments to staff and suppliers	<b>112,115</b>	122,976
	1,984	Finance costs	<b>708</b>	
48,342	43,857	Internal charges and overheads applied	<b>63,011</b>	50,688
		Other operating funding applications		0
<b>166,786</b>	<b>139,926</b>	<b>Total Applications of operating funding (B)</b>	<b>175,834</b>	173664
-15,247	-25,396	<b>Surplus (deficit) of Operating Funding (A) - (B)</b>	<b>-18,250</b>	-15186
		<b>Sources of Capital Funding</b>		
		Subsidies and Grants		
	14,488	Development and Financial Contributions		
	779	Increase (decrease) in debt	<b>-2,597</b>	
		Gross Proceeds Sale assets	<b>2,524</b>	
		Lump sum contributions		
<b>0</b>	<b>15,267</b>	<b>Total Sources of capital funding (C)</b>	<b>-74</b>	0
		<b>Applications of capital funding</b>		
		Capital expenditure-additional demand		
	2,249	Capital expenditure-improved levels of service	<b>359</b>	
		Capital expenditure-replace existing assets	<b>6,210</b>	
-15,247	-12,378	Increase (decrease) in reserves	<b>-24,893</b>	-15,186
<b>-15,247</b>	<b>-10,129</b>	<b>Total applications of capital funding (D)</b>	<b>-18,323</b>	-15,186
15,247	25,396	<b>Surplus (Deficit) of Capital Funding (C) - (D)</b>	<b>18,250</b>	15,186
<b>0</b>	<b>0</b>	<b>Funding Balance (A - B) + (C - D)</b>	<b>0</b>	0

LTP	Annual Report		Annual Report	LTP
2013/14	13/14		2014/15	2014/15
		<b>Resource Management</b>		
		<b>Sources of Funding</b>		
1,102,521	1,197,626	General Rates	<b>1,280,673</b>	1,142,662
36,927	31,158	Rates Penalties	<b>25,719</b>	37,272
	71,043	Targeted Rates	<b>109,563</b>	
	251,416	Subsidies & Grants	<b>13,248</b>	
1,107,500	751,976	Fees & Charges	<b>532,807</b>	1,144,000
	0	Internal Charges & Overheads Recovered		
	165,552	Fines, Infringement Fees & Other Receipts	<b>719,315</b>	
<b>2,246,948</b>	<b>2,468,771</b>	<b>Total Operating Funding (A)</b>	<b>2,681,325</b>	<b>2,323,934</b>
		<b>Applications of Operating Funding</b>		
1,234,324	1,108,998	Payments to staff and suppliers	<b>1,194,329</b>	1,250,488
	78,103	Finance costs	<b>57,099</b>	
1,345,178	1,871,275	Internal charges and overheads applied	<b>1,877,556</b>	1,406,022
		Other operating funding applications	<b>0</b>	
<b>2,579,502</b>	<b>3,058,376</b>	<b>Total Applications of operating funding (B)</b>	<b>3,128,983</b>	<b>2,656,510</b>
-332,554	-589,605	<b>Surplus (deficit) of Operating Funding (A) - (B)</b>	<b>-447,659</b>	-332,576
		<b>Sources of Capital Funding</b>		
		Subsidies and Grants		
		Development and Financial Contributions		
	760,464	Increase (decrease) in debt	<b>-137,396</b>	
	30,681	Gross Proceeds Sale assets	<b>75,205</b>	
		Lump sum contributions		
<b>0</b>	<b>791,145</b>	<b>Total Sources of capital funding (C)</b>	<b>-62,190</b>	<b>0</b>
		<b>Applications of capital funding</b>		
		Capital expenditure-additional demand		
0	5,174	Capital expenditure-improved levels of service	<b>10,694</b>	0
0	96,827	Capital expenditure-replace existing assets	<b>185,056</b>	0
-332,554	99,539	Increase (decrease) in reserves	<b>-705,599</b>	-332,576
<b>-332,554</b>	<b>201,540</b>	<b>Total applications of capital funding (D)</b>	<b>-509,849</b>	<b>-332,576</b>
332,554	589,605	<b>Surplus (Deficit) of Capital Funding (C) - (D)</b>	<b>447,659</b>	332,576
0	0	<b>Funding Balance (A - B) + (C - D)</b>	<b>0</b>	0

LTP 2013/14	Annual Report 13/14		Annual Report 2014/15	LTP 2014/15
		<b>Hydrology &amp; Floodwarning Services</b>		
		<b>Sources of Funding</b>		
256,071	267,797	General Rates	<b>273,997</b>	267,405
8,577	6,967	Rates Penalties	<b>5,502</b>	8,722
		Targeted Rates		
		Subsidies & Grants		
		Fees & Charges		
		Internal Charges & Overheads Recovered		
		Fines, Infringement Fees & Other Receipts	<b>153,896</b>	
<b>264,648</b>	<b>274,764</b>	<b>Total Operating Funding (A)</b>	<b>433,396</b>	276,127
		<b>Applications of Operating Funding</b>		
176,026	144,467	Payments to staff and suppliers	<b>205,202</b>	180,381
	10,222	Finance costs	<b>3,272</b>	
165,861	225,635	Internal charges and overheads applied	<b>291,145</b>	173,575
		Other operating funding applications	<b>0</b>	0
<b>341,887</b>	<b>380,324</b>	<b>Total Applications of operating funding (B)</b>	<b>499,619</b>	353,956
-77,239	-105,560	<b>Surplus (deficit) of Operating Funding (A) - (B)</b>	<b>-66,223</b>	-77,829
		<b>Sources of Capital Funding</b>		
		Subsidies and Grants		
		Development and Financial Contributions		
	74,663	Increase (decrease) in debt	<b>-12,001</b>	
	4,016	Gross Proceeds Sale assets	<b>11,662</b>	
		Lump sum contributions		
<b>0</b>	<b>78679</b>	<b>Total Sources of capital funding (C)</b>	<b>-340</b>	0
		<b>Applications of capital funding</b>		
		Capital expenditure-additional demand		
		Capital expenditure-additional demand		
		Capital expenditure-improved levels of service	<b>1658</b>	
61,925	47,186	Capital expenditure-replace existing assets	<b>55,835</b>	63,906
-139,164	-74,067	Increase (decrease) in reserves	<b>-124,056</b>	-141,735
<b>-77,239</b>	<b>-26,881</b>	<b>Total applications of capital funding (D)</b>	<b>-66,563</b>	-77,829
77,239	105,560	<b>Surplus (Deficit) of Capital Funding (C) - (D)</b>	<b>66,223</b>	77,829
<b>0</b>	<b>0</b>	<b>Funding Balance (A - B) + (C - D)</b>	<b>0</b>	0

LTP 2013/14	Annual Report 13/14		Annual Report 2014/15	LTP 2014/15
		<b>Emergency Management Sources of Funding</b>		
40,472	20,904	General Rates	<b>30,979</b>	42,685
1,356	544	Rates Penalties	<b>622</b>	1,392
52,000	50,052	Targeted Rates	<b>200,567</b>	53,000
0	30,000	Subsidies & Grants	<b>30,000</b>	0
17,000	17,262	Fees & Charges	<b>33,758</b>	18,000
0	0	Internal Charges & Overheads Recovered		
		Fines, Infringement Fees & Other Receipts	<b>17,400</b>	
<b>110,828</b>	<b>118,762</b>	<b>Total Operating Funding (A)</b>	<b>313,326</b>	115,077
		<b>Applications of Operating Funding</b>		
69,487	72,204	Payments to staff and suppliers	<b>148,836</b>	71,352
	2,361	Finance costs	<b>1,830</b>	
53,549	52,203	Internal charges and overheads applied	<b>162,832</b>	56,148
		Other operating funding applications		0
<b>123,036</b>	<b>126,768</b>	<b>Total Applications of operating funding (B)</b>	<b>313,498</b>	127,500
-12,208	-8,006	<b>Surplus (deficit) of Operating Funding (A) - (B)</b>	<b>-172</b>	-12,423
		<b>Sources of Capital Funding</b>		
		Subsidies and Grants		
	17,244	Development and Financial Contributions		
	927	Increase (decrease) in debt	<b>-6,712</b>	
		Gross Proceeds Sale assets	<b>6,522</b>	
		Lump sum contributions		
<b>0</b>	<b>18,171</b>	<b>Total Sources of capital funding (C)</b>	<b>-190</b>	0
		<b>Applications of capital funding</b>		
		Capital expenditure-additional demand		
		Capital expenditure-improved levels of service	<b>927</b>	
	2,677	Capital expenditure-replace existing assets	<b>16,049</b>	
-12,208	7,488	Increase (decrease) in reserves	<b>-17,339</b>	-12,423
<b>-12,208</b>	<b>10,165</b>	<b>Total applications of capital funding (D)</b>	<b>-362</b>	-12,423
12,208	8,006	<b>Surplus (Deficit) of Capital Funding (C) - (D)</b>	<b>172</b>	12,423
0	0	<b>Funding Balance (A - B) + (C - D)</b>	<b>0</b>	0



LTP	Annual Report		Annual Report	LTP
2013/14	13/14	<b>River, Drainage &amp; Coastal Protection</b>	<b>2014/15</b>	2014/15
		<b>Sources of Funding</b>		
177,203	171,107	General Rates	<b>205,592</b>	184,411
5,935	4,452	Rates Penalties	<b>4,129</b>	6,015
918,144	1,116,093	Targeted Rates	<b>1,140,439</b>	934,394
	0	Subsidies & Grants	<b>0</b>	
280,800	1,075,931	Fees & Charges	<b>193,948</b>	289,600
		Internal Charges & Overheads Recovered		
		Fines, Infringement Fees & Other Receipts	<b>115,475</b>	
<b>1,382,082</b>	<b>2,367,583</b>	<b>Total Operating Funding (A)</b>	<b>1,659,583</b>	<b>1,414,420</b>
		<b>Applications of Operating Funding</b>		
960,863	2,071,718	Payments to staff and suppliers	<b>1,161,831</b>	913,625
154,944	206,731	Finance costs	<b>228,010</b>	145,317
200,782	329,380	Internal charges and overheads applied	<b>306,377</b>	210,527
		Other operating funding applications		
<b>1,316,589</b>	<b>2,607,829</b>	<b>Total Applications of operating funding (B)</b>	<b>1,696,218</b>	<b>1,269,469</b>
65,493	-240,246	<b>Surplus (deficit) of Operating Funding (A) - (B)</b>	<b>-36,635</b>	144,951
		<b>Sources of Capital Funding</b>		
		Subsidies and Grants	<b>635,000</b>	
		Development and Financial Contributions		
-128,999	1,699,366	Increase (decrease) in debt	<b>-255,270</b>	-137,876
	5,861	Gross Proceeds Sale assets	<b>12,272</b>	
		Lump sum contributions		
<b>-128,999</b>	<b>1,705,227</b>	<b>Total Sources of capital funding (C)</b>	<b>392,002</b>	<b>-137,876</b>
		<b>Applications of capital funding</b>		
	1,818,881	Capital expenditure-additional demand	<b>0</b>	
0	433,402	Capital expenditure-improved levels of service	<b>896,805</b>	
0	16,918	Capital expenditure-replace existing assets	<b>30,197</b>	
-63,506	-804,220	Increase (decrease) in reserves	<b>-571,636</b>	7,075
<b>-63,506</b>	<b>1,464,981</b>	<b>Total applications of capital funding (D)</b>	<b>355,366</b>	<b>7,075</b>
-65,493	240,246	<b>Surplus (Deficit) of Capital Funding (C) - (D)</b>	<b>36,635</b>	-144,951
0	0	<b>Funding Balance (A - B) + (C - D)</b>	<b>0</b>	0

LTP	Annual Report		Annual Report	LTP
2013/14	13/14		2014/15	2014/15
		<b>Regional Share of Controls</b>		
		<b>Sources of Funding</b>		
149,799	111,945	General Rates	<b>91,064</b>	151,095
5,017	2,912	Rates Penalties	<b>1,829</b>	4,929
675,000	665,525	Targeted Rates	<b>660,256</b>	675,000
		Subsidies & Grants		
		Fees & Charges		
		Internal Charges & Overheads Recovered		
		Fines, Infringement Fees & Other Receipts	<b>51,148</b>	
<b>829,816</b>	<b>780,382</b>	<b>Total Operating Funding (A)</b>	<b>804,296</b>	831,024
		<b>Applications of Operating Funding</b>		
883,450	746,027	Payments to staff and suppliers	<b>759,181</b>	857,443
		Finance costs		
		Internal charges and overheads applied		
		Other operating funding applications		
<b>883,450</b>	<b>746,027</b>	<b>Total Applications of operating funding (B)</b>	<b>759,181</b>	857,443
-53,634	34,355	<b>Surplus (deficit) of Operating Funding (A) - (B)</b>	<b>45,115</b>	-26,419
		<b>Sources of Capital Funding</b>		
		Subsidies and Grants		
		Development and Financial Contributions		
		Increase (decrease) in debt		
		Gross Proceeds Sale assets		
		Lump sum contributions		
<b>0</b>	<b>0</b>	<b>Total Sources of capital funding (C)</b>	<b>0</b>	0
		<b>Applications of capital funding</b>		
		Capital expenditure-additional demand		
		Capital expenditure-improved levels of service		
		Capital expenditure-replace existing assets		
-53,634	34,355	Increase (decrease) in reserves	<b>45,115</b>	-26,419
<b>-53,634</b>	<b>34,355</b>	<b>Total applications of capital funding (D)</b>	<b>45,115</b>	-26,419
53,634	-34,355	<b>Surplus (Deficit) of Capital Funding (C) - (D)</b>	<b>-45,115</b>	26,419
<b>0</b>	<b>0</b>	<b>Funding Balance (A - B) + (C - D)</b>	<b>0</b>	0

LTP	Annual Report	Vector Control Services Business Unit	Annual Report	LTP
2013/14	13/14	Sources of Funding	2014/15	2014/15
		General Rates		
		Rates Penalties		
		Targeted Rates		
		Subsidies & Grants		
2,279,098	3,895,849	Fees & Charges	4,120,430	2,278,526
		Internal Charges & Overheads Recovered		
		Fines, Infringement Fees & Other Receipts	61,162	
<b>2,279,098</b>	<b>3,895,849</b>	<b>Total Operating Funding (A)</b>	<b>4,181,592</b>	<b>2,278,526</b>
		<b>Applications of Operating Funding</b>		
1,623,284	2,916,036	Payments to staff and suppliers	3,493,201	1,630,351
	11,330	Finance costs	59,747	
100,000	100,000	Internal charges and overheads applied	100,000	100,000
		Other operating funding applications		
<b>1,723,284</b>	<b>3,027,366</b>	<b>Total Applications of operating funding (B)</b>	<b>3,652,948</b>	<b>1,730,351</b>
555,814	868,483	<b>Surplus (deficit) of Operating Funding (A) - (B)</b>	<b>528,644</b>	548,175
		<b>Sources of Capital Funding</b>		
		Subsidies and Grants		
		Development and Financial Contributions		
	60,290	Increase (decrease) in debt	529,622	
	4,451	Gross Proceeds Sale assets	0	
		Lump sum contributions		
<b>0</b>	<b>64,741</b>	<b>Total Sources of capital funding (C)</b>	<b>529,622</b>	<b>0</b>
		<b>Applications of capital funding</b>		
		Capital expenditure-additional demand		
		Capital expenditure-improved levels of service		
30,962	26,883	Capital expenditure-replace existing assets	139,198	127,811
	428,136	Increase in Investments	239,513	
524,852	478,205	Increase (decrease) in reserves	679,555	420,364
<b>555,814</b>	<b>933,224</b>	<b>Total applications of capital funding (D)</b>	<b>1,058,266</b>	<b>548,175</b>
-555,814	-868,483	<b>Surplus (Deficit) of Capital Funding (C) - (D)</b>	<b>-528,644</b>	-548,175
<b>0</b>	<b>0</b>	<b>Funding Balance (A - B) + (C - D)</b>	<b>0</b>	<b>0</b>

## Local Government (Financial Reporting and Prudence) Regulations 2014

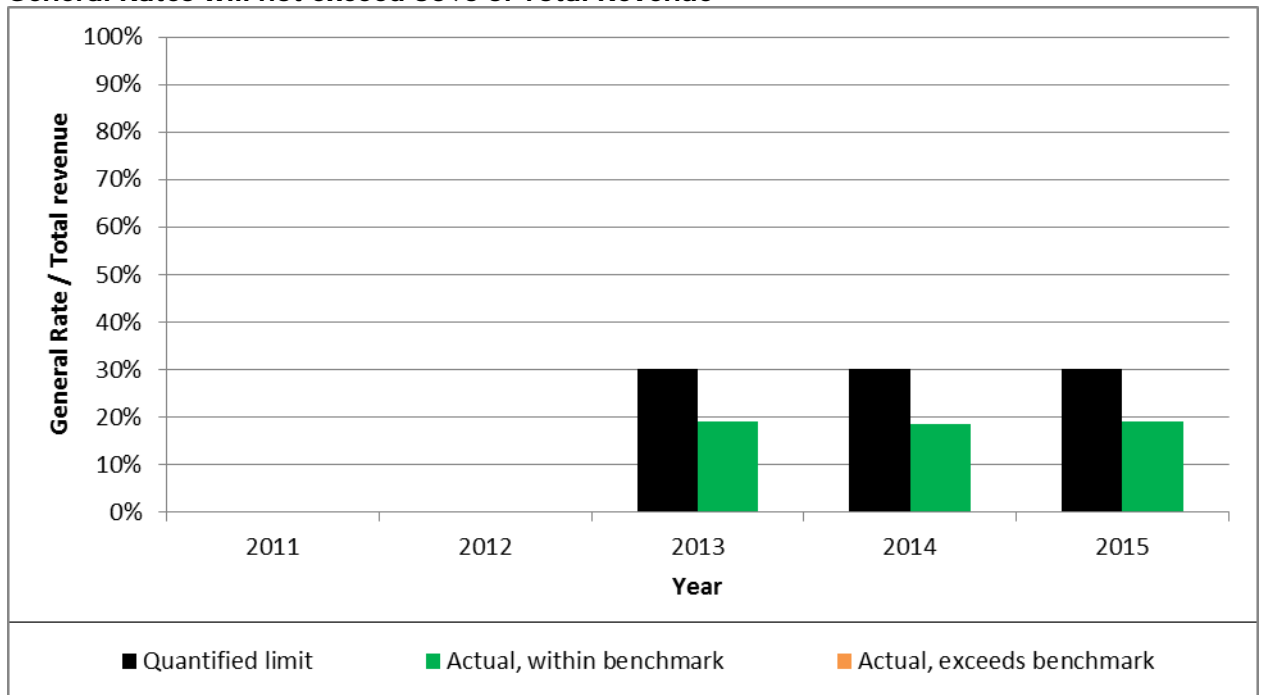
Council is required to include these statements in its Annual Report in accordance with these regulations.

### **RATES AFFORDABILITY BENCHMARKS**

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

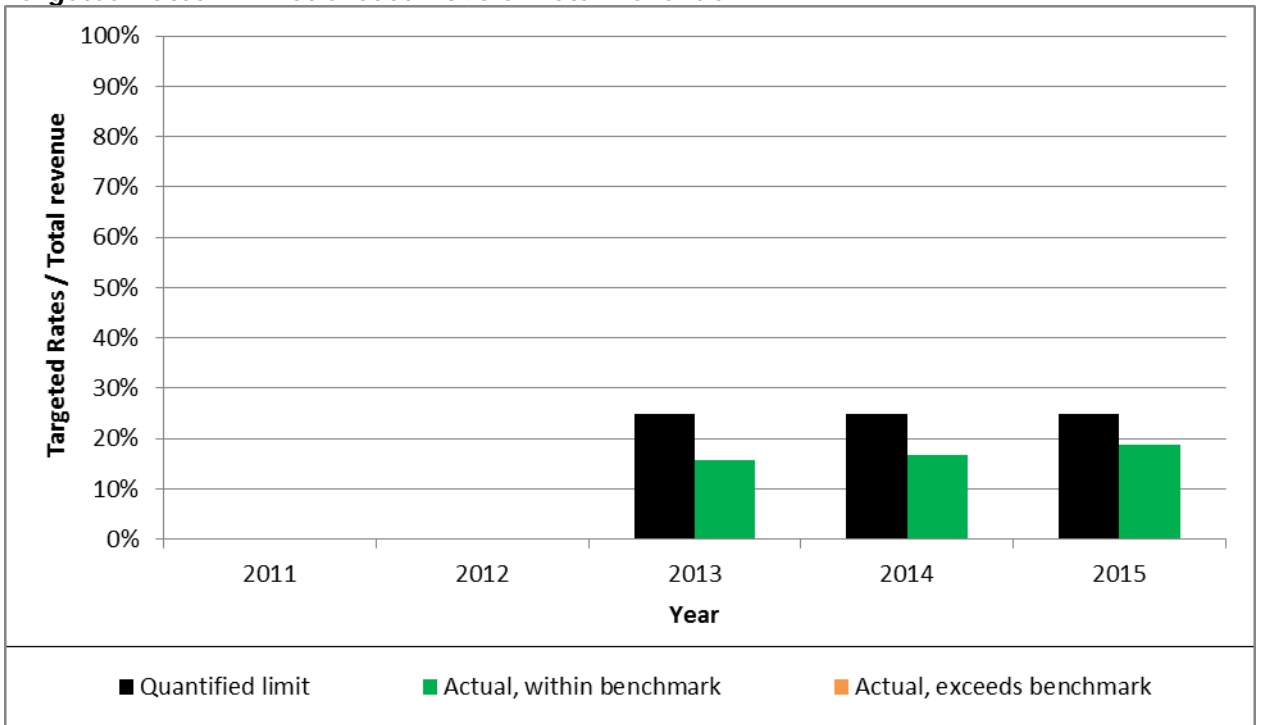
1. The first benchmark, (included by Council in the Financial Strategy contained in the 2012/22 Long Term Plan).

#### **General Rates will not exceed 30% of Total Revenue**



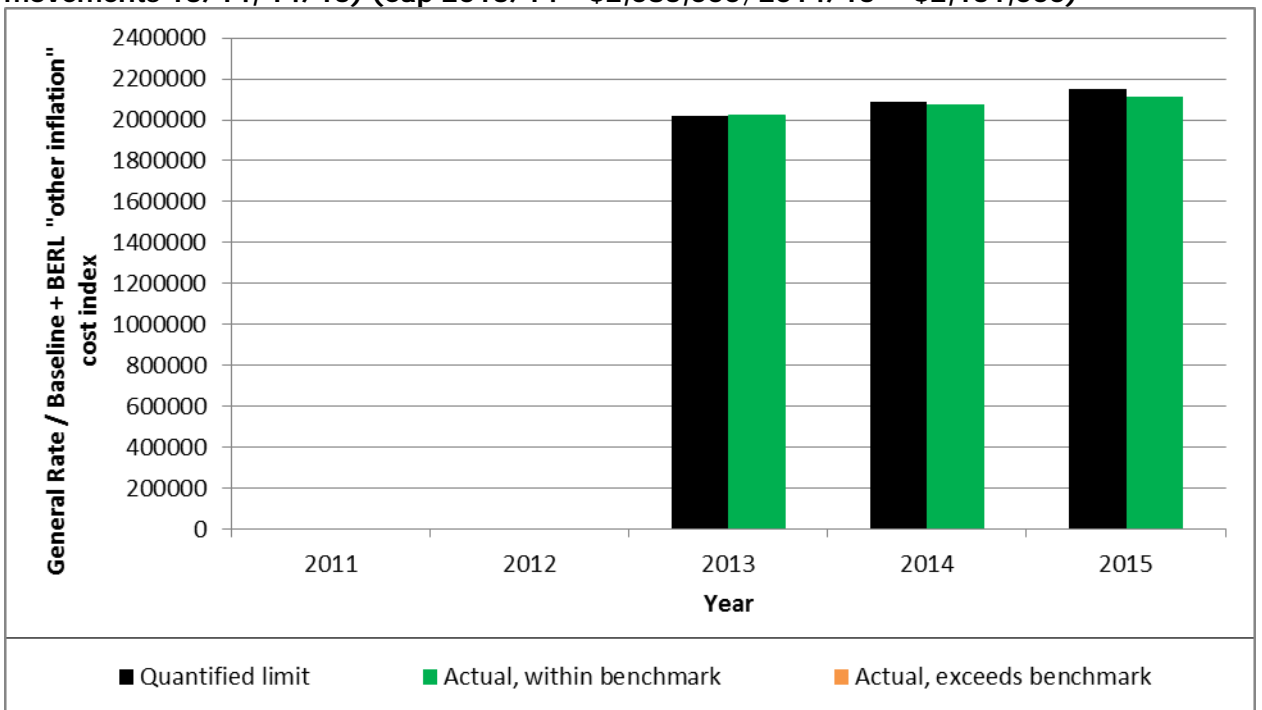
- The second benchmark, (included by Council in the Financial Strategy contained in the 2012/22 Long Term Plan).

**Targeted Rates will not exceed 25% of Total Revenue**



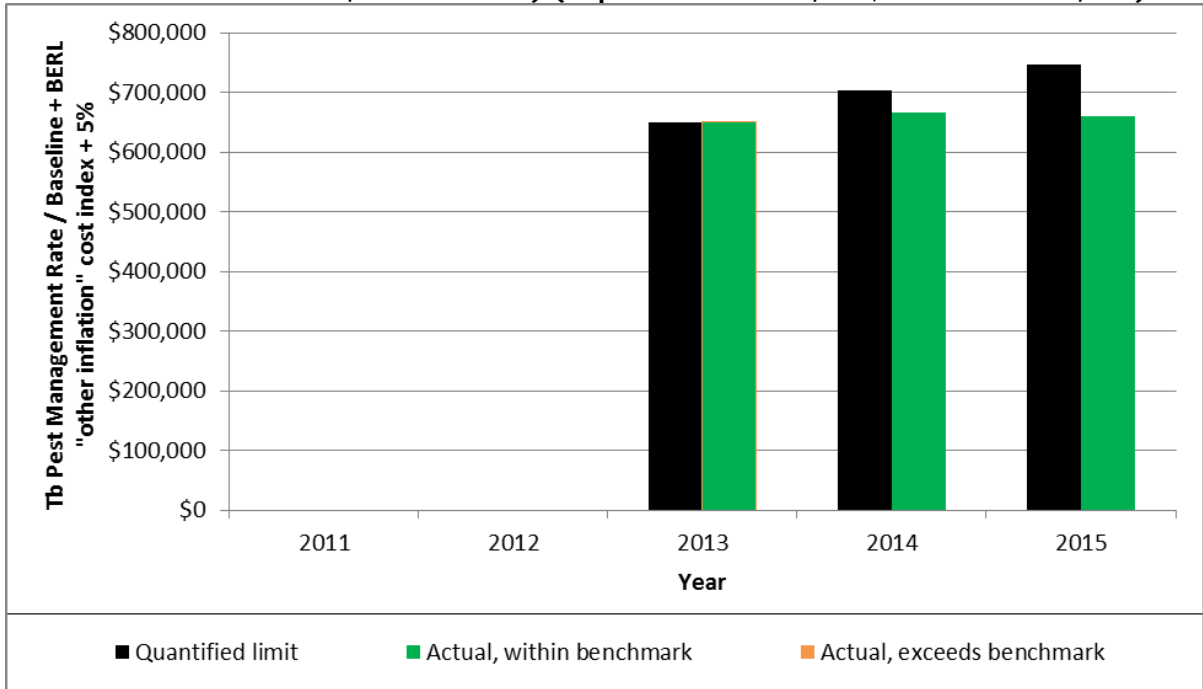
- The third benchmark, (included by Council in the Financial Strategy contained in the 2012/22 Long Term Plan).

**The General Rate will not exceed the Business and Economic Research Ltd (BERL) "Other Inflation" cost index produced in 2012 (2012/13 baseline \$2,020,000 + index movements 13/14, 14/15) (Cap 2013/14= \$2,085,000; 2014/15 = \$2,151,000)**



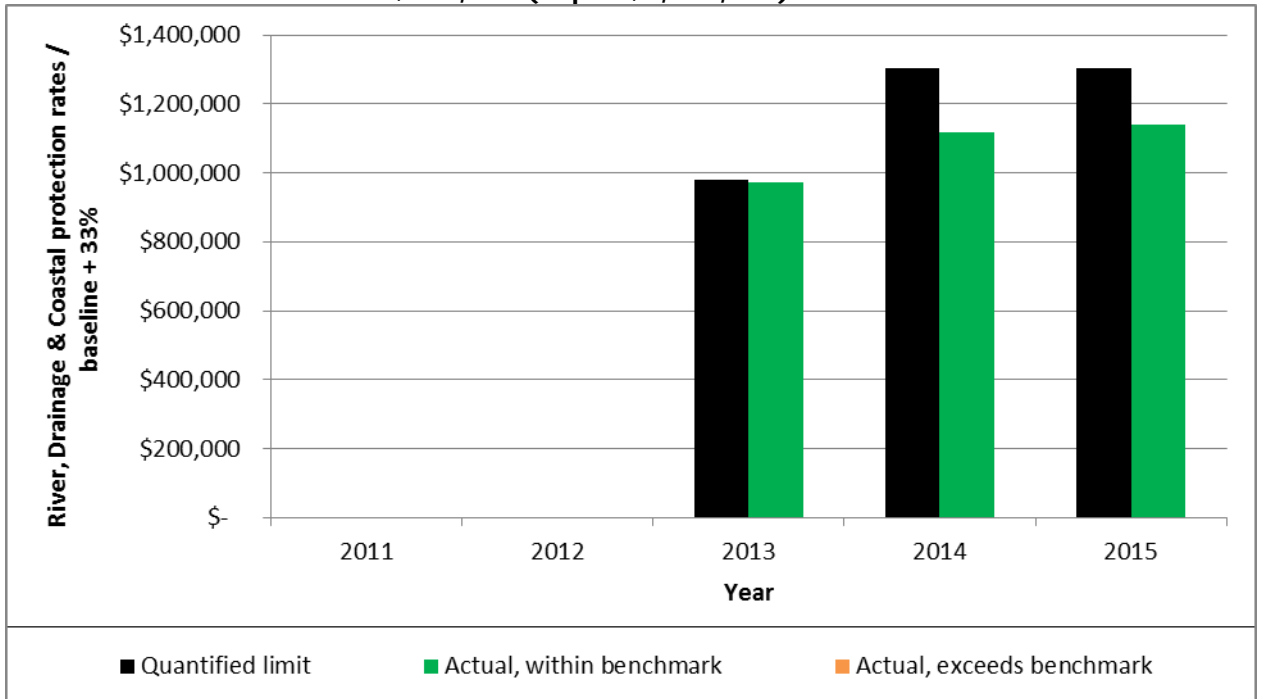
- The fourth benchmark, (included by Council in the Financial Strategy contained in the 2012/22 Long Term Plan)

**The Tb Pest Management Rate will not exceed the Business and Economic Research Ltd (BERL) "Other Inflation" cost index produced in 2012 (2012/13 baseline \$650,000 + index movements 13/14, 14/15 + 5%) (Cap 13/14 = \$703,000; 14/15 = \$747,000)**



- The fifth benchmark, (included by Council in the Financial Strategy contained in the 2012/22 Long Term Plan).

**The River, Drainage & Coastal protection Rates will not exceed the sustainable level of annual maintenance expenditure identified in the relevant asset management plan +33%. 2012/13 baseline = \$981,000 (Cap = \$1,308,000)**

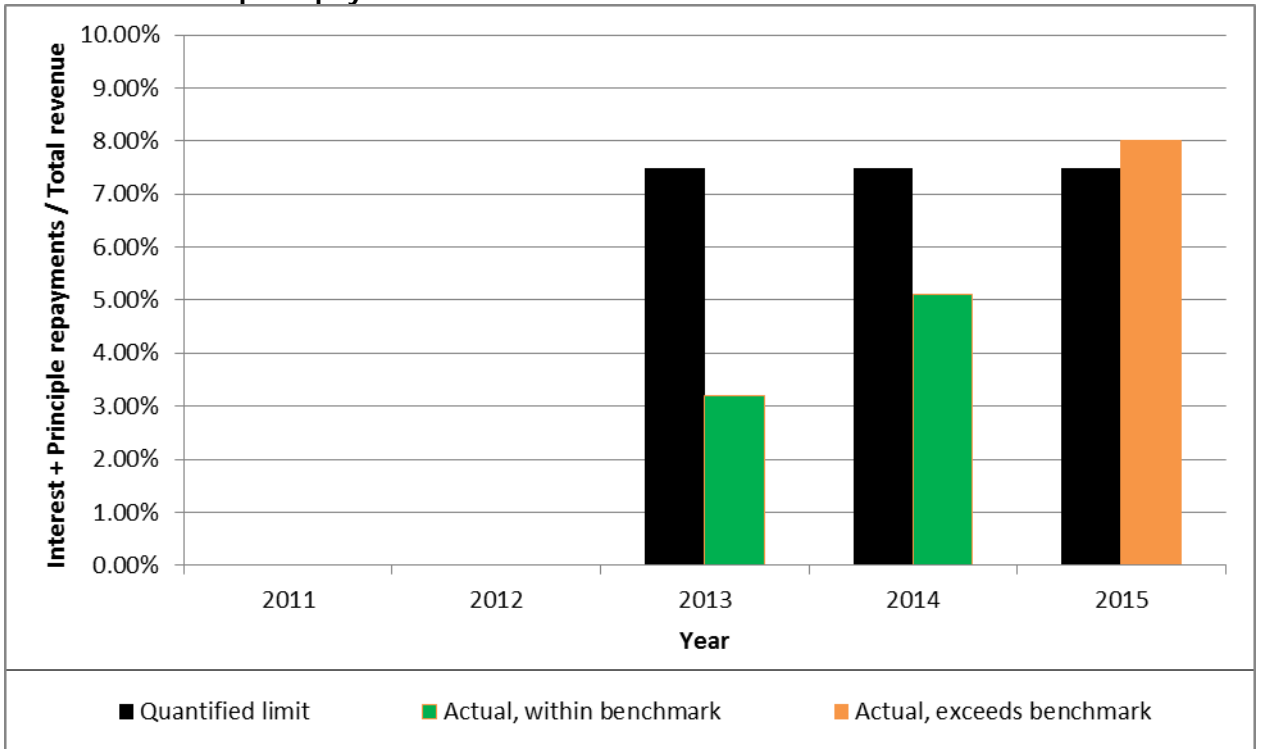


**Debt Affordability Benchmarks**

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

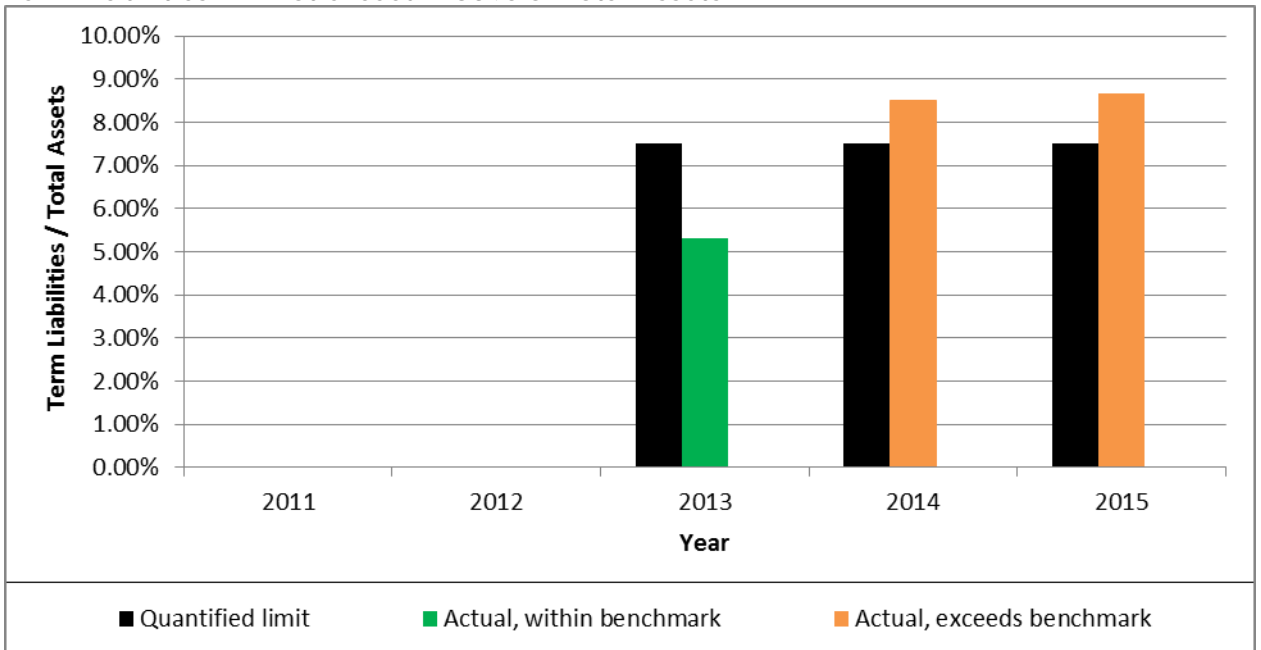
1. The first benchmark, (included by Council in the Financial Strategy contained in the 2012/22 Long Term Plan).

**Interest + Principle repayments do not exceed 7.50% of Total Revenue**



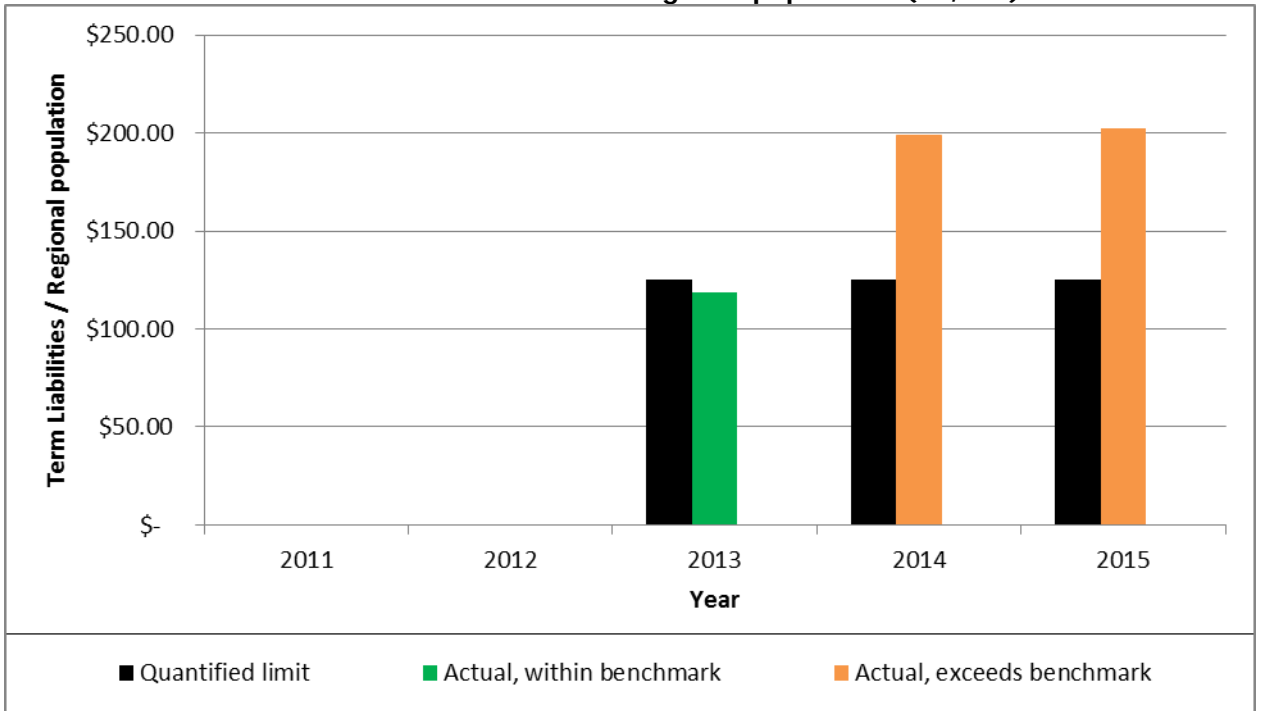
2. The second benchmark, (included by Council in the Financial Strategy contained in the 2012/22 Long Term Plan).

**Term Liabilities will not exceed 7.50% of Total Assets**



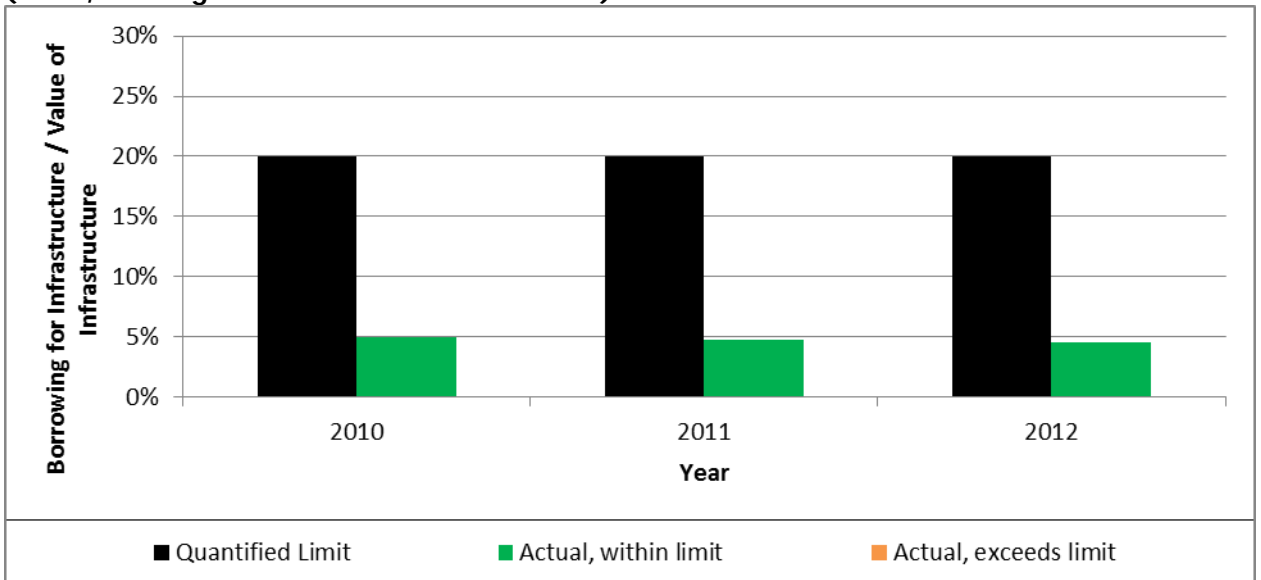
- The third benchmark, (included by Council in the Financial Strategy contained in the 2012/22 Long Term Plan).

**Term Liabilities will not exceed \$125 / head of regional population (32,900)**



- The fourth benchmark, (included by Council in the Borrowing Policy contained in the 2009/19 Long Term Council Community Plan). This benchmark only applies to the 2010, 2011 and 2012 years.

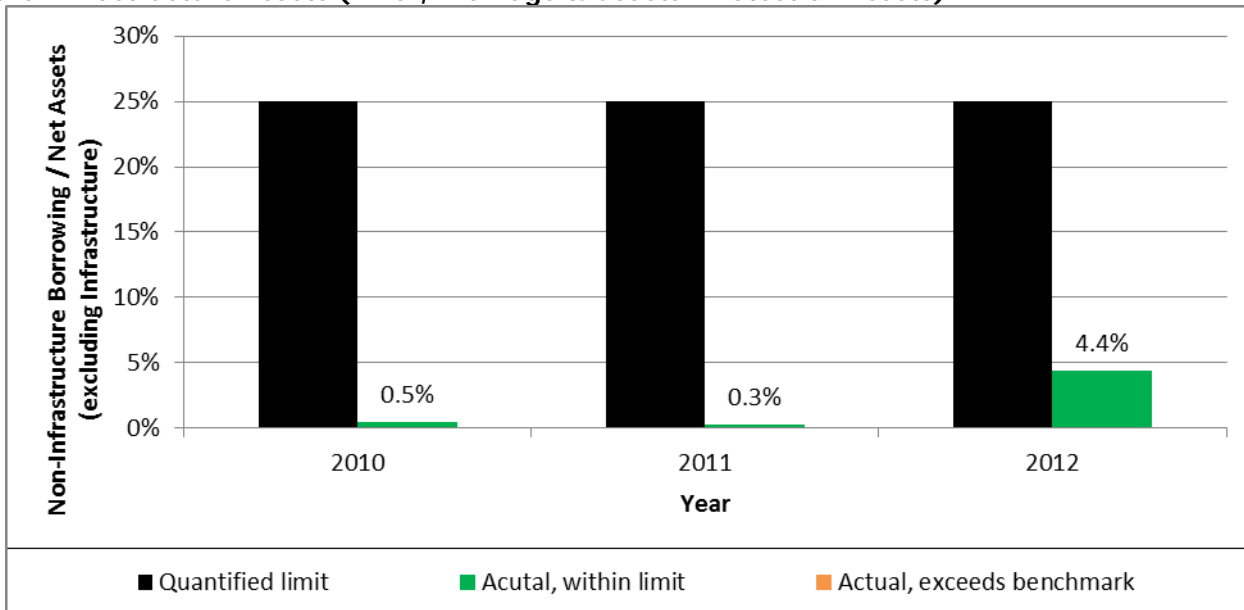
**Borrowing for Infrastructure will not exceed 20% of the value of Infrastructure Assets (River, Drainage & Coastal Protection Assets)**





- The fifth benchmark, (included by Council in the Borrowing Policy contained in the 2009/19 Long Term Council Community Plan). This benchmark only applies to the 2010, 2011 and 2012 years.

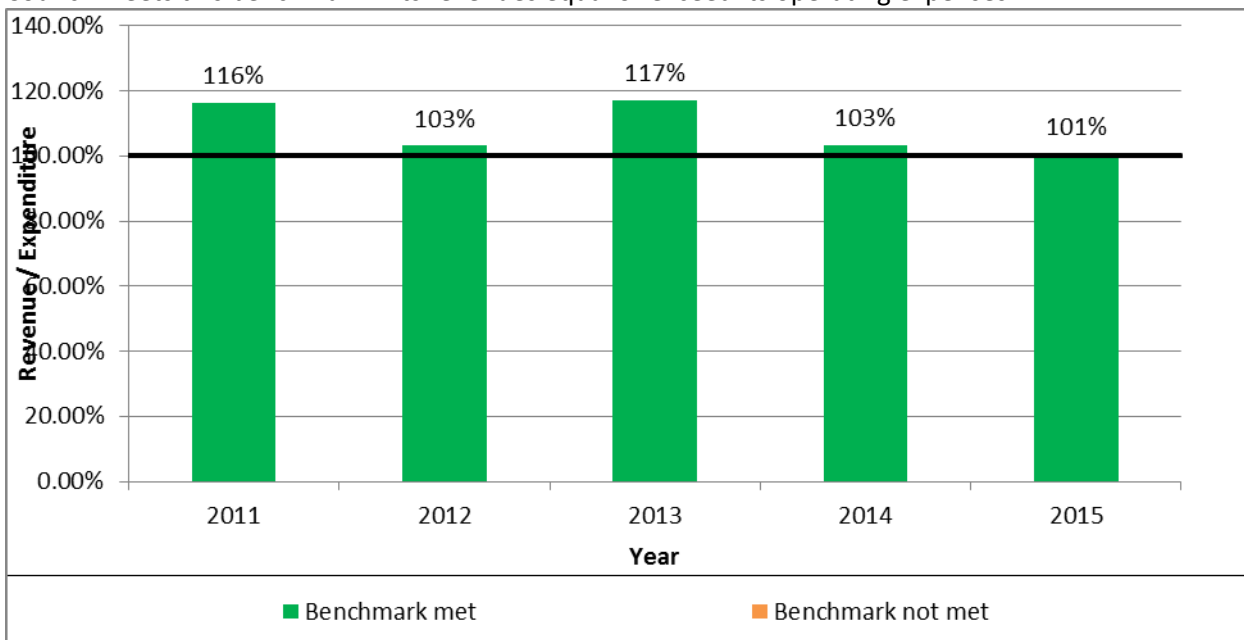
**Total no-infrastructure related borrowing will not exceed 25% of Net Assets (excluding the Infrastructure Assets (River, Drainage & Coastal Protection Assets))**



**Mandatory Benchmarks as prescribed by the Regulations**

**Balanced Budget Benchmark**

Council meets this benchmark if its revenues equal or exceed its operating expenses.



**Essential Services Benchmark**

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

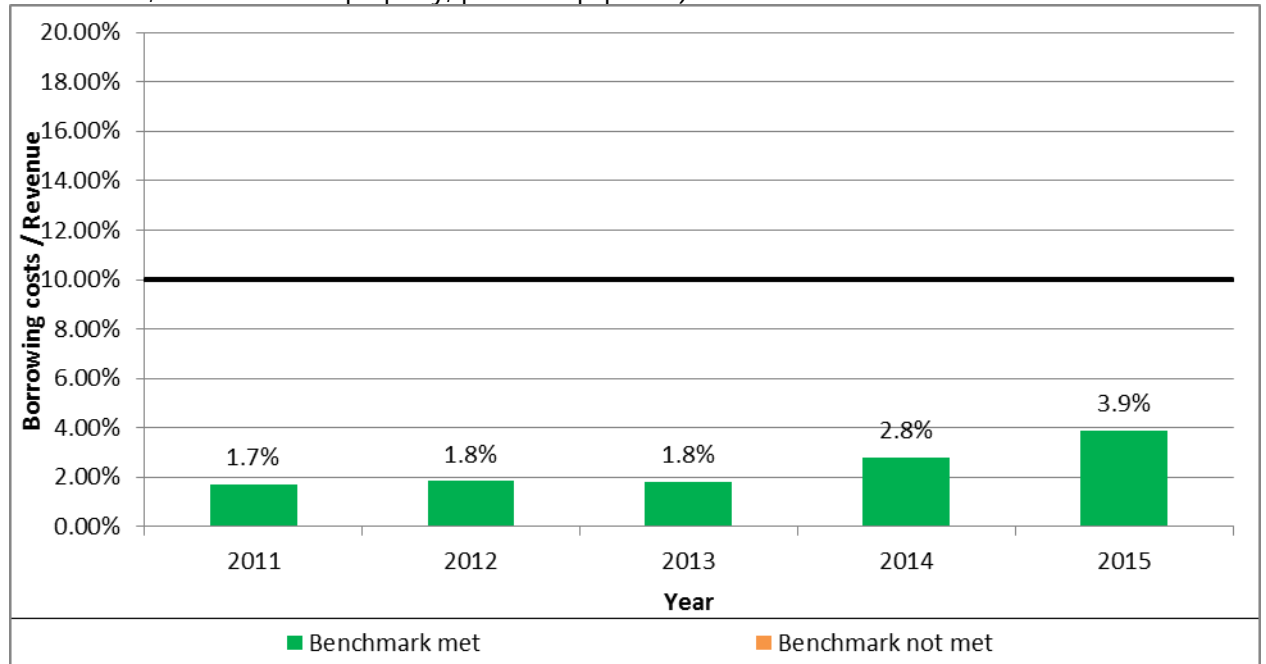
- (a) Water Supply;
- (b) Sewerage and the treatment and disposal of sewage;
- (c) Stormwater drainage;
- (d) Flood protection and control works; or
- (e) Provision of roads and footpaths.

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

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

**Debt Servicing Benchmark**

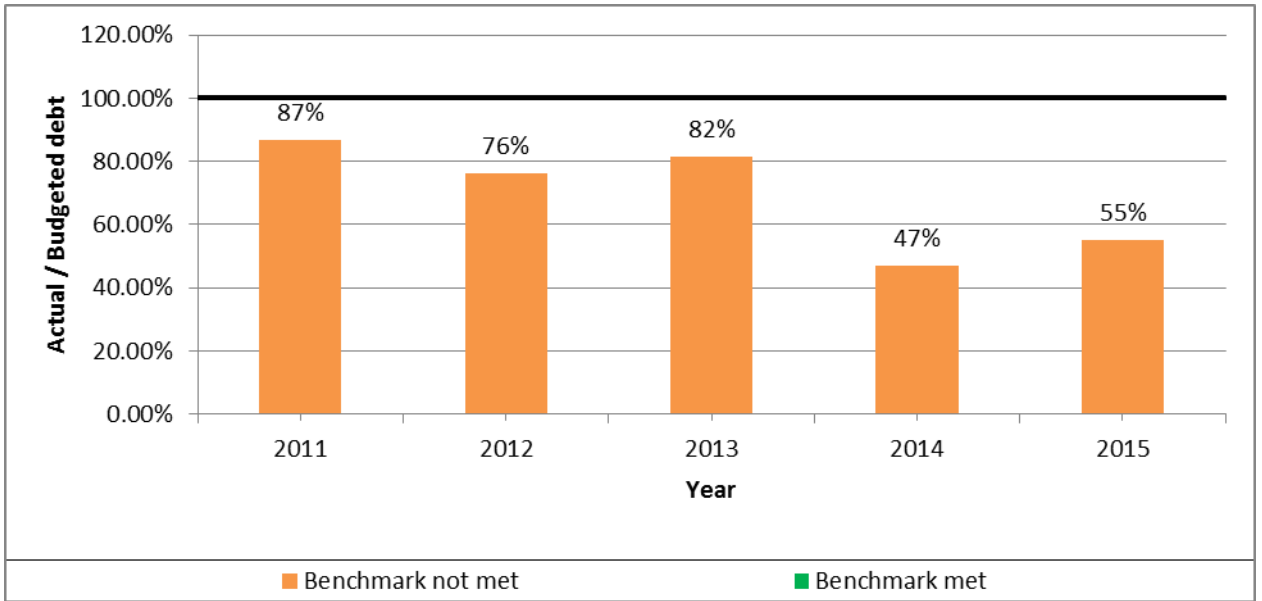
Council meets this benchmark if its borrowing costs are equal to or less than 10% of its revenue (excluding development or financial contributions, vested assets, gains on derivative financial instruments, revaluations of property, plant & equipment).



**Debt Control Benchmark**

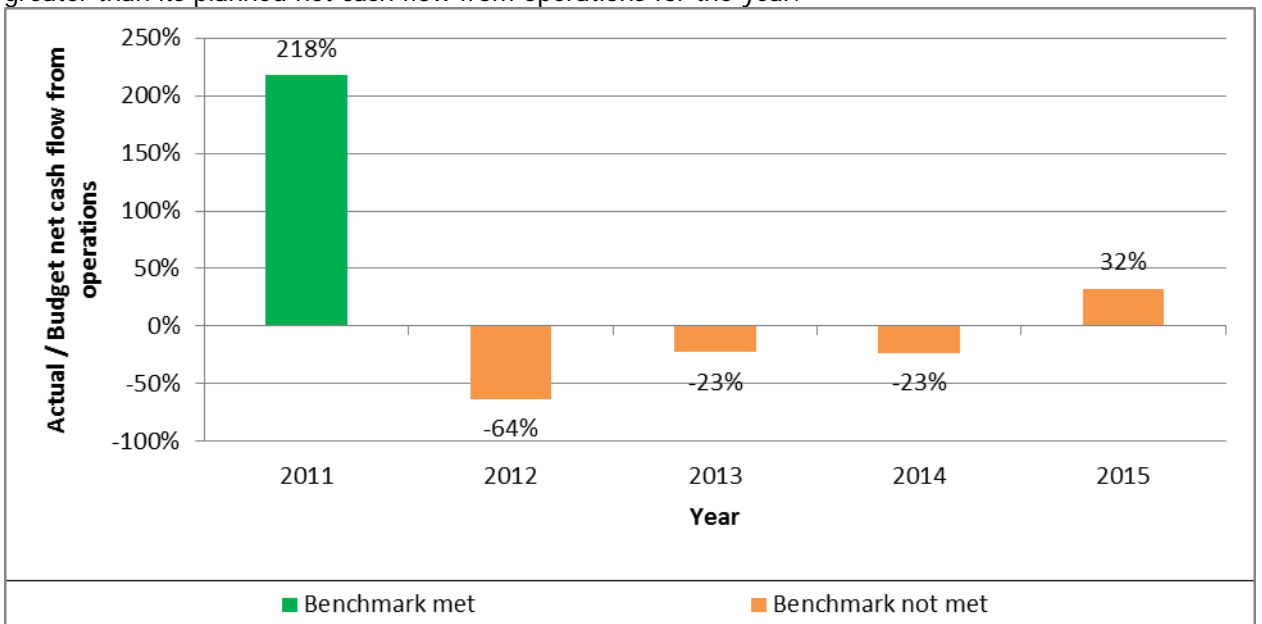
Council budgets to have net assets, (financial assets (excluding Trade & Other Receivables) exceeds its debt).

Council meets this benchmark if its actual net financial assets are equal to or is more than its planned net assets.



**Operations Control Benchmark**

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



## Major Budget Variations

	2015	2015	Variance		Note
	Actual	Budget			
<b>Cost of Services</b>					
Governance	397,666	431,939	\$ (34,273)	-8%	
Resource Management	3,228,374	2,910,979	\$ 317,395	11%	1
Transport	180,113	168,549	\$ 11,564	7%	
Hydrology & Floodwarning Services	571,065	470,938	\$ 100,127	21%	2
Emergency Management	328,891	315,597	\$ 13,294	4%	
River, Drainage & Coastal Protection	1,803,714	1,525,423	\$ 278,291	18%	3
Regional Share of Vector Controls	759,181	686,571	\$ 72,610	11%	4
Vector Control services Business Unit	3,617,651	2,795,861	\$ 821,790	29%	5
Other	195,538	268,172	\$ (72,634)	-27%	
	<b>11,082,193</b>	<b>9,574,029</b>	<b>\$ 1,508,164</b>	<b>16%</b>	
<b>Less Income</b>					
Rates	4,271,303	4,321,136	\$ (49,833)	-1%	
Other Revenues	1,250,745	1,095,409	\$ 155,336	14%	6
Fees & Charges	5,180,943	4,989,461	\$ 191,482	4%	7
Subsidies & grants	464,910	88,600	\$ 376,310	425%	8
	<b>11,167,901</b>	<b>10,494,606</b>	<b>\$ 673,295</b>	<b>6%</b>	
<b>Net Surplus / (Deficit) for year</b>	<b>85,708</b>	<b>920,577</b>			
	Actual	Budget			
	2015	2015			
<b>Statement Of Financial Position</b>					
<b>@ 30 June 2015</b>					
<b>Current Assets</b>					
Total Current Assets	4,228,419	4,106,495	121924	3.0%	
<b>Non-Current Assets</b>					
Property, Plant & Equipment	58,714,932	58,475,256	\$ 239,676	0.4%	
Intangible Assets	245,803	245,802	\$ 1	0.0%	
Loan Advances	627,496	893,004	\$ (265,508)	-29.7%	9
Investment Property	1,340,000	1,347,172	\$ (7,172)	-0.5%	
Investment in Associate	694,454	490,000	\$ 204,454	41.7%	10
Investment in CCO	215,059	180,000	\$ 35,059	19.5%	
Other Financial Assets	10,370,019	11,361,363	\$ (991,344)	-8.7%	11
Total Non-Current Assets	72,207,763	72,992,597	\$ (784,834)	-1.08%	
<b>Total Assets</b>	<b>76,436,182</b>	<b>77,099,092</b>			
<b>Liabilities</b>					
<b>Current Liabilities</b>	2,492,538	2,121,896	-370642	-17.5%	12
<b>Non-Current Liabilities</b>	6,705,860	5,404,262	-1301598	-24.1%	13
<b>Total Liabilities</b>	<b>9,198,398</b>	<b>7,526,158</b>			
<b>Equity</b>	<b>67,237,784</b>	<b>69,572,934</b>	<b>2335150</b>	<b>3.4%</b>	
<b>Total Liabilities and Equity</b>	<b>76,436,182</b>	<b>77,099,092</b>			

Note	Commentary
1	<p>Resource Management expenditure exceeded budget by \$317,000 Significant contributing factors were;</p> <p>(a) Timing differences between when funding was received and when expenditure was incurred with regard to a number of projects such as the wetlands work (DOC funding), Lake Brunner projects (MFE funding) etc. These factors alone contributed \$130,000 to this variance.</p> <p>(b) Enforcement proceedings costs totalled \$181,000 compared to a budgeted \$76,000. This contributed \$104,000 to the variance.</p> <p>(c) Continued demand from complaints and enquiries also contributed to pressures on expenditure in this group of activities.</p>
2	<p>Hydrology &amp; Flood-warning services.</p> <p>Allocated staff time and overhead costs exceeded budget in this area. Some of this would be attributable to the new site established for Mokihinui.</p>
3	<p>River, Drainage &amp; Coastal protection exceeded budget by \$278,000. This included unbudgeted increase in negative interest rate swap position (\$82,000) and the write down of the value of Quarry rock inventory.</p>
4	<p>Regional share of vector controls exceeded budget by \$72,000 This was mainly attributable to the final TB Free NZ Ltd work programme amounting to \$720,000 rather than the budgeted \$660,000</p>
5	<p>VCS Business Unit expenditure exceeded budget by \$822,000. Total expenditure for the business unit is dependent on the number of aerial contracts won, which exceeded original expectations.</p>
6	<p>Other revenues exceeded budget due to better than expected investment returns.</p>
7	<p>Fees and Charges income exceeded budget by \$191,000 mainly due to;</p> <p>(a) VCS Business Unit income exceeding budget by \$775,000. (Refer also comments in 5 above).</p> <p>(b) There was also a contribution of \$300,000 from Westland District Council for the purchase of the Franz Josef motel site land purchase that hadn't been budgeted for.</p> <p>(c) Resource Management income from consent processing and compliance monitoring was -\$636,000 below budget mainly due to the impact of the downturn in the regional economy.</p> <p>(d) River, Drainage and Coastal protection activity income was -\$195,000 less than budgeted, mainly due to Quarry revenues being substantially less than budgeted.</p> <p>(e) Various other income sources were -\$53,000 less than budgeted.</p>

Note	Commentary
8	Subsidies & grants income exceeded budget mainly due to the unbudgeted \$335,000 received from NZTA with regard to the Franz Josef motel site land purchase.
9	Loan advances outstanding are less than budgeted because there were no funding deals entered into during 2014/15 (we had budgeted for \$200,000) and some property owners have repaid their Warm West Coast funding earlier than expected.
10	This includes a further capital call of \$40,000 and share of accumulated profits.
11	Total Other Financial Assets is less than budgeted due to unbudgeted (but approved by Council) withdrawal during the year (\$500,000)
12	The budgeted figure for Current Liabilities was too low.
13	Non-Current liabilities included \$1.2 million of bank debt that we would have repaid if we had had a better year financially.