

West Coast Regional Council

ANNUAL REPORT

1 July 2016 to 30 June 2017



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Chairman's Report

It is my pleasure to present the West Coast Regional Council's 2016/2017 Annual Report.

The Council's mission is to work with the people of the West Coast to sustainably manage the environment for the social, cultural and economic wellbeing of present and future generations and 2016/2017 has seen the Council continue to progress actions to achieve this.

This past year has seen a much improved financial result with a \$688,000 surplus. In addition to this, Council has been able to make substantial repayments of short term bank borrowing made previously. This sets us up in a better financial position moving into the next year.

Council's business unit, Vector Control Services, has contributed significantly in achieving this strong financial position through undertaking an unprecedented number of aerial operations over the past year. Additional income has also come from the excellent performance of Council's investment in Pest Control Services Limited Partnership.

Work has continued in the regional growth programme following the development of the Tai Poutini Regional Growth Study. Two key initiatives which will impact the region for years to come include the review of economic development arrangements on the West Coast, as well as undertaking a cost benefit analysis of potential options for managing the hazards facing Franz Josef. Both of these projects are of considerable significance and I am excited to see how the other projects identified in the Tai Poutini West Coast Economic Development Action Plan will progress over the coming year.

Our contribution in the economic development space has continued to reap rewards for the region. Taking out the LGNZ EXCELLENCE Award for Best Practice Contribution to Local Economic Development with the Untamed Natural Wilderness branding, and the continued growth in tourism as a result of this work, illustrates how smart investment can have a significant long term reward.

Meanwhile, our staff are continuing to deliver Council's core functions across the region. In most areas, including consent processing, compliance monitoring, working with communities to protect against coastal erosion or flooding we have met our levels of service. I gratefully acknowledge the efforts and achievements of staff, as well as the governance provided by our Councillors who have continued to provide clear and consistent direction.



Andrew Robb
Chairman

Directory & Councillors

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Postal Address PO Box 66, Greymouth, 7805
Phone 03 768 0466
Fax 03 768 7133
Email info@wrc.govt.nz
Web www.wrc.govt.nz

The Council has seven Councillors, representing the following constituencies:

Buller Constituency

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

Grey Constituency

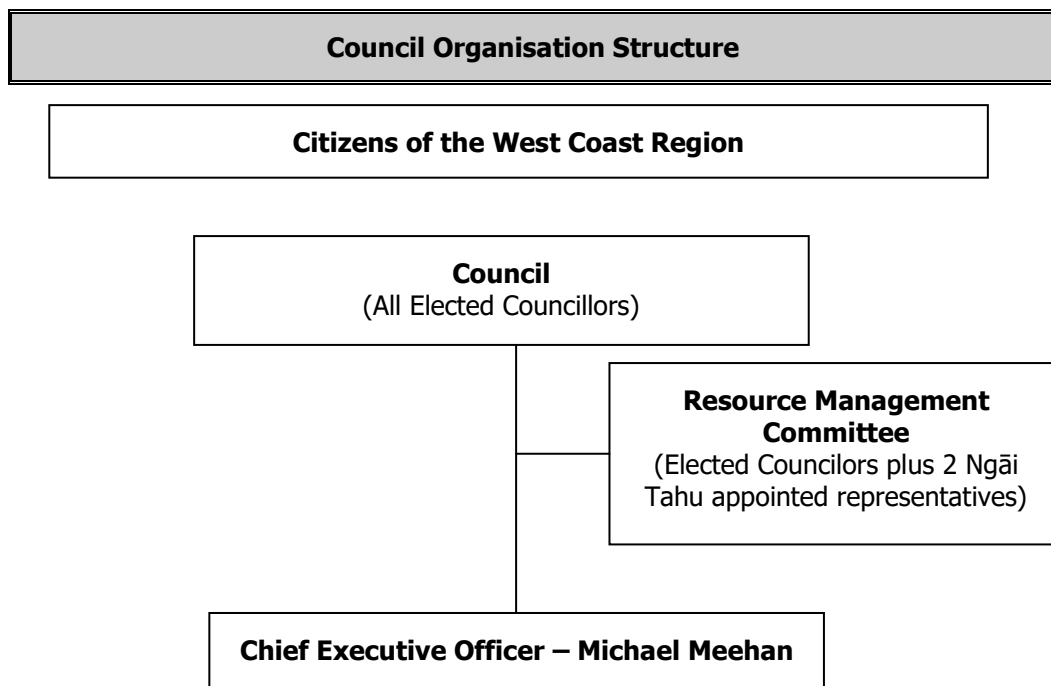
Peter Ewen - Councillor
Andrew Robb – Councillor, Council Chairman
Allan Birchfield - Councillor

Westland Constituency

Peter McDonnell – Councillor
Stuart Challenger - Councillor



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



| Division | Manager | Functions |
|-----------------------------|------------------|---|
| Chief Executive Officer | Michael Meehan | Civil Defence Emergency Management Regional Transport Planning |
| Consents & Compliance Group | Gerard McCormack | Resource Consent Processing Compliance Monitoring & Enforcement Environmental Incident Complaints Pollution Response |
| Planning & Science | Vacant | Regional Planning Science Hydrology |
| Operations | Randal Beal | VCS Business Unit Engineering Quarries Biosecurity |
| Corporate Services | Robert Mallinson | Corporate Support |
| IT | Les Gibbs | IT Support |
| Strategy & Communications | Nichola Costley | Strategy & Communications |
| Civil Defence | Vacant | Civil Defence & Emergency Management |
| Economic Development | Kevin Stratful | Regional Economic Development |

Community Outcomes

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

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

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

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

Measurement of Progress towards achievement of Community Outcomes

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

Council has not undertaken any such measurement during the year.

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

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

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

Statement of Compliance and Responsibility

Compliance

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

Responsibility

1. The Council and management of the West Coast Regional Council accept responsibility for the preparation of the annual financial statements and the judgements used in them.
2. The Council and management of the West Coast Regional Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.
3. In the opinion of the Council and management of the West Coast Regional Council, the annual financial statements for the year ended 30 June 2017 fairly reflects the financial position and operations of the West Coast Regional Council.



A. Robb
Chairperson



M. Meehan
Chief Executive

Dated: 10 October 2017

Independent Auditor's Report

To the readers of West Coast Regional Council's annual report for the year ended 30 June 2017

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 report on the information in the Regional Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

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

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

We completed our work on 10 October 2017. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 11 to 32 and pages 65 and 66:
 - present fairly, in all material respects:
 - the Regional Council's financial position as at 30 June 2017;
 - the results of its operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards Reduced Disclosure Regime; and
- the funding impact statement 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 service performance information on pages 33 to 48:

- presents fairly, in all material respects, the Regional Council's levels of service for each group of activities for the year ended 30 June 2017, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 50 to 57, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the Regional Council's Long-term plan; and
- the funding impact statement for each group of activities on pages 50 to 57, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the Regional Council's Long-term plan.

Report on the disclosure requirements

We report that the Regional Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 17 to 64, which represent a complete list of required disclosures and accurately reflects the information drawn from the Regional Council's audited information and, where applicable, the Regional Council's long-term plan and annual plan.

Basis for opinion on the audited information

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

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

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

Responsibilities of the Council for the audited information

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

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

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

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

Responsibilities of the auditor for the audited information

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

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

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

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

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

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Regional Council's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the service performance information, as a reasonable basis for assessing the levels of service achieved and reported by the Regional Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the Regional Council's ability to continue as a going concern. If

we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Regional Council to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

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

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 5, but does not include the audited information and the disclosure requirements. Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

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

Independence

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

Other than the audit and our report on the disclosure requirements, 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 2017

Reporting Entity

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

The financial statements of WCRC are for the year ended 30 June 2017. The financial statements were authorised for issue by Council on 10 October 2017.

Basis of preparation

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

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

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

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

These financial statements comply with the PBE standards.

These financial statements are presented in New Zealand dollars.

Investment in Associates and Council Controlled Organisations

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

Revenue

Revenue is measured at the fair value of consideration received.

Rates revenue

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

Other revenue

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

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

Borrowing costs

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

Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the commencement of the lease term, WCRC recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value

of the minimum lease payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether WCRC will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating leases

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

Trade and other receivables

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

Inventories

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

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

Derivative financial instruments and hedge accounting

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

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

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

Council has not designated any derivatives as hedging instruments.

The Council designates certain derivatives as either:

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

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

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

Other Financial assets

WCRC has two classifications for its financial assets:

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

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

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

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

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

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

(2) Loans and receivables

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

Impairment of financial assets

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

Property, plant and equipment

Property, plant and equipment consists of:

- *Operational assets* - These include land, buildings, plant and equipment, and motor vehicles.
- *Infrastructure assets* - Infrastructure assets are the river, drainage and coastal protection systems owned by WCRC. They include rock protection work and stopbanks.

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

Additions

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

Disposals

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

Subsequent costs

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

Depreciation

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

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

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

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

Revaluation

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

Operational land:

This is revalued on a cyclical 3-year basis at fair value as determined from the most recent market based rating valuations. Valuations are as at 1 September 2015 (Grey District area land), 1 September 2014 (Westland District area land), and 1 September 2016 (Buller District area land).

Infrastructural asset classes: River, Drainage and Coastal Protection Assets

At fair value determined on a replacement cost basis by a staff member and peer reviewed by an independent river control engineer. At balance date, WCRC assesses the carrying value of its infrastructural assets to ensure that they do not materially differ from the assets' fair values. The most recent valuation was prepared internally and reviewed by Mr Mark Gordon of AECOM. The valuation date was as at 31 December 2015.

Accounting for revaluations:

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

INTANGIBLE ASSETS

Software acquisition and development

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

Amortisation

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

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

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

Impairment of non-financial assets

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

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

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

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

Investment property

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

Employee benefits

Short-term benefits

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

Long-term benefits:

Long service leave

Entitlements that are payable beyond 12 months, such as long service leave have been calculated on an actuarial basis. The calculations are based on likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information;

Superannuation schemes

Defined contribution schemes

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

Provisions

WCRC recognises a provision for future expenditure of uncertain amounts or timing when there is a present obligation (either legal or constructive) as a result of a past event. It is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the

amount of the obligation. Provisions are not recognised for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

Borrowings

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

Equity

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

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

Restricted and Council created reserves

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

Goods and Services Tax (GST)

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

Budget figures

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

Cost allocation

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

Critical accounting estimates and assumptions

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

Statement of Comprehensive Revenue and Expense for Year ended 30 June 2017

| 2016 | | Notes | 2017 | 2017 |
|-------------------|---|--------------|-------------------|------------------|
| Actual | <u>Expenses</u> | | Actual | Budget |
| 419 022 | Governance | | 493,080 | 481,357 |
| 144 490 | Economic Development | | 498,992 | 300,000 |
| 3,067 502 | Resource Management | | 3,791,854 | 2,934,858 |
| 146 543 | Transport | | 167,525 | 167,777 |
| 562 027 | Hydrology & Flood-warning Services | | 643,807 | 603,072 |
| 291 322 | Emergency Management | | 481,173 | 322,116 |
| 1,796 513 | River, Drainage & Coastal Protection | | 1,909,197 | 1,545,383 |
| 725 741 | Regional Share of Vector Controls | | 0 | 0 |
| 2,546,578 | Vector Control services Business Unit | | 5,878,229 | 2,549,227 |
| 287,000 | Impairment Land Value | | -21,739 | 0 |
| 395 359 | Other | | 137,002 | 184,396 |
| <u>10,382,097</u> | | 3(a),4,5 | <u>13,979,120</u> | <u>9,088,186</u> |
| | <u>Revenue</u> | | | |
| 4,035,600 | Rates | | 3,665,720 | 3,791,950 |
| 221,100 | Subsidies & Grants | | 383,144 | 90,613 |
| 93,718 | Commercial Property rental | | 94,950 | 93,718 |
| 9,553 | Gains/-Losses disposal of assets | | -67,680 | 0 |
| 80,000 | Commercial Property Revaluation | | 60,000 | 34,659 |
| 420,963 | Investment Income | | 1,055,542 | 797,250 |
| <u>4,644,210</u> | User Fees & Charges | | <u>9,476,247</u> | <u>4,808,360</u> |
| 9,505,144 | | 1,2 | 14,667,923 | 9,616,550 |
| <u>-876,953</u> | Net Surplus / (Deficit) for year | | <u>688,803</u> | <u>528,364</u> |
| <u>3,714,933</u> | Revaluation Reserve Movement | | <u>0</u> | <u>0</u> |
| <u>2,837,980</u> | Total Comprehensive Revenue and Expense | | <u>688,803</u> | <u>528,364</u> |

(Refer Page 65 for explanation of major variances)

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

Statement of Changes in Equity for Year Ended 30 June 2017

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

| Actual 2016 | | Notes | Actual 2017 | Budget 2017 |
|------------------------|------------------------|--------------|------------------------|------------------------|
| 67,237,784 | Balance 1 July | | 70,075,764 | 69,975,833 |
| 2,837,980 | Comprehensive Income | | 688,803 | 528,364 |
| 70,075,764 | Balance 30 June | | 70,764,567 | 70,504,197 |

Statement of Financial Position as at 30 June 2017

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

| Actual 2016 | | Notes | Actual 2017 | Budget 2017 |
|--------------------------|---|--------------|--------------------------|--------------------------|
| | ASSETS | | | |
| | Current Assets | | | |
| -247,617 | Cash & Cash equivalents | 6 | 66,936 | 85,693 |
| 1,870,762 | Receivables | 7 | 1,006,291 | 1,600,000 |
| 729,660 | Inventories | 8 | 552,850 | 700,000 |
| 66,004 | Loan Advances | 9 | 62,925 | 69,578 |
| 1,873,384 | Other Financial Assets | 9 | 2,092,942 | 1,500,000 |
| <u>4,292,193</u> | Total Current Assets | | <u>3,781,944</u> | <u>3,955,271</u> |
| | Non-Current Assets | | | |
| 62,169,591 | Property, Plant & Equipment | 10 | 62,226,069 | 61,237,433 |
| 212,451 | Intangible Assets | 11 | 179,098 | 212,450 |
| 1,420,000 | Investment Property | 12 | 1,480,000 | 1,408,473 |
| 511,640 | Loan Advances | 9 | 410,912 | 454,358 |
| 825,482 | Investment in Associate | 19 | 1,005,969 | 820,000 |
| 215,059 | Investment in Council Controlled Company | 20 | 212,305 | 215,000 |
| 10,023,374 | Other Financial Assets | 9 | 9,776,074 | 10,375,963 |
| <u>75,377,597</u> | Total Non-Current Assets | | <u>75,290,427</u> | <u>74,723,677</u> |
| <u>79,669,790</u> | Total Assets | | <u>79,072,371</u> | <u>78,678,948</u> |
| | LIABILITIES | | | |
| | Current Liabilities | | | |
| 10,397 | Borrowings | 17 | 387,819 | 13,666 |
| 1,798,325 | Payables | 15 | 1,959,163 | 2,000,000 |
| 449,991 | Employee Benefit Liabilities | 16 | 456,357 | 300,000 |
| 0 | Derivative Financial Liabilities | 18 | 0 | 0 |
| <u>2,258,713</u> | | | <u>2,803,339</u> | <u>2,313,666</u> |
| | Non-Current Liabilities | | | |
| 11,419 | Employee Benefit Liabilities | 16 | 10,108 | 0 |
| 7,052,363 | Borrowings | 17 | 5,291,745 | 5,791,085 |
| 201,531 | Derivative Financial Liabilities | 18 | 132,612 | 0 |
| 70,000 | Future Quarry Restoration | 26 | 70,000 | 70,000 |
| <u>7,335,313</u> | | | <u>5,504,465</u> | <u>5,861,085</u> |
| <u>9,594,026</u> | Total Liabilities | | <u>8,307,804</u> | <u>8,174,751</u> |
| | EQUITY | | | |
| 19,186,709 | Ratepayers Equity | 21(a) | 19,260,118 | 20,524,675 |
| 1,816,030 | Rating Districts | 21(b) | 2,423,280 | 2,125,963 |
| 38,339,289 | Revaluation Reserve | 21(c) | 38,339,289 | 37,385,333 |
| -252,818 | Quarry Account | 21(e) | 0 | -284,680 |
| 10,010,000 | Investment Growth Reserve | 21(d) | 9,721,000 | 9,752,906 |
| 976,554 | Catastrophe Fund | 21(i) | 1,020,880 | 1,000,000 |
| <u>70,075,764</u> | Total Equity | | <u>70,764,567</u> | <u>70,504,197</u> |
| <u>79,669,790</u> | Total Liabilities and Equity | | <u>79,072,371</u> | <u>78,678,948</u> |

Statement of Cash Flows for the Year Ended 30 June 2017

| 2016 Actual | Notes | 2017 Actual | 2017 Budget |
|-------------------|---|-------------------|------------------|
| | Cashflow from Operating Activities | | |
| | Cash was provided from: | | |
| 4,038,487 | Rates | 3,710,957 | 3,731,950 |
| 4,172,147 | Other Income | 10,332,408 | 4,958,973 |
| 93,718 | Other Investment Income | 100,702 | 0 |
| <u>8,304,352</u> | | <u>14,144,067</u> | <u>8,690,923</u> |
| | Cash was Disbursed to: | | |
| 9,001,539 | Payments to Suppliers & Employees | 13,164,986 | 8,430,120 |
| 333,239 | Interest Paid | 313,093 | 294,793 |
| 84,086 | Net GST Movement | -117,250 | 0 |
| <u>9,418,864</u> | | <u>13,360,829</u> | <u>8,724,913</u> |
| <u>-1,114,512</u> | Net Cash Flow from Operations | <u>783,238</u> | <u>-33,990</u> |
| | Cashflow from Investing Activities | | |
| | Cash was provided from: | | |
| 853,586 | Redemption of Investments | 1,173,659 | 890,968 |
| 35,549 | Sale of Fixed Assets | 195,804 | 18,697 |
| <u>889,135</u> | | <u>1,369,463</u> | <u>909,655</u> |
| | Cash was Disbursed to: | | |
| 381,258 | Purchase of Fixed assets | 454,952 | 331,800 |
| 0 | Investment Property | 0 | 0 |
| 98,000 | Investment in Associates | 0 | 0 |
| 0 | Investments Purchased | 0 | 175,963 |
| <u>479,258</u> | | <u>454,952</u> | <u>507,763</u> |
| <u>409,877</u> | Net Cash Flow from Investing | <u>914,511</u> | <u>401,902</u> |
| | Cashflow from Financing Activities | | |
| | Cash was provided from: | | |
| 850,000 | Loan Raised | 0 | 0 |
| 0 | Loans repaid by Borrowers | 0 | 0 |
| <u>850,000</u> | | <u>0</u> | <u>0</u> |
| | Cash was Disbursed To: | | |
| 0 | Loans Advanced | 0 | 0 |
| 448,366 | Loan Principal Repaid | 1,383,196 | 332,219 |
| <u>448,366</u> | | <u>1,383,196</u> | <u>332,219</u> |
| <u>401,634</u> | Net Cash Flow from Financing | <u>-1,383,196</u> | <u>-332,219</u> |
| -303,001 | Total Increase in Cash Held | | |
| 55,384 | Opening Balance of Cash Resources | 314,553 | 35,693 |
| <u>-247,617</u> | Closing Balance of Cash Resources | <u>-247,617</u> | <u>50,000</u> |
| | | <u>66,936</u> | <u>85,693</u> |

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

Notes to the Financial Statements

| | Actual 2016 | Rates Revenue | Actual 2017 |
|--------------|--------------------|--|--------------------|
| 1 | | | |
| | 2,152,452 | General Rates | 2,263,594 |
| | 57,841 | Penalties | 49,353 |
| | | Targeted Rates attributable to activities: | |
| | 1,095,188 | River, Drainage & Coastal Erosion | 1,087,356 |
| | 397,080 | TB Pest Management | 0 |
| | 106,388 | Warm West Coast | 0 |
| | 226,651 | Regional Emergency Management | 265,417 |
| | 4,035,600 | Total Rates Revenue | 3,665,720 |
| | 0 | Rates Remissions | 0 |
| | 4,035,600 | Rates Revenue net of remissions | 3,665,720 |
| 2 | | | |
| | | Revenue | |
| | | Other Revenue | |
| | | Investment Income: | |
| | 179,746 | Realised Gains/-Losses (Price) | 174,947 |
| | -38,381 | Unrealised Gains/-Losses(Price) | 273,815 |
| | 33,028 | Share of Associates' accounting earnings | 306,604 |
| | 164,735 | Interest | 219,734 |
| | 81,835 | Dividends | 80,442 |
| | 420,963 | Total Investment Income | 1,055,542 |
| | 93,718 | Commercial Property Rental | 94,950 |
| | 9,553 | Gains / -Losses on disposal Property, Plant, Equipment | -67,680 |
| | 80,000 | Revaluation of Investment Property | 60,000 |
| | 604,234 | | 1,142,812 |
| | | Fees and Charges | |
| | 950,712 | Resource Consents & Compliance Monitoring | 1,235,570 |
| | 2,986,842 | Rendering of Services (Business Unit Income) | 6,785,501 |
| | 464,130 | Sale of Goods (Quarry Rock) | 287,182 |
| | 29,032 | Infringements & Fines | 29,678 |
| | 213,494 | Other Fees & Charges | 1,138,316 |
| | 4,644,210 | | 9,476,247 |
| | | Subsidies & Grants | |
| | 74,105 | NZ Transport Agency | 88,926 |
| | 136,995 | Ministry for the Environment | 53,000 |
| | 0 | MBIE | 191,848 |
| | 10,000 | Ministry Civil Defence Emergency Mgmt | 50,000 |
| | 221,100 | Total | 383,144 |
| 3 (a) | | | |
| | | Employee Benefit Expenses | |
| | 3,885,091 | Salaries and wages | 4,312,345 |
| | 0 | Other | 3,160 |
| | 14,622 | Increase in Annual Leave liability | -\$6,738 |
| | -1,700 | Increase in Long Service Leave provision | 5,996 |
| | 1,298 | Increase in Alternative Holidays Provision | -561 |
| | 1,530 | Increase in Time in Lieu Liability | -1,469 |
| | 29,241 | Increase in accrued payroll | -12,252 |
| | 3,930,082 | | 4,300,481 |

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

| 30/6/16 | | Salaries | Superannuation | Vehicle | 30/6/17 |
|------------------|------------------------------------|------------------|----------------|---------------|------------------|
| | Councillors | | | | |
| 33,900 | N Clementson | 38,831 | | | 38,831 |
| 33,900 | P McDonnell | 34,917 | | | 34,917 |
| 39,295 | P Ewen | 36,486 | | | 36,486 |
| 33,900 | S Challenger | 34,917 | | | 34,917 |
| 74,200 | A Robb | 75,868 | | | 75,868 |
| 33,900 | T Archer | 34,917 | | | 34,917 |
| 33,900 | A Birchfield | 34,917 | | | 34,917 |
| <u>282,995</u> | | <u>290,853</u> | <u>0</u> | | <u>290,853</u> |
| 233,067 | Chief Executive (to 24/5/16) | 0 | 0 | 0 | 0 |
| 6,058 | Chief Executive (20/6 to 30/6/16) | 0 | 0 | 0 | 0 |
| 0 | Chief Executive (1/7/16 – 30/6/17) | 163,942 | 8,197 | 16,940 | 189,079 |
| 558,447 | 4 Second Tier Group Managers | 589,202 | 23,831 | 20,298 | 633,331 |
| <u>1,080,567</u> | | <u>1,043,997</u> | <u>32,028</u> | <u>37,238</u> | <u>1,113,263</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

| | | |
|----------------------------------|-------------|----------------|
| | | @ |
| | | 30/6/17 |
| < \$60,000 | | 25 |
| > \$60,000 | < \$80,001 | 11 |
| > \$80,000 | < \$100,001 | 7 |
| > \$100,000 | < \$140,001 | 4 |
| > \$140,000 | < \$200,001 | 5 |
| | | 52 |
| Full time | | 43 |
| Part time (full time equivalent) | | 5.20 |
| | | @ |
| | | 30/6/16 |
| < \$60,000 | | 25 |
| > \$60,000 | < \$80,001 | 11 |
| > \$80,000 | < \$100,001 | 8 |
| > \$100,000 | < \$140,001 | 5 |
| > \$140,000 | < \$200,001 | 3 |
| | | 52 |
| Full time | | 44.00 |
| Part time (full time equivalent) | | 4.33 |

| | | | |
|----------|--------------------|---|--------------------|
| 4 | Actual 2016 | Other Expenses | Actual 2017 |
| | 0 | Impairment of receivables | 0 |
| | 10,500 | Minimum Lease payments Operating Leases | 10,500 |
| | 287,000 | Impairment PPE | -21,739 |
| | 5,800,180 | Other Operating expenses | 9,445,705 |
| | 0 | Investment property revaln loss | 0 |
| | 0 | Inventory write off | 0 |
| | <u>6,097,680</u> | | <u>9,434,466</u> |

| | | | |
|----------|--------------------|---------------------------|--------------------|
| 5 | Actual 2016 | Finance Costs | Actual 2017 |
| | 333,239 | Interest on borrowings | 313,093 |
| | 21,096 | Interest rate swap losses | -68,920 |
| | <u>354,335</u> | | <u>244,173</u> |

| | | | |
|----------|--------------------|--|--------------------|
| 6 | Actual 2016 | Cash & Cash Equivalentents | Actual 2017 |
| | -247,617 | Cash at bank and in hand | 66,936 |
| | 0 | Short term deposits maturing 3 months or less from date of acquisition | 0 |
| | <u>-247,617</u> | | <u>66,936</u> |

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

| | | | |
|----------|--------------------|--|--------------------|
| 7 | Actual 2016 | Trade and Other Receivables | Actual 2017 |
| | 234,242 | Rates Receivables | 182,220 |
| | 282,575 | Other Receivables | 479,252 |
| | 1,136,626 | Other Receivables accrued | 161,724 |
| | 84,719 | Prepayments | 68,756 |
| | 181,327 | Unbilled revenue | 160,465 |
| | <u>1,919,489</u> | | <u>1,052,417</u> |
| | -48,727 | Less provision for impairment of receivables | -46,126 |
| | <u>1,870,762</u> | | <u>1,006,291</u> |
| | 0 | Non-current | 0 |
| | <u>1,870,762</u> | Current | <u>1,006,291</u> |
| | <u>1,870,762</u> | | <u>1,006,291</u> |

Movements in the provision for impairment of receivables are as follows

| | | |
|--------------------|--|--------------------|
| Actual 2016 | | Actual 2017 |
| 81,216 | @ 1 July | 48,727 |
| -32,489 | Additional provision made during year. | -2,601 |
| 0 | Receivables written off during period. | 0 |
| <u>48,727</u> | @ 30 June | <u>46,126</u> |

| | | | |
|----------|--------------------|--------------------------------|--------------------|
| 8 | Actual 2016 | Inventories | Actual 2017 |
| | 211,836 | Poison and pest supplies | 28,440 |
| | 494,184 | Rock in Quarries | 507,954 |
| | 23,640 | Stationery and Office supplies | 16,456 |
| | <u>729,660</u> | | <u>552,850</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.

| | | | |
|----------|--------------------|---|--------------------|
| 9 | Actual 2016 | Other Financial Assets | Actual 2017 |
| | | Current | |
| | 1,873,384 | Financial Assets at fair value through profit or loss | 2,092,942 |
| | | Financial Assets at fair value through equity | |
| | | Held to maturity investments | |
| | <u>66,004</u> | Loans and receivables | <u>62,295</u> |
| | <u>1,939,388</u> | | <u>2,155,867</u> |
| | | Non-Current | |
| | 10,023,374 | Financial Assets at fair value through profit or loss | 9,776,074 |
| | | Financial Assets at fair value through equity | |
| | | Held to maturity investments | |
| | <u>511,640</u> | Loans and receivables | <u>410,912</u> |
| | <u>10,535,014</u> | | <u>10,186,986</u> |
| | 12,474,402 | Total Current and Non-Current | |
| | | | |
| | Actual 2016 | By Asset Class | Actual 2017 |
| | 7,421,034 | Fixed Interest | 7,336,622 |
| | 1,499,135 | Australasian Equities | 1,487,566 |
| | 1,870,839 | International Equities | 1,928,040 |
| | 577,644 | Loans | 473,837 |
| | 518,600 | Property Equities | 530,178 |
| | <u>587,150</u> | Alternative Asset Classes | <u>586,610</u> |
| | <u>12,474,402</u> | Total | <u>12,342,853</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.

10 Property, Plant and equipment – Council Operational Assets

| 2017 | Cost/Revaluation 1 July 16 | Accumulated depreciation/impairment 1 July 16 | Carrying amount 1 July 16 | Current year additions | Current year disposals | Current year impairment | Transfer depreciation on disposal | Current year depreciation | Revaluation surplus | Cost/revaluation 30 June 17 | Accumulated depreciation/Impairment 30 June 17 | Carrying amount 30 June 17 |
|--|----------------------------|---|---------------------------|------------------------|---|-------------------------|-----------------------------------|---------------------------|---------------------|-----------------------------|--|----------------------------|
| Land | 1624261 | 0 | 1624261 | | -235000 | | | | 21739 | 1,411,000 | 0 | 1,411,000 |
| Quarry Development | 522957 | 0 | 522957 | | | | | | | 522,957 | 0 | 522,957 |
| Buildings | 1538773 | -437031 | 1101742 | | | | | -32,538 | | 1538773 | -469569 | 1069204 |
| Plant & equipment | 2264082 | -1753796 | 510286 | 244079 | | | | -152644 | | 2508161 | -1906440 | 601721 |
| Vehicles | 938405 | -384948 | 553457 | 97210 | -81330 | | 52846 | -135070 | | 954285 | -467172 | 487113 |
| | 6888478 | -2575775 | 4312702 | 341289 | -316330 | | 52846 | -320252 | 21739 | 6935176 | -2843181 | 4091995 |
| Council Infrastructure Assets - River, Drainage & Coastal Protection Assets | | | | | | | | | | | | |
| Canavans Knob | 349549 | 0 | 349549 | 0 | 0 | 0 | 0 | 0 | 0 | 349549 | 0 | 349549 |
| Coal Creek | 2289269 | 0 | 2289269 | 0 | 0 | 0 | 0 | 0 | 0 | 2289269 | 0 | 2289269 |
| Franz Josef | 3397364 | 0 | 3397364 | 114156 | 0 | 0 | 0 | 0 | 0 | 3511250 | 0 | 3511250 |
| Inchbonnie | 2869200 | 0 | 2869200 | 0 | 0 | 0 | 0 | 0 | 0 | 2869200 | 0 | 2869200 |
| Kaniere | 402056 | 0 | 402056 | 0 | 0 | 0 | 0 | 0 | 0 | 402056 | 0 | 402056 |
| Karamea | 3696647 | 0 | 3696647 | 0 | 0 | 0 | 0 | 0 | 0 | 3696647 | 0 | 3696647 |
| Kongahu Swamp | 614317 | 0 | 614317 | 0 | 0 | 0 | 0 | 0 | 0 | 614317 | 0 | 614317 |
| Kowhitirangi | 4196397 | 0 | 4196397 | 0 | 0 | 0 | 0 | 0 | 0 | 4196397 | 0 | 4196397 |
| Lower Waiho | 2982847 | 0 | 2982847 | 0 | 0 | 0 | 0 | 0 | 0 | 2982847 | 0 | 2982847 |
| Matainui Creek | 52654 | 0 | 52654 | 0 | 0 | 0 | 0 | 0 | 0 | 52654 | 0 | 52654 |
| Nelson Creek | 2373791 | 0 | 2373791 | 0 | 0 | 0 | 0 | 0 | 0 | 2373791 | 0 | 2373791 |
| Raft Creek | 295593 | 0 | 295593 | 0 | 0 | 0 | 0 | 0 | 0 | 295593 | 0 | 295593 |
| Red Jacks | 553739 | 0 | 553739 | 0 | 0 | 0 | 0 | 0 | 0 | 553739 | 0 | 553739 |
| Taramakau Settlement | 8672995 | 0 | 8672995 | 0 | 0 | 0 | 0 | 0 | 0 | 8672995 | 0 | 8672995 |
| Vine Creek | 1907347 | 0 | 1907347 | 0 | 0 | 0 | 0 | 0 | 0 | 1907347 | 0 | 1907347 |
| Waitangitaona | 2327591 | 0 | 2327591 | 0 | 0 | 0 | 0 | 0 | 0 | 2327591 | 0 | 2327591 |
| Wanganui | 15605408 | 0 | 15605408 | 115038 | (this asset was transferred to Council during the year) | | | | 0 | 15720446 | 0 | 15720446 |
| Okuru | 814790 | 0 | 814790 | 0 | 0 | 0 | 0 | 0 | 0 | 814790 | 0 | 814790 |
| Hokitika South Bank | 967664 | 0 | 967664 | 0 | 0 | 0 | 0 | 0 | 0 | 967664 | 0 | 967664 |
| Punakaiki | 1583887 | 0 | 1583887 | 47990 | 0 | 0 | 0 | 0 | 0 | 1631877 | 0 | 1631887 |
| Hokitika Seawall | 1903784 | 0 | 1903784 | 0 | 0 | 0 | 0 | 0 | 0 | 1903784 | 0 | 1903784 |
| | 57856889 | 0 | 57856889 | 277184 | 0 | 0 | 0 | 0 | 0 | 58134073 | 0 | 58134073 |
| TOTAL | 64745365 | -2575774 | 62169591 | 618473 | -316330 | 0 | 52846 | -320252 | 21739 | 65069249 | -2843181 | 62226069 |

| 2016 | Cost/revaluation 1 July 15 | Accumulated Depreciation/ Impairment 1 July 15 | Carrying amount 1 July 15 | Current year additions | Current yr disposals | Current yr impairment | Transfer Depreciation on disposal | Current year depreciation | Revaluation surplus | Cost/ Revaluation 30 June 16 | depreciation/ impairment 30 June 16 | Carrying amount 30 June 16 |
|--------------------|----------------------------|--|---------------------------|------------------------|----------------------|-----------------------|-----------------------------------|---------------------------|---------------------|------------------------------|-------------------------------------|----------------------------|
| Land | 1913000 | 0 | 1913000 | 78261 | | | | | -367000 | 1624261 | 0 | 1624261 |
| Quarry Development | 522957 | 0 | 522957 | 0 | | | | 0 | 0 | 522957 | 0 | 522957 |
| Buildings | 1538774 | -402826 | 1135948 | 0 | | | | -34204 | 0 | 1538773 | -437031 | 1101742 |
| Plant & equipment | 2115640 | -1603206 | 512434 | 148440 | | | | -150590 | 0 | 2264082 | -1753796 | 510286 |
| Vehicles | 861816 | -293180 | 568636 | 147942 | -71353 | | 45358 | -137126 | 0 | 938405 | -384948 | 553457 |
| | 6952187 | -2299212 | 4652975 | 374643 | -71353 | | 45358 | -321920 | -367000 | 6888476 | -2575774 | 4312702 |

Council Infrastructure Assets – River, Drainage & Coastal Protection Assets

| | | | | | | | | | | | | |
|----------------------|-----------------|-----------------|-----------------|---------------|---------------|----------|--------------|----------------|----------------|-----------------|-----------------|-----------------|
| Canavans Knob | 340471 | 0 | 340471 | 0 | 0 | 0 | 0 | 0 | 9078 | 340471 | 0 | 349549 |
| Coal Creek | 2208011 | 0 | 2208011 | 0 | 0 | 0 | 0 | 0 | 81258 | 2208011 | 0 | 2289269 |
| Franz Josef | 3167209 | 0 | 3167209 | 0 | 0 | 0 | 0 | 0 | 230155 | 3167209 | 0 | 3397364 |
| Inchbonnie | 2795023 | 0 | 2795023 | 0 | 0 | 0 | 0 | 0 | 74177 | 2795023 | 0 | 2869200 |
| Kaniere | 391690 | 0 | 391690 | 0 | 0 | 0 | 0 | 0 | 10366 | 391690 | 0 | 391690 |
| Karamea | 3556633 | 0 | 3556633 | 0 | 0 | 0 | 0 | 0 | 140014 | 3556633 | 0 | 3556633 |
| Kongahu Swamp | 600531 | 0 | 600531 | 0 | 0 | 0 | 0 | 0 | 13786 | 600531 | 0 | 614317 |
| Kowhitirangi | 4070895 | 0 | 4070895 | 0 | 0 | 0 | 0 | 0 | 125502 | 4070895 | 0 | 4196397 |
| Lower Waiho | 1974789 | 0 | 1974789 | 0 | 0 | 0 | 0 | 0 | 1008058 | 1974789 | 0 | 2982847 |
| Matainui Creek | 51275 | 0 | 51275 | 0 | 0 | 0 | 0 | 0 | 1379 | 51275 | 0 | 52654 |
| Nelson Creek | 2282268 | 0 | 2282268 | 0 | 0 | 0 | 0 | 0 | 91523 | 2282268 | 0 | 2373791 |
| Raft Creek | 280674 | 0 | 280674 | 0 | 0 | 0 | 0 | 0 | 14919 | 280674 | 0 | 295593 |
| Red Jacks | 536005 | 0 | 536005 | 0 | 0 | 0 | 0 | 0 | 17734 | 536005 | 0 | 536005 |
| Taramakau Settlement | 8294321 | 0 | 8294321 | 0 | 0 | 0 | 0 | 0 | 378674 | 8294321 | 0 | 8672995 |
| Vine Creek | 1712287 | 0 | 1712287 | 0 | 0 | 0 | 0 | 0 | 195060 | 1712287 | 0 | 1907347 |
| Waitangitaona | 2163321 | 0 | 2163321 | 0 | 0 | 0 | 0 | 0 | 164270 | 2163321 | 0 | 2327591 |
| Wanganui | 14686983 | 0 | 14686983 | 0 | 0 | 0 | 0 | 0 | 918425 | 14686983 | 0 | 14686983 |
| Okuru | 779925 | 0 | 779925 | 0 | 0 | 0 | 0 | 0 | 34865 | 779925 | 0 | 779295 |
| Hokitika South Bank | 905359 | 0 | 905359 | 0 | 0 | 0 | 0 | 0 | 623305 | 905359 | 0 | 967664 |
| Punakaiki | 1445405 | 0 | 1445405 | 0 | 0 | 0 | 0 | 0 | 138482 | 1445405 | 0 | 1445405 |
| Hokitika wall | 1818882 | 0 | 1818882 | 0 | 0 | 0 | 0 | 0 | 84902 | 1818882 | 0 | 1818882 |
| | 54061957 | 0 | 54061957 | 0 | 0 | 0 | 0 | 0 | 3794932 | 57856889 | 0 | 57856889 |
| Total | 61014144 | -2299212 | 58714932 | 374643 | -71353 | 0 | 45358 | -321920 | 3427932 | 64745365 | -2575774 | 62169591 |

| 11 Intangible Assets 2017 | Cost 1 July 2016 | Accumulated Amortisation/ Impairment 1 July 2016 | Carrying Amount 1 July 2016 | Current year additions | Current year disposals | Current year impairment | Transfer Amortisation on disposal | Current year amortisation | Revaluation Surplus | Cost/ Revaluation 30 June 2017 | Accumulated Amortisation/ Impairment 30 June 2017 | Carrying Amount 30 June 2017 |
|----------------------------------|---------------------|---|-----------------------------------|------------------------------|------------------------------|-------------------------------|---|---------------------------------|------------------------|--------------------------------------|--|------------------------------------|
| Computer Software | 369742 | -157291 | 212451 | 0 | 0 | 0 | 0 | -33353 | 0 | 369742 | -190644 | 179098 |

| Intangible Assets 2016 | Cost 1 July 2015 | Accumulated Amortisation/ Impairment 1 July 2015 | Carrying Amount 1 July 2015 | Current Year additions | Current Year disposals | Current Year impairment | Transfer Amortisation on disposal | Current year amortisation | Revaluation Surplus | Cost/ Revaln 30 June 2016 | Accumulated Amortisation/ Impairment 30 June 2016 | Carrying Amount 30 June 2016 |
|-------------------------------|------------------|---|-----------------------------------|---------------------------|---------------------------|-------------------------------|---|---------------------------------|------------------------|---------------------------------|--|------------------------------------|
| Computer Software | 369742 | -123939 | 245803 | 0 | 0 | 0 | 0 | -33352 | 0 | 369742 | -157291 | 212451 |

| | | |
|-----------|--|--------------------|
| 12 | Investment Property | Actual 2017 |
| | 1 July | 1,420,000 |
| | Additions from acquisitions | 0 |
| | Additions from subsequent expenditure | 0 |
| | Disposals | 0 |
| | Transfer to inventory | 0 |
| | Fair value gains / (losses) on valuation | 60,000 |
| | 30 June | <u>1,480,000</u> |

A market valuation was prepared as at 30 June 2017 by Gary Sellars, Registered Valuer, FNZIV, FPINZ; of Colliers International Valuation, based on the latest available data drawn from the marketplace.

| | | | |
|-----------|--------------------|--|--------------------|
| 13 | Actual 2016 | Depreciation and Amortisation Expense by Groups of Activities | Actual 2017 |
| | | (Required by Local Government (Financial Reporting) Regulation 2011) | |
| | 7,960 | Resource Management | 6,696 |
| | 45,345 | Hydrology & Floodwarning Services | 50,612 |
| | 11,562 | Emergency Management | 7,368 |
| | 11,710 | River, Drainage & Coastal Protection | 11,756 |
| | 3,088 | Economic Development | 8,849 |
| | <u>86,784</u> | Vector Control Services Business Unit | <u>76,376</u> |
| | 166,449 | | 161,657 |
| | <u>188,823</u> | Corporate not directly related to Groups of Activities | <u>191,948</u> |
| | <u>355,272</u> | | <u>353,605</u> |

Statement of Significant Capital Acquisitions

| 14 | Actual 2016 | Group of Activities | Classification | Description | Actual 2017 | Budget 2017 | |
|-----------|--------------------|---|---------------------------|--------------------|--------------------|--------------------|--|
| | 6,825 | Res Mgmt | Replace existing assets | Plant | 77,608 | 0 | |
| | 61,283 | Hydrology | Replace existing assets | Plant | 43,815 | 61,500 | |
| | 0 | Hydrology | Improve levels of service | Plant | 0 | 57,800 | |
| | 78,261 | River protection | Improve levels of service | Land | | | |
| | 1,184 | VCS Business Unit | Replace existing assets | Plant | 1,427 | 65,000 | |
| | 110,116 | VCS Business Unit | Replace existing assets | Vehicles | 0 | 0 | |
| | 7,551 | VCS Business Unit | Improve levels of service | Plant development | 0 | 0 | |
| | 0 | River protection | Improve levels of service | Plant | 0 | 0 | |
| | 45,708 | Economic Development Unit | Improve levels of service | Plant | 965 | 0 | |
| | 12,950 | | | Furn. & Fttgs | | | |
| | | River protection | Improve levels of service | Infrastructure | 277,184 | 0 | |
| | 2,667 | River protection | Improve levels of service | Plant | 678 | 0 | |
| | <u>326,545</u> | | | | <u>401,677</u> | <u>184,300</u> | |
| | | Not directly related to Groups of Activities | | | | | |
| | 41,860 | Corporate | Replace existing assets | IT | 60,641 | 20,000 | |
| | | Corporate | Replace existing | Copiers | 0 | 45,000 | |
| | | Corporate | Improve levels of service | Software | 0 | 0 | |
| | 3,760 | Corporate | Replace existing assets | Furn. & Fttgs | 8,720 | 0 | |
| | | Corporate | Improve levels of service | Plant | 9,161 | 0 | |
| | | Corporate | Replace existing assets | Plant | 33,581 | 0 | |
| | 2,478 | Corporate | Replace existing assets | Plant | 7,483 | 0 | |

| | | | | | |
|----------------|--------------|-------------------------|---------|----------------|----------------|
| 48,098 | Corporate | Replace existing assets | Vehicle | 97,210 | 127,500 |
| | | | | 216,796 | 192,500 |
| 374,643 | TOTAL | | | 618,473 | 376,800 |

| | | | |
|-----------|------------------------|---------------------------------|--------------------|
| 15 | Actual 2016 | Trade and Other Payables | Actual 2017 |
| | 683,209 | Trade Payables | 781,377 |
| | 894,903 | Deposits and bonds | 845,669 |
| | 50,632 | Accrued Expenses | 160,248 |
| | 60,574 | Other Revenue in Advance | 58,152 |
| | 109,007 | Rates in advance | 113,717 |
| | 0 | Due to related parties | 0 |
| | 1,798,325 | | 1,959,163 |

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

| | | | |
|-----------|------------------------|-------------------------------------|--------------------|
| 16 | Actual 2016 | Employee Benefit Liabilities | Actual 2017 |
| | 116,286 | Accrued payroll | 104,034 |
| | 204,401 | Annual Leave | 197,663 |
| | 16,697 | Long Service Leave | 22,692 |
| | 15,336 | Time in Lieu | 13,867 |
| | 6,770 | Alternative Holidays | 6,209 |
| | 1,920 | Other | 0 |
| | 0 | Sick Leave | 0 |
| | 100,000 | Accrued Bonuses | 122,000 |
| | 461,410 | | 466,465 |
| | 449,991 | Current | 456,357 |
| | 11,419 | Non-Current | 10,108 |
| | 461,410 | | 466,465 |

| | | | |
|-----------|------------------------|------------------|--------------------|
| 17 | Actual 2016 | Borrowing | Actual 2017 |
| | 10,397 | Current | 387,819 |
| | 10,397 | | 387,819 |
| | 7,052,363 | Non-Current | 5,291,745 |
| | 7,052,363 | | 5,291,745 |
| | 7,062,760 | Total Borrowings | 5,679,564 |

Security

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

Facility

The Multi option credit line is for a total of \$8,500,000 and expires on 1 July 2018.

| | | | |
|-----------|--------------------|--|--------------------|
| 18 | Actual 2016 | Derivative Financial Instruments | Actual 2017 |
| | 0 | Current Assets | 0 |
| | 0 | Foreign Exchange Hedges | 0 |
| | 0 | Non-Current assets | 0 |
| | 0 | Total Derivative Financial Instrument Assets | 0 |
| | 0 | Current Liabilities | 0 |

| | | |
|---------|---|---------|
| 0 | Foreign Exchange Hedges | 0 |
| | Non-Current Liabilities | |
| 201,531 | Interest Rate Swaps – Cash Flow Hedges | 132,611 |
| 201,531 | Total Derivative Financial Instrument Liabilities | 132,611 |

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

| | | | |
|-----------|-------------|--|-------------|
| 19 | 2016 | Investment in Associate @ 30 June (49%) | 2017 |
| | 825,482 | Investment in Pest Control Research LP | 1,005,969 |

| | | | |
|-----------|-------------|---|-------------|
| 20 | 2016 | Investment in Council Controlled Organisation @ 30 June (4%) | 2017 |
| | 215,059 | Investment in Regional Software Holdings Ltd | 212,305 |

| | | | |
|------------|--------------------|---|--------------------|
| 21 | Actual 2016 | Equity | Actual 2017 |
| (a) | | Ratepayers Equity | |
| | 19,569,640 | Balance 1 July | 19,186,709 |
| | -876,953 | Surplus transferred | 688,803 |
| | -95,782 | Net Transfers (to) / from Rating District Equity | -607,250 |
| | 317,206 | Transfers (to) / from TB Targeted Rate Balance | 0 |
| | 69,250 | Transfer (to) / from Lake Brunner Project Funding | 0 |
| | -14,258 | Transfers (to) / from Quarry Account | -252,818 |
| | 297,000 | Transfers (to) / from Investment Growth Reserve | 289,000 |
| | -79,394 | Transfers (to) / from Catastrophe Fund | -44,326 |
| | 19,186,709 | Balance 30 June | 19,260,118 |

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

| | | |
|-----------|-------------------------|------------|
| 1,720,248 | Balance 1 July | 1,816,030 |
| 1,202,289 | Revenue | 1,897,748 |
| -948,463 | Expenditure | -1,117,034 |
| 47,086 | Prior period adjustment | 8,120 |
| 0 | Loan raised | 0 |
| -205,130 | Loan Principal repaid | -181,584 |
| 1,816,030 | Balance 30 June | 2,423,280 |

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

| | | | |
|------------|--------------------|-----------------------------------|--------------------|
| (c) | Actual 2016 | Asset Revaluation Reserves | Actual 2017 |
| | | Infrastructural Assets | |
| | 34,544,357 | Opening Balance | 38,339,289 |
| | 3,794,932 | Revaluation gains / (losses) | 0 |
| | 38,339,289 | | 38,339,289 |
| | | Land | |
| | 80,000 | Opening Balance | 0 |
| | -80,000 | Revaluation gains / (losses) | 0 |
| | 0 | | 0 |
| | 38,339,289 | Total Revaluation Reserve | 38,339,289 |

| | | | |
|------------|--------------------|--|--------------------|
| (d) | Actual 2016 | Investment Growth Reserve | Actual 2017 |
| | 10,307,000 | Balance 1 July | 10,010,000 |
| | -297,000 | Transfer (to) / from Ratepayers Equity | -289,000 |
| | <u>10,010,000</u> | Balance 30 June | <u>9,721,000</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.

| | | | |
|------------|--------------------|--|--------------------|
| (e) | Actual 2016 | Quarry Account | Actual 2017 |
| | -267,076 | Balance 1 July | -252,818 |
| | 14,258 | Transfer (to) / from Ratepayers Equity | 252,818 |
| | <u>-252,818</u> | Balance 30 June | <u>0</u> |

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

| | | | |
|------------|--------------------|--|--------------------|
| (f) | Actual 2016 | Tb Pest Management | Actual 2017 |
| | 317,206 | Balance 1 July | 0 |
| | -317,206 | Transfer (to) / from Ratepayers Equity | 0 |
| | <u>0</u> | Balance 30 June | <u>0</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.

| | | | |
|------------|--------------------|---|--------------------|
| (h) | Actual 2016 | Lake Brunner Project Funding Reserve | Actual 2017 |
| | 69,250 | Balance 1 July | 0 |
| | -69,250 | Transfer (to) / from Ratepayers Equity | 0 |
| | <u>0</u> | Balance 30 June | <u>0</u> |

| | | | |
|------------|--------------------|--|--------------------|
| (i) | Actual 2016 | Catastrophe Fund | Actual 2017 |
| | 897,159 | Balance 1 July | 976,554 |
| | 79,395 | Transfer (to) / from Ratepayers Equity | 44,326 |
| | <u>976,554</u> | Balance 30 June | <u>1,020,880</u> |

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

22 Capital Commitments and operating leases.

West Coast Regional Council had no commitments as at 30 June 2017. (2016 nil)

23 Contingencies and Significant Post Balance Date Events

Contingent Liabilities @ 30 June 2017

Nil (2016 Nil)

Contingent Assets @ 30 June 2017

\$157,025 as per Note 24 (2016: \$157,025)

24 Related Party Transaction

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

VCS Business Unit will recover the costs of the resource consent and various marketing costs (\$157,000 @ 30 June 2016) + 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 2016/17 no costs were incurred by VCS Business unit with regard to this consent.
(2015/16 \$39,000)

25 Severance Payments

There was one severance payment made during the year to 30 June 2017 amounting to \$37,917.
(2016 \$48,167)

26 Future Quarry Restoration Liability at 30 June 2017.

Assessed liability as at 30 June 2017 \$70,000. This liability is calculated using a net present value approach to discounting future cash flows.
(2016 \$70,000)

27 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 2016 | 22,454 |
| (b) | The total capital value of these rating units as at 30 June 2016 | \$7,508,532,000 |
| (c) | The total land value within the West Coast region as at 30 June 2016 | \$4,030,858,000 |

28 Information regarding Insurance of Assets as at 30 June 2017

| | | |
|-----|---|--|
| (a) | The total value of all assets of the West Coast Regional Council that are covered by insurance contracts. | |
| | Land & Buildings, Plant & equipment, Motor Vehicles, Commercial Property Values included in Statement of Financial Position. | \$5,077,478 |
| | Buildings are insured for replacement values Plant & Equipment is insured for indemnity value Motor Vehicles are insured for market value Inventory is insured for indemnity value | \$7,248,700 \$800,000 \$664,000 \$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 | \$58,134,000 |
| | Total value of separately invested Catastrophe Fund as at 30 June 2017 | \$1,020,880 |

Governance

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

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

| Levels of Service | Measure | Performance Target | Achievement | | |
|---|--|--|--|-------------------|----------|
| | | | <u>Councillor</u> | <u>attendance</u> | <u>%</u> |
| | Number of public meetings held and individual Councillor attendance. | Conduct eleven monthly meetings of Council and the Resource Management Committee, plus other scheduled meetings and scheduled workshops during the year with at least 80% attendance by all Councillors. | Clr Archer | 17 of 17 | 100% |
| | | | Clr Clementson | 16 of 17 | 94% |
| | | | Clr Robb | 16 of 17 | 94% |
| | | | Clr Birchfield | 17 of 17 | 100% |
| | | | Clr Ewen | 17 of 17 | 100% |
| | | | Clr McDonnell | 16 of 17 | 94% |
| | | | Clr Challenger | 16 of 17 | 94% |
| Maintain a Council of elected representatives in accordance with statutory requirements and in a manner that promotes effective decision-making, transparency, and accountability to the West Coast regional community. | Compliance with statutory timeframes. | Prepare and notify the Council's Annual Plan or LTP Statement of Proposal by 31 May each year, and the Annual Report by 31 October, in accordance with the procedures outlined in the Local Government Act 2002. | Achieved. | | |
| | | | The audited Annual Report for the year to 30 June 2016 was adopted by Council at the Council meeting on 27 October 2016 | | |
| | | | The Annual Plan 2017/18 Consultative Document was adopted by Council on 15 May 2017 and the Annual Plan was finally confirmed by Council on 30 June 2017. | | |
| | 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 rates instalments, which were sent out in September 2016 and March 2017, contained the usual newsletters. | | |
| | | | Council website continues to be updated whenever submissions are invited on a new or revised policy document. | | |
| Continue to support the contribution our two West Coast Runanga make to Council's decision-making processes; and continue to seek contributions from other Maori. | Attendance of Iwi appointees at Resource Management Committee meetings. | Continue to invite attendance of Makaawhio and Ngāti Waewae representatives as appointees to the Council's resource management committee, to enable Maori participation in resource management decision-making. | Achieved. | | |
| | | | Council has continued to invite both Makaawhio and Ngāti Waewae representatives to attend all Resource Management Committee meetings. A Council meeting was held at the Arahura Marae on 11 April 2017 | | |

Resource Management Activities

Background

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

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

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

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

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

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

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

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

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

| Levels of Service | Measure | Performance Target | Achievement | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|--|-------------------|-------------------|---------------|----|---|----|----------------------|----|----|----|---------------|----|---|----|-------------------|----|---|----|----------------|----|----|---|--|--|
| <p>To maintain or enhance water quality in the West Coast's rivers.</p> | <p>State of Environment Monitoring. Ammoniacal nitrogen, periphyton, clarity, turbidity and faecal coliforms are measured quarterly at 38 river sites. These parameters characterise the water quality of West Coast rivers and have been measured since 1996.</p> | <p>Improvement of these parameters, when compared with a baseline of 1996 data on water quality.</p> | <p>Achieved</p> | | | | | | | | | | | | | | | | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th></th> <th>% sites improving</th> <th>% sites declining</th> <th>% sites no change</th> </tr> </thead> <tbody> <tr> <td>Ammonia-N (2)</td> <td>54</td> <td>5</td> <td>41</td> </tr> <tr> <td>Faecal Coliforms (2)</td> <td>14</td> <td>14</td> <td>73</td> </tr> <tr> <td>Turbidity (2)</td> <td>26</td> <td>8</td> <td>66</td> </tr> <tr> <td>Water Clarity (2)</td> <td>38</td> <td>6</td> <td>56</td> </tr> <tr> <td>Periphyton (1)</td> <td>90</td> <td>10</td> <td>-</td> </tr> </tbody> </table> | | % sites improving | % sites declining | % sites no change | Ammonia-N (2) | 54 | 5 | 41 | Faecal Coliforms (2) | 14 | 14 | 73 | Turbidity (2) | 26 | 8 | 66 | Water Clarity (2) | 38 | 6 | 56 | Periphyton (1) | 90 | 10 | - | | |
| | % sites improving | % sites declining | % sites no change | | | | | | | | | | | | | | | | | | | | | | | | |
| Ammonia-N (2) | 54 | 5 | 41 | | | | | | | | | | | | | | | | | | | | | | | | |
| Faecal Coliforms (2) | 14 | 14 | 73 | | | | | | | | | | | | | | | | | | | | | | | | |
| Turbidity (2) | 26 | 8 | 66 | | | | | | | | | | | | | | | | | | | | | | | | |
| Water Clarity (2) | 38 | 6 | 56 | | | | | | | | | | | | | | | | | | | | | | | | |
| Periphyton (1) | 90 | 10 | - | | | | | | | | | | | | | | | | | | | | | | | | |
| | <p>Compliance Monitoring for Discharges. The number of compliant or non-compliant point source discharges to water, or discharges likely to enter water; and council's response to any non-compliance.</p> | <p>All significant consented discharges¹ are monitored at least annually, and all dairy sheds at least bi-annually depending on each individual compliance record. All non-compliances publicly reported to the Resource Management Committee and are responded to using Council's Enforcement Policy.</p> | <p>Achieved. All non-compliant activities were publicly reported and appropriate enforcement action was taken. All significant consented discharges were monitored at least annually and all dairy sheds at least bi-annually, depending on each individual compliance record.</p> | | | | | | | | | | | | | | | | | | | | | | | | |

¹ 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 water quality in Lake Brunner. | The trophic state of Lake Brunner is measured by the Trophic Level Index (TLI) which combines clarity, nutrient and algal measures. The rolling 5-year mean is compared with a 2002-2006 baseline mean. | The annual (rolling 5-year mean) TLI of Lake Brunner is less than the 2002-2006 TLI baseline mean of 2.79. | Achieved: The Lake Brunner TLI score 5 year rolling mean from 22 May 2012 – 26 April 2017 (latest results) was 2.72 (2016: 2.75) |
| To maintain or enhance the life supporting capacity and amenity value of the West Coast's rivers. | Stream Ecosystem Health. Instream macroinvertebrate community health (SQMCI) scores are measured at 29 river sites. The values for each site are calculated using five year rolling means and comparing them to baseline means calculated from data from 2005-2009. | Macroinvertebrate health index ² (SQMCI) mean is higher, or no more than 20% lower, than the baseline mean. | Not achieved. Four sites in autumn 2017 had a 5 yearly rolling mean that was more than 20% lower than the baseline mean. These sites were Baker Ck @ Oparara Rd, Sawyers Ck @ Dixon Park, Page Stm @ Chasm Ck Walkway, and Bradshaws @ Bradshaws Rd. Macroinvertebrate data is collected twice a year in spring and autumn. Macroinvertebrate are to an extent dynamic and respond to many environmental factors such as climate variability, habitat and water quality. It is possible that a reduction in habitat and water quality has led to deterioration in stream health. The magnitude of change and the duration it occurs at will be informative. |

² 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>Bathing Beach Sampling. 16 swimming sites are sampled, ten times per summer season (fortnightly) for E coli (moderate-high risk > 550) or Enterococci (moderate-high risk > 280).</p> | <p>Scheduled swimming sites do not exceed the moderate-high risk threshold more than once during the summer sampling season.</p> | <p>Not achieved.</p> <p>Buller River @ Marrs Beach (60%), Seven Mile @ SH6 Rapahoe (20%), Arahura River @ SH6 (20%) have exceeded the moderate-high threshold of sampling occasions over the 2017 Summer season.</p> <p>E coli comes from all land, whether urban, agricultural or forest. Urban and agricultural land use normally lead to higher concentrations.</p> <p>Higher E coli concentrations will always occur during wet weather. The region, having high rainfall, is prone to E coli exceedances. Anthropogenic sources of E coli (eg livestock and urban stormwater) are the most likely sources of exceedances, however there are examples when water birds in large congregations have led to E coli spikes.</p> <p>Investigates are continuing.</p> |
| <p>To protect human health from adverse impacts of poor groundwater quality.</p> | <p>28 Wells are monitored at least twice annually, 24 of which are used for human consumption.</p> <p>The guideline of 11.3mg/L of nitrate is used to protect human health, particularly for babies. The data from the year is averaged before comparing against the 11.3mg guideline.</p> | <p>In wells used for human consumption, nitrate levels remain below the health guideline of 11.3 mg/L.</p> | <p>Achieved.</p> <p>In 2016-summer 2017, all 23 wells used for human consumption were within guidelines (2016: 22 out of 23).</p> |
| <p>To protect human health from any adverse impacts of poor air quality in Reefton.</p> | <p>Reefton's air is monitored in accordance with the National Environmental Standard (NES) for air quality by measuring PM₁₀ (airborne particles smaller than ten micrometers, which affect human respiration).</p> <p>The threshold is a 24hr mean PM₁₀ of 50 micrograms/m³.</p> | <p>NES Requirement: 24hr PM₁₀ values do not exceed the NES threshold more than three times in one year, between 2016 & 2020; whereas after 2020 only 1 exceedance per year is allowed.</p> | <p>Achieved.</p> <p>There have been no exceedances of the NES standard in winter 2017 to date (21-7-17).</p> |

| Levels of Service | Measure | Performance Target | Achievement |
|--|---|--|---|
| Compliance with the consent processing timeframes in the RMA and mining legislation. | Compliance with discounting regulations and mining timeframes. | Process all resource consent applications without incurring any cost to Council due to the RMA discounting regulations; and process at least 95% of mining work programmes ³ within 20 working days of receipt. | Achieved: All consent applications have been processed within statutory timeframes and Council has not incurred any costs due to RMA discounting regulations. 48 of 48 mining work programmes have been processed within the 20 day timeframe where all necessary information was provided. 20 other applications were processed when all required information was to hand. |
| Respond to all genuine incident complaints received by the Council and take enforcement action where needed. | Number of complaints received and number of enforcement actions resulting from these. | Operate a 24-hour complaints service, assess and respond to all genuine complaints within 24 hours where necessary. | Achieved. All genuine complaints are responded to within 24 hours where necessary, and reported publicly to the Resource Management Committee each month. |
| 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. | In progress. Formal consultation on the Regional Policy Statement, Coastal Plan and Plan Change 1 to the Land and Water Plan has now concluded and staff are preparing recommending reports. |
| 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. Submissions were made on the following documents: <ul style="list-style-type: none"> Proposed NPS Urban Development Capacity Proposed amendments to the Local Government Act Draft Paparoa National Park Management Plan Productivity Commission Report on 'Better Urban Planning' MfE 'Clean Water Package' proposal Proposed amendments to the NES Plantation Forestry National Planning Standards Discussion Documents No other relevant documents published for consultation in reporting period. |

³ This target assumes the work programme is submitted with all necessary information provided.

| Levels of Service | Measure | Performance Target | Achievement |
|---|--|---|--|
| Respond to marine oil spills in coastal waters in accordance with the Tier 2 Oil Spill Response Plan and maintain readiness for spill response. | Timing of responses & number of trained staff. | Respond within 4 hours to all spills, using Council or MNZ spill equipment to contain spills; plus ensure at least 25 staff are trained responders. | <p>No major spills occurred during the reporting period. Officers assisted with the removal of the 'Kutare' a fishing boat which grounded on Cobden Beach. There was no oil spill attributed to this vessel.</p> <p>MNZ are currently reviewing responder numbers with a view to reducing the amount required to be trained.</p> |

Regional Transport Planning

Background

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

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

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

| Levels of Service | Measure | Performance Target | Achievement |
|--|--|--|--|
| Maintain a Regional Land Transport Plan in compliance with relevant legislation and is acceptable to the West Coast community. | An operative Regional Land Transport Plan. | Compliance with statutory requirements for the preparation, review and implementation of the Regional Transport Plan and Passenger Transport Plan. | Achieved. Both the RLTP and RPTP are currently operative as of April 2015. A mid-term review of the RLTP has commenced as per 18CA of the Land Transport Management Act 2003. |

Hydrology and Flood Warning Services

Background

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

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

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

| Level of Service | Measure | Performance Targets | Achievement |
|---|---|---|---|
| Continue to provide flood warning to assist communities to assess risk of impending floods, for the five rivers (Karamea, Buller, Grey, Hokitika, and Waiho). | Availability of information about high flow events and the staff response to those. | Provide a continuous flood monitoring service for the five rivers monitored and respond in accordance with the flood-warning manual, ensuring real time data on river levels is available on the Council website. | All flood events during the period were responded to in accordance with the flood warning manual procedures and data was available on the Council website. For short periods during the year the monitoring service was not continuously available (eg the Waiho River monitoring site was unavailable for four days during June 2017 due to communications problems between the site and WCRC). |

| | | | |
|--|---|--|---|
| | <p>Low flow recorders installed and transmitting to Council HQ.</p> | <p>Complete the installation of new low flow monitoring equipment in the Mawheraiti river catchment.</p> | <p>Achieved:</p> <p>Installations were completed at Inangahua River @ Blacks Point (flow), Inangahua River @ Brunner Range (rainfall), Maruia River @ township (rainfall), Reefton @ township (rainfall).</p> |
|--|---|--|---|

Emergency Management

Background

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

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

The Regional Council is the administering authority for the West Coast CDEM Group. The West Coast CDEM Group Plan was prepared in 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. New Group Plan made operative 15 November 2016 and endorsed by Joint Committee. The CDEM Act 2002 was amended late last year. As a result the group plan is being reviewed to include changes relating to 'Recovery'. This also involves local plans, all of which need to be updated by June 2018. |

| | | | |
|--|--------------------------|--|---|
| | Number of trained staff. | Ensure at least 30 Council staff are trained as Emergency Operations Centre (EOC) personnel so that we have three shifts of EOC staff trained and exercised in case of a regional emergency. | <p>A large group of trained personnel for the ECC exercised for Exercise Tangaroa last year. In addition to this 10 new staff at WCRC will be trained in ECC operations.</p> <p>CDEM overview provided to 15 WCRC staff in July. Future training programme developed, including CIMS 4 (Oct 2017), First Aid (Oct and Dec) and ECC Welfare by the end 2017.</p> |
|--|--------------------------|--|---|

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

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

| 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. | All inspections were undertaken before the 2016 Rating District meetings, however there is no formal record of monitoring for the periods between rating district annual general meetings. Works have been carried out during the year in the following areas to return assets to agreed service levels; <ul style="list-style-type: none"> • Coal Creek • Inchbonnie • Kowhitirangi • Lower Waiho • Taramakau • Waitangi-taona • Wanganui |

| | | | |
|--|---|--|---|
| | 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. Infrastructure is re-inspected following heavy rainfall events to ensure it will perform to agreed service levels. |
| | 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. | Due for completion by 31 October 2017. |

Vector Control Services Business Unit

Background

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

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

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

Key Changes from the Long Term Plan for 2015/25: 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. | Achieved. The final surplus of \$878,000 exceeded the budgeted \$557,000. |
| 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. |
| | 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**

| Long Term Plan 2015/16 | Annual Report 2015/16 | | Annual Report 2016/17 | Annual Plan 2016/17 |
|--|-----------------------|---|-----------------------|---------------------|
| West Coast Regional Council | | | | |
| Sources of Funding | | | | |
| 2,202,000 | 2,152,453 | General Rates | 2,263,594 | 2,272,000 |
| 0 | 57,841 | Rates Penalties | 49,353 | 60,000 |
| 1,837,778 | 1,825,307 | Targeted Rates | 1,352,773 | 1,459,950 |
| 90,500 | 221,100 | Subsidies & Grants | 383,144 | 90,613 |
| 4,581,525 | 4,644,210 | Fees & Charges | 9,361,209 | 4,808,360 |
| 1,042,718 | 604,233 | Income from Investments | 1,081,572 | 890,968 |
| 0 | 0 | Fines, Infringement Fees & Other Receipts | 0 | 0 |
| 9,754,521 | 9,505,144 | Total Operating Funding (A) | 14,491,645 | 9,581,891 |
| Applications of Operating Funding | | | | |
| 8,690,173 | 9,385,490 | Payments to staff and suppliers | 13,334,163 | 8,430,404 |
| 298,471 | 333,239 | Finance costs | 313,093 | 294,793 |
| | | Other operating funding applications | 0 | |
| 8,988,644 | 9,718,729 | Total Applications of operating funding (B) | 13,647,256 | 8,725,197 |
| 765,877 | -213,585 | Surplus (deficit) of Operating Funding (A) - (B) | 844,389 | 856,694 |
| Sources of Capital Funding | | | | |
| | | Subsidies and Grants | 0 | 0 |
| | | Development and Financial Contributions | 0 | 0 |
| -365,993 | 401,633 | Increase (decrease) in debt | -1,383,196 | -372,419 |
| 8568 | 25,996 | Gross Proceeds Sale assets | 195,804 | 18,697 |
| | | Lump sum contributions | 0 | |
| -357,425 | 427,629 | Total Sources of capital funding (C) | -1,187,392 | -353,722 |
| Applications of capital funding | | | | |
| | 0 | Capital expenditure-additional demand | 0 | |
| 0 | 144,470 | Capital expenditure-improved levels of service | 239,320 | 57,800 |
| 158,000 | 230,174 | Capital expenditure-replace existing assets | 331,163 | 319,000 |
| 438,102 | 131,028 | Increase (decrease) in investments | 80,486 | 175,693 |
| -187,650 | -291,628 | Increase (decrease) in reserves | -993,972 | -49,521 |
| 408,452 | 214,044 | Total applications of capital funding (D) | -343,003 | 502,972 |
| -765,877 | 213,585 | Surplus (Deficit) of Capital Funding (C) - (D) | -844,389 | -856,694 |
| 0 | 0 | Funding Balance (A - B) + (C - D) | 0 | 0 |

| Long Term Plan 2015/16 | Annual Report 2015/16 | | Annual Report 2016/17 | Long Term Plan 2016/17 |
|------------------------|-----------------------|---|-----------------------|------------------------|
| | | Governance | | |
| | | Sources of Funding | | |
| 387,308 | 270,726 | General Rates | 354,928 | 412,222 |
| 0 | 7,275 | Rates Penalties | 7,738 | 0 |
| 109,000 | 106,388 | Targeted Rates | 0 | 109,000 |
| | | Subsidies & Grants | 110,000 | |
| | 69,242 | Fees & Charges | 142,733 | |
| | | Internal Charges & Overheads Recovered | | |
| 573,939 | 0 | Fines, Infringement Fees & Other Receipts | 179,191 | 522,103 |
| 1,070,247 | 453,631 | Total Operating Funding (A) | 794,591 | 1,043,325 |
| | | Applications of Operating Funding | | |
| 642,563 | 759,097 | Payments to staff and suppliers | 895,991 | 675,727 |
| 91,339 | 145,105 | Finance costs | 138,364 | 84,490 |
| 33,617 | 28,252 | Internal charges and overheads applied | 82,933 | 34,445 |
| | | Other operating funding applications | | |
| 767,519 | 932,455 | Total Applications of operating funding (B) | 1,117,287 | 794,662 |
| 302,728 | -478,824 | Surplus (deficit) of Operating Funding (A) - (B) | -322,696 | 248,663 |
| | | Sources of Capital Funding | | |
| | | Subsidies and Grants | 0 | |
| | | Development and Financial Contributions | 0 | |
| -166,859 | 608,175 | Increase (decrease) in debt | -1,201,612 | -165,062 |
| 8,568 | 25,996 | Gross Proceeds Sale assets | 195,804 | 18,699 |
| | | Lump sum contributions | | |
| -158,291 | 634,171 | Total Sources of capital funding (C) | -1,005,808 | -146,363 |
| | | Applications of capital funding | | |
| | 58,658 | Capital expenditure-additional demand | 10,126 | |
| 15,000 | 48,100 | Capital expenditure-improved levels of service | 207,635 | 142,990 |
| -308,665 | -82,439 | Capital expenditure-replace existing assets | -1,626,751 | -508,434 |
| 438,102 | 131,028 | Increase (decrease) in reserves | 80,486 | 467,744 |
| 144,437 | 155,347 | Total applications of capital funding (D) | -1,328,504 | 102,300 |
| -302,728 | 478,824 | Surplus (Deficit) of Capital Funding (C) - (D) | 322,696 | -248,663 |
| 0 | 0 | Funding Balance (A - B) + (C - D) | 0 | 0 |

| Long Term Plan 2015/16 | Annual Report 2015/16 | | Annual Report 2016/17 | Long Term Plan 2016/17 |
|------------------------|-----------------------|---|-----------------------|------------------------|
| | | Transport | | |
| | | Sources of Funding | | |
| 51,771 | 46,801 | General Rates | 40,570 | 53,078 |
| 0 | 1,258 | Rates Penalties | 885 | 0 |
| | 0 | Targeted Rates | 0 | |
| 90,500 | 74,105 | Subsidies & Grants | 88,296 | 92,765 |
| | | Fees & Charges | 0 | |
| | | Internal Charges & Overheads Recovered | 0 | |
| 21,245 | 21,721 | Fines, Infringement Fees & Other Receipts | 20,483 | 21,027 |
| 163,516 | 143,885 | Total Operating Funding (A) | 150,233 | 166,870 |
| | | Applications of Operating Funding | | |
| 118,990 | 110,246 | Payments to staff and suppliers | 114,761 | 121,911 |
| | 0 | Finance costs | 0 | |
| 44,526 | 33,639 | Internal charges and overheads applied | 49,498 | 44,959 |
| | | Other operating funding applications | 0 | 0 |
| 163,516 | 143,885 | Total Applications of operating funding (B) | 164,259 | 166,870 |
| 0 | 0 | Surplus (deficit) of Operating Funding (A) - (B) | -14,026 | 0 |
| | | Sources of Capital Funding | | |
| | | Subsidies and Grants | | |
| | | Development and Financial Contributions | | |
| | | Increase (decrease) in debt | | |
| | | Gross Proceeds Sale assets | | |
| | | Lump sum contributions | | |
| 0 | 0 | Total Sources of capital funding (C) | 0 | 0 |
| | | Applications of capital funding | | |
| | | Capital expenditure-additional demand | | |
| | | Capital expenditure-improved levels of service | 0 | |
| | | Capital expenditure-replace existing assets | 0 | |
| | | Increase (decrease) in reserves | -14,026 | |
| 0 | 0 | Total applications of capital funding (D) | -14,026 | 0 |
| 0 | 0 | Surplus (Deficit) of Capital Funding (C) - (D) | 14,026 | 0 |
| 0 | 0 | Funding Balance (A - B) + (C - D) | 0 | 0 |

| Long Term Plan 2015/16 | Annual Report 2015/16 | | Annual Report 2016/17 | Long Term Plan 2016/17 |
|---------------------------------|-----------------------------|---|-----------------------------|---------------------------------|
| | | Resource Management | | |
| | | Sources of Funding | | |
| 1,130,565 | 1,197,713 | General Rates | 1,225,195 | 1,119,698 |
| 0 | 32,185 | Rates Penalties | 26,713 | 0 |
| | 0 | Targeted Rates | 0 | |
| | 136,995 | Subsidies & Grants | 53,000 | |
| 1,418,550 | 1,006,160 | Fees & Charges | 1,346,188 | 1,454,048 |
| | 0 | Internal Charges & Overheads Recovered | 0 | |
| 367,451 | 461,025 | Fines, Infringement Fees & Other Receipts | 618,559 | 447,132 |
| <u>2,916,566</u> | <u>2,834,078</u> | Total Operating Funding (A) | <u>3,269,655</u> | <u>3,020,878</u> |
| | | Applications of Operating Funding | | |
| 1,319,543 | 1,266,326 | Payments to staff and suppliers | 1,443,408 | 1,365,736 |
| | 0 | Finance costs | 0 | |
| 1,597,023 | 1,661,894 | Internal charges and overheads applied | 2,206,385 | 1,655,142 |
| | | Other operating funding applications | 0 | |
| <u>2,916,566</u> | <u>2,928,220</u> | Total Applications of operating funding (B) | <u>3,649,793</u> | <u>3,020,878</u> |
| 0 | -94,142 | Surplus (deficit) of Operating Funding (A) - (B) | -380,138 | 0 |
| | | Sources of Capital Funding | | |
| | | Subsidies and Grants | 0 | |
| | | Development and Financial Contributions | 0 | |
| | | Increase (decrease) in debt | 0 | |
| | | Gross Proceeds Sale assets | 0 | |
| | | Lump sum contributions | 0 | |
| <u>0</u> | <u>0</u> | Total Sources of capital funding (C) | <u>0</u> | <u>0</u> |
| | | Applications of capital funding | | |
| | | Capital expenditure-additional demand | 0 | |
| 0 | 0 | Capital expenditure-improved levels of service | 0 | 0 |
| 0 | 6,826 | Capital expenditure-replace existing assets | 77,608 | 0 |
| 0 | -100,968 | Increase (decrease) in reserves | -457,746 | 0 |
| <u>0</u> | <u>-94,142</u> | Total applications of capital funding (D) | <u>-380,138</u> | <u>0</u> |
| 0 | 94,142 | Surplus (Deficit) of Capital Funding (C) - (D) | 380,138 | 0 |
| 0 | 0 | Funding Balance (A - B) + (C - D) | 0 | 0 |

| Long Term Plan 2015/16 | Annual Report 2015/16 | | Annual Report 2016/17 | Long Term Plan 2016/17 |
|------------------------|-----------------------|---|-----------------------|------------------------|
| | | Hydrology & Floodwarning Services | | |
| | | Sources of Funding | | |
| 341,738 | 363,120 | General Rates | 329,669 | 370,190 |
| 0 | 9,758 | Rates Penalties | 7,188 | 0 |
| | | Targeted Rates | 0 | |
| | | Subsidies & Grants | 0 | |
| | | Fees & Charges | 0 | |
| | | Internal Charges & Overheads Recovered | 0 | |
| 80083 | 121488 | Fines, Infringement Fees & Other Receipts | 166,439 | 77662 |
| 421,821 | 494,365 | Total Operating Funding (A) | 503,296 | 447,852 |
| | | Applications of Operating Funding | | |
| 199,372 | 211,668 | Payments to staff and suppliers | 222,321 | 210,278 |
| | 0 | Finance costs | 0 | |
| 222,449 | 282,678 | Internal charges and overheads applied | 349,435 | 237,574 |
| | | Other operating funding applications | 0 | 0 |
| 421,821 | 494,345 | Total Applications of operating funding (B) | 571,757 | 447,852 |
| 0 | 20 | Surplus (deficit) of Operating Funding (A) - (B) | -68,461 | 0 |
| | | Sources of Capital Funding | | |
| | | Subsidies and Grants | | |
| | | Development and Financial Contributions | | |
| | | Increase (decrease) in debt | | |
| | | Gross Proceeds Sale assets | | |
| | | Lump sum contributions | | |
| 0 | 0 | Total Sources of capital funding (C) | 0 | 0 |
| | | Applications of capital funding | | |
| | | Capital expenditure-additional demand | | |
| | | Capital expenditure-additional demand | | |
| | 0 | Capital expenditure-improved levels of service | 0 | |
| 60,000 | 61,283 | Capital expenditure-replace existing assets | 43,815 | 61,501 |
| -60,000 | -61,263 | Increase (decrease) in reserves | -112,276 | -61,501 |
| 0 | 20 | Total applications of capital funding (D) | -68,461 | 0 |
| 0 | -20 | Surplus (Deficit) of Capital Funding (C) - (D) | 68,461 | 0 |
| 0 | 0 | Funding Balance (A - B) + (C - D) | 0 | 0 |

| Long Term Plan 2015/16 | Annual Report 2015/16 | | Annual Report 2016/17 | Long Term Plan 2016/17 |
|------------------------|-----------------------|---|-----------------------|------------------------|
| | | Emergency Management | | |
| | | Sources of Funding | | |
| 7,104 | 28,386 | General Rates | 36,195 | 5,862 |
| 0 | 763 | Rates Penalties | 789 | 0 |
| 226,000 | 226,651 | Targeted Rates | 265,417 | 229,055 |
| 0 | 10,000 | Subsidies & Grants | 131,848 | 0 |
| 16000 | 10,736 | Fees & Charges | 13,224 | 19,000 |
| 0 | 0 | Internal Charges & Overheads Recovered | 0 | |
| | 0 | Fines, Infringement Fees & Other Receipts | 18,273 | |
| <u>249,104</u> | <u>276,536</u> | Total Operating Funding (A) | <u>465,746</u> | <u>253,917</u> |
| | | Applications of Operating Funding | | |
| 145,039 | 188,858 | Payments to staff and suppliers | 343,060 | 148,435 |
| | 0 | Finance costs | 0 | |
| 83,478 | 84,245 | Internal charges and overheads applied | 123,187 | 85,533 |
| | | Other operating funding applications | 0 | 0 |
| <u>228,517</u> | <u>273,103</u> | Total Applications of operating funding (B) | <u>466,247</u> | <u>233,968</u> |
| 20,587 | 3,433 | Surplus (deficit) of Operating Funding (A) - (B) | -501 | 19,949 |
| | | Sources of Capital Funding | | |
| | | Subsidies and Grants | | |
| | | Development and Financial Contributions | | |
| | 0 | Increase (decrease) in debt | 0 | |
| | 0 | Gross Proceeds Sale assets | 0 | |
| | | Lump sum contributions | | |
| <u>0</u> | <u>0</u> | Total Sources of capital funding (C) | <u>0</u> | <u>0</u> |
| | | Applications of capital funding | | |
| | | Capital expenditure-additional demand | | |
| | 0 | Capital expenditure-improved levels of service | 0 | |
| | 0 | Capital expenditure-replace existing assets | 0 | |
| 20,587 | 3,433 | Increase (decrease) in reserves | -501 | 19,949 |
| <u>20,587</u> | <u>3,433</u> | Total applications of capital funding (D) | <u>-501</u> | <u>19,949</u> |
| -20,587 | -3,433 | Surplus (Deficit) of Capital Funding (C) - (D) | 501 | -19,949 |
| 0 | 0 | Funding Balance (A - B) + (C - D) | 0 | 0 |

| Long Term Plan 2015/16 | Annual Report 2015/16 | | Annual Report 2016/17 | Long Term Plan 2016/17 |
|---|-----------------------|---|-----------------------|------------------------|
| River, Drainage & Coastal Protection | | | | |
| Sources of Funding | | | | |
| 283,514 | 245,707 | General Rates | 277,037 | 296,028 |
| 0 | 6,603 | Rates Penalties | 6,040 | |
| 1,102,778 | 1,095,188 | Targeted Rates | 1,087,356 | 1,098,169 |
| | 0 | Subsidies & Grants | 0 | |
| 299,000 | 571,230 | Fees & Charges | 1,012,323 | 306,507 |
| | | Internal Charges & Overheads Recovered | 0 | |
| | | Fines, Infringement Fees & Other Receipts | 139,867 | |
| 1,685,292 | 1,918,728 | Total Operating Funding (A) | 2,522,623 | 1,700,704 |
| Applications of Operating Funding | | | | |
| 989,360 | 1,274,167 | Payments to staff and suppliers | 1,339,713 | 1,012,903 |
| 207,132 | 188,134 | Finance costs | 174,729 | 195,949 |
| 303,313 | 298,885 | Internal charges and overheads applied | 361,075 | 306,261 |
| | | Other operating funding applications | | |
| 1,499,805 | 1,761,186 | Total Applications of operating funding (B) | 1,875,517 | 1,515,113 |
| 185,487 | 157,542 | Surplus (deficit) of Operating Funding (A) - (B) | 647,106 | 185,591 |
| Sources of Capital Funding | | | | |
| | | Subsidies and Grants | | |
| | | Development and Financial Contributions | | |
| -199,134 | -206,542 | Increase (decrease) in debt | -181,584 | -182,358 |
| | | Gross Proceeds Sale assets | | |
| | | Lump sum contributions | | |
| -199,134 | -206,542 | Total Sources of capital funding (C) | -181,584 | -182,358 |
| Applications of capital funding | | | | |
| | 0 | Capital expenditure-additional demand | 0 | |
| 0 | 78,261 | Capital expenditure-improved levels of service | 229,194 | 0 |
| 0 | 2,666 | Capital expenditure-replace existing assets | 678 | 0 |
| -13,647 | -129,927 | Increase (decrease) in reserves | 235,650 | 3,233 |
| -13,647 | -49,000 | Total applications of capital funding (D) | 465,522 | 3,233 |
| -185,487 | -157,542 | Surplus (Deficit) of Capital Funding (C) - (D) | -647,106 | -185,591 |
| 0 | 0 | Funding Balance (A - B) + (C - D) | 0 | 0 |

| Long Term Plan 2015/16 | Annual Report 2015/16 | | Annual Report 2016/17 | Long Term Plan 2016/17 |
|------------------------|-----------------------|---|-----------------------|------------------------|
| | | Regional Share of Controls | | |
| | | Sources of Funding | | |
| | | General Rates | | |
| | | Rates Penalties | | |
| 400,000 | 397,080 | Targeted Rates | | |
| | | Subsidies & Grants | | |
| | | Fees & Charges | | |
| | | Internal Charges & Overheads Recovered | | |
| | 0 | Fines, Infringement Fees & Other Receipts | | |
| <u>400,000</u> | <u>397,080</u> | Total Operating Funding (A) | 0 | 0 |
| | | Applications of Operating Funding | | |
| 700,000 | 700,000 | Payments to staff and suppliers | | |
| | | Finance costs | | |
| 25741 | 25741 | Internal charges and overheads applied | | |
| | | Other operating funding applications | | |
| <u>725,741</u> | <u>725,741</u> | Total Applications of operating funding (B) | 0 | 0 |
| -325,741 | -328,661 | Surplus (deficit) of Operating Funding (A) - (B) | 0 | 0 |
| | | Sources of Capital Funding | | |
| | | Subsidies and Grants | | |
| | | Development and Financial Contributions | | |
| | | Increase (decrease) in debt | | |
| | | Gross Proceeds Sale assets | | |
| | | Lump sum contributions | | |
| <u>0</u> | <u>0</u> | Total Sources of capital funding (C) | 0 | 0 |
| | | Applications of capital funding | | |
| | | Capital expenditure-additional demand | | |
| | | Capital expenditure-improved levels of service | | |
| | | Capital expenditure-replace existing assets | | |
| -325,741 | -328,661 | Increase (decrease) in reserves | 0 | 0 |
| <u>-325,741</u> | <u>-328,661</u> | Total applications of capital funding (D) | 0 | 0 |
| 325,741 | 328,661 | Surplus (Deficit) of Capital Funding (C) - (D) | 0 | 0 |
| 0 | 0 | Funding Balance (A - B) + (C - D) | 0 | 0 |

| Long Term Plan 2015/16 | Annual Report 2015/16 | Vector Control Services Business Unit Sources of Funding | Annual Report 2016/17 | Long Term Plan 2016/17 |
|------------------------|-----------------------|--|------------------------------|------------------------|
| 2,847,975 | 2,986,842 | General Rates Rates Penalties Targeted Rates Subsidies & Grants Fees & Charges Internal Charges & Overheads Recovered | 6,785,501 | 2,950,000 |
| | 0 | Fines, Infringement Fees & Other Receipts | 0 | |
| <u>2,847,975</u> | <u>2,986,842</u> | Total Operating Funding (A) | 6,785,501 | <u>2,950,000</u> |
| | | Applications of Operating Funding | | |
| 2,165,159 | 2,359,794 | Payments to staff and suppliers | 5,702,395 | 2,214,485 |
| | 0 | Finance costs | 0 | |
| 100,000 | 100,000 | Internal charges and overheads applied | 100,000 | 100,000 |
| | | Other operating funding applications | | |
| <u>2,265,159</u> | <u>2,459,794</u> | Total Applications of operating funding (B) | 5,802,395 | <u>2,314,485</u> |
| 582,816 | 527,048 | Surplus (deficit) of Operating Funding (A) - (B) | 983,106 | 635,515 |
| | | Sources of Capital Funding | | |
| | | Subsidies and Grants | | |
| | | Development and Financial Contributions | | |
| | 0 | Increase (decrease) in debt | | |
| | 0 | Gross Proceeds Sale assets | | |
| | | Lump sum contributions | | |
| <u>0</u> | <u>0</u> | Total Sources of capital funding (C) | 0 | <u>0</u> |
| | | Applications of capital funding | | |
| | 7,551 | Capital expenditure-additional demand | 0 | |
| 83,000 | 111,300 | Capital expenditure-improved levels of service | 1,427 | 65,000 |
| | 0 | Capital expenditure-replace existing assets | 0 | 0 |
| 499,816 | 408,197 | Increase in investments | 981,679 | 570,515 |
| <u>582,816</u> | <u>527,048</u> | Total applications of capital funding (D) | 983,106 | <u>635,515</u> |
| -582,816 | -527,048 | Surplus (Deficit) of Capital Funding (C) - (D) | -983,106 | -635,515 |
| <u>0</u> | <u>0</u> | Funding Balance (A - B) + (C - D) | 0 | <u>0</u> |

Local Government (Financial Reporting and Prudence) Regulations 2014

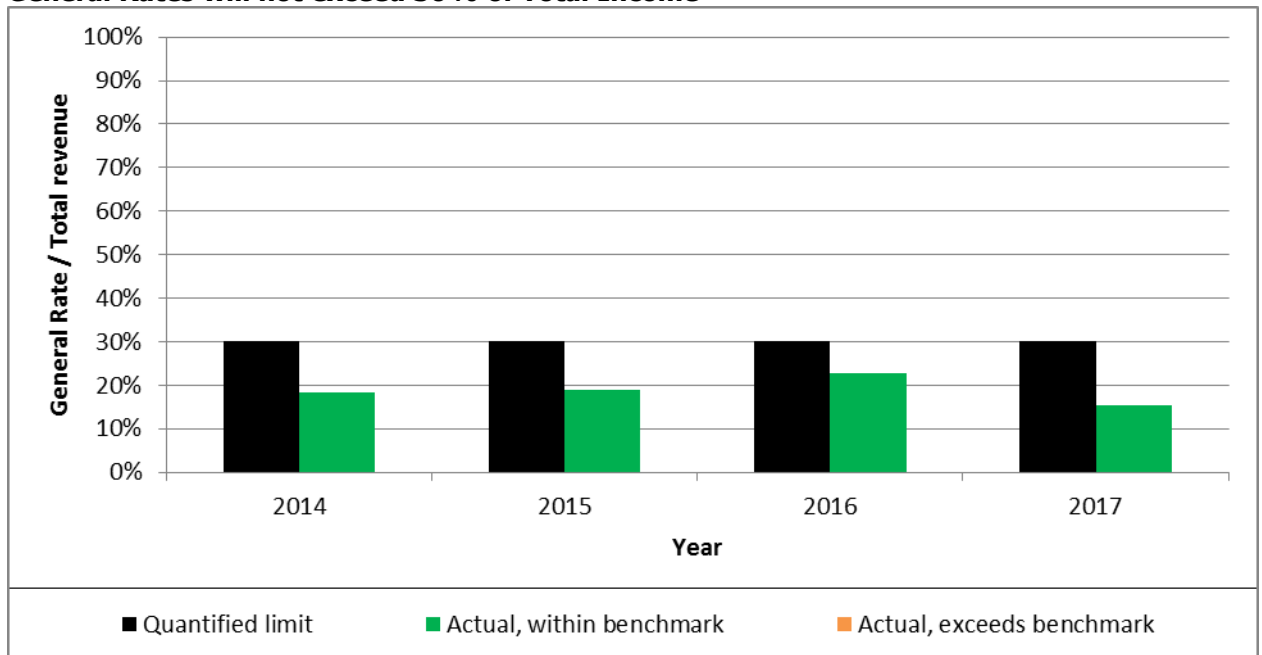
Council is required to include these statements in its Annual Report in accordance with these regulations.

RATES AFFORDABILITY BENCHMARKS

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

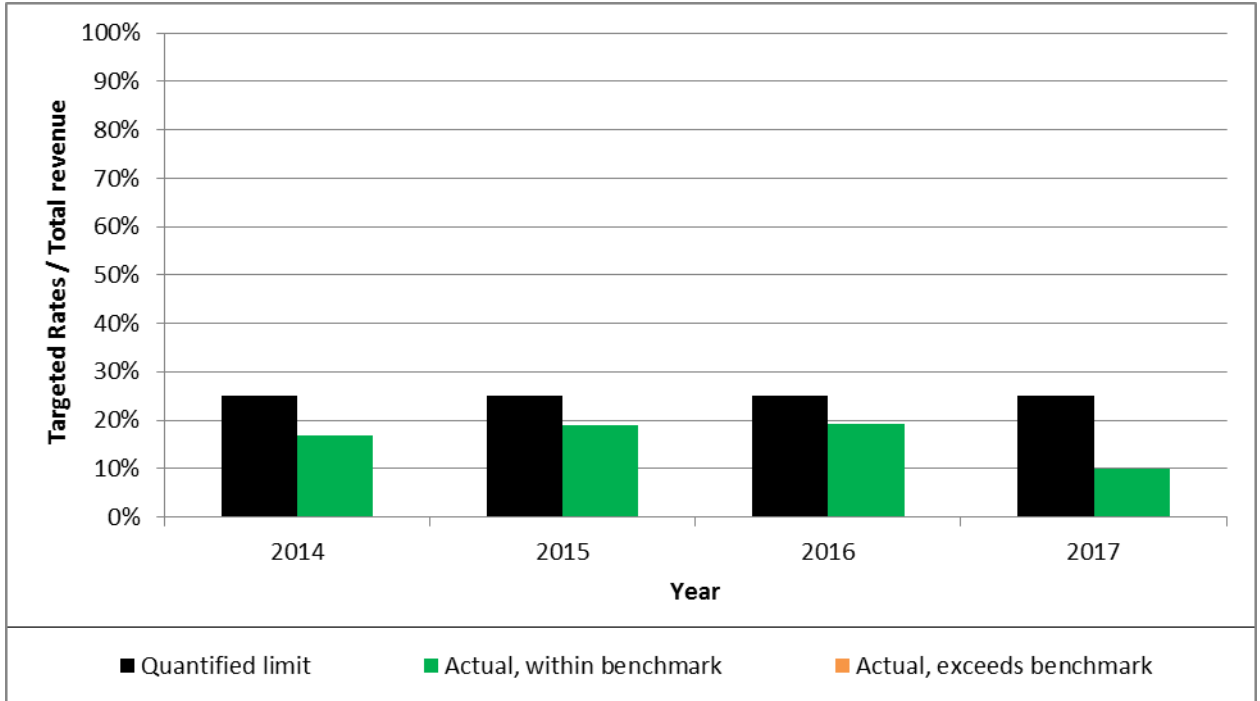
1. The first benchmark, (included by Council in the Financial Strategy contained in the 2015/25 Long Term Plan).

General Rates will not exceed 30% of Total Income



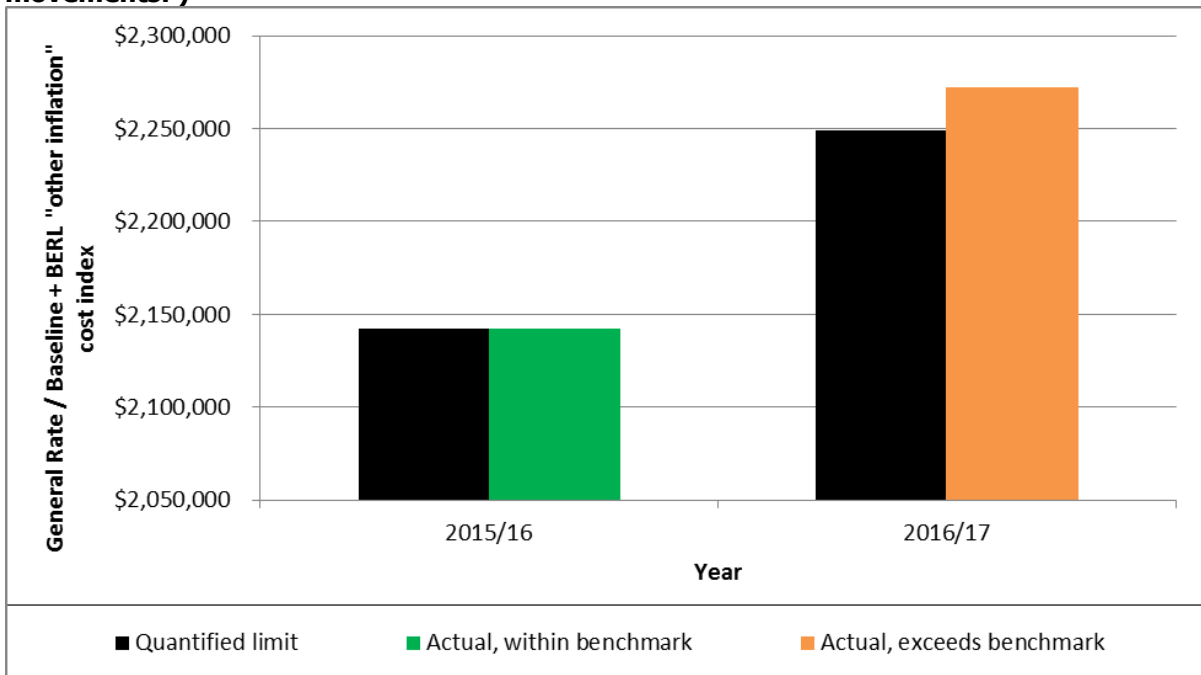
- The second benchmark, (included by Council in the Financial Strategy contained in the 2015/25 Long Term Plan).

Targeted Rates will not exceed 25% of Total Income



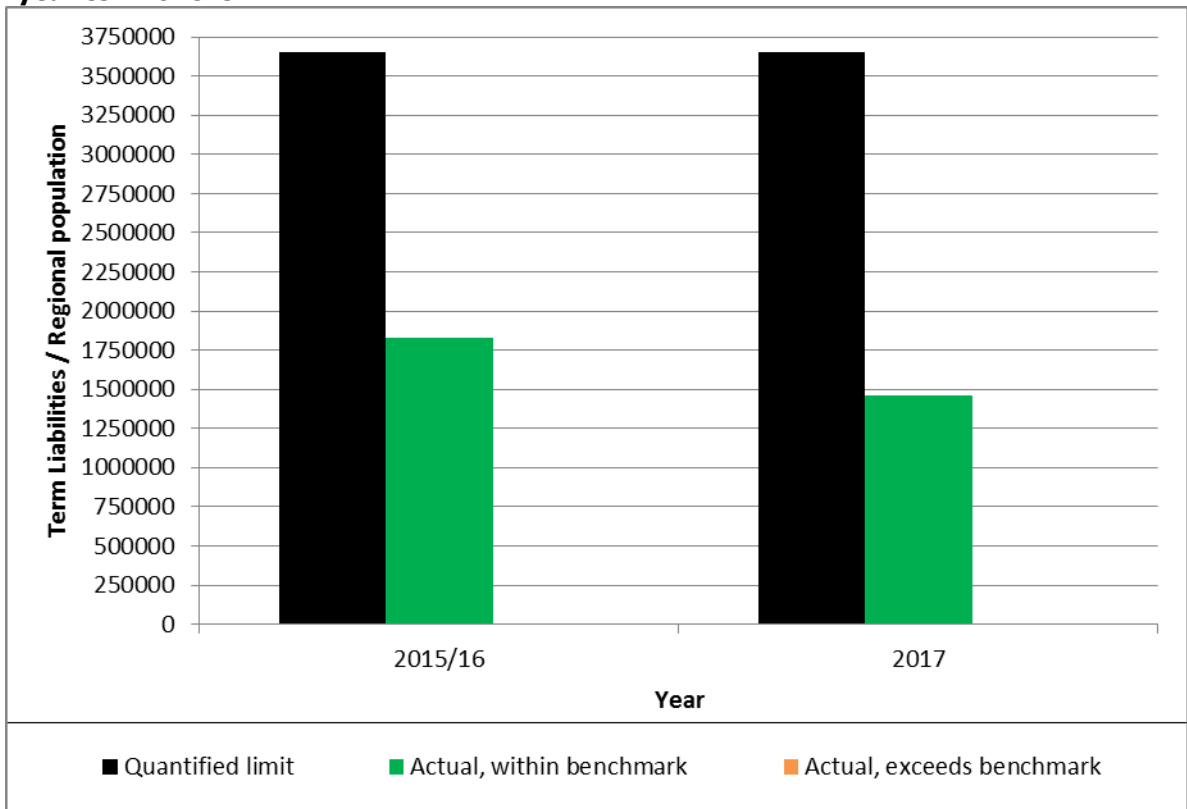
- The third benchmark, (included by Council in the Financial Strategy contained in the 2015/25 Long Term Plan).

The General Rate will not exceed the Business and Economic Research Ltd (BERL) "Other Inflation" cost index produced in 2015 (2015/16 baseline \$2,142,000 + index movements.)



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

Targeted Rates will not exceed the 2015/16 baseline (\$1,835,000) + 100% over the 10 year term of the LTP.

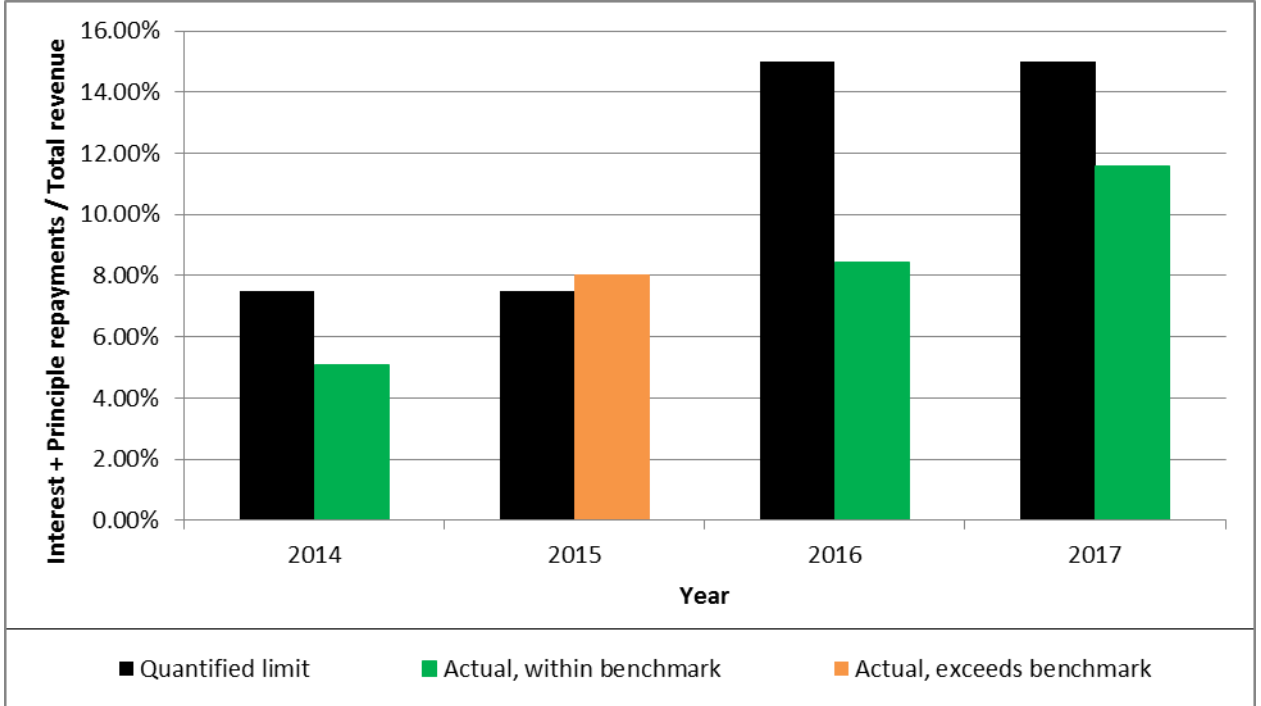


5. Debt Affordability Benchmarks

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

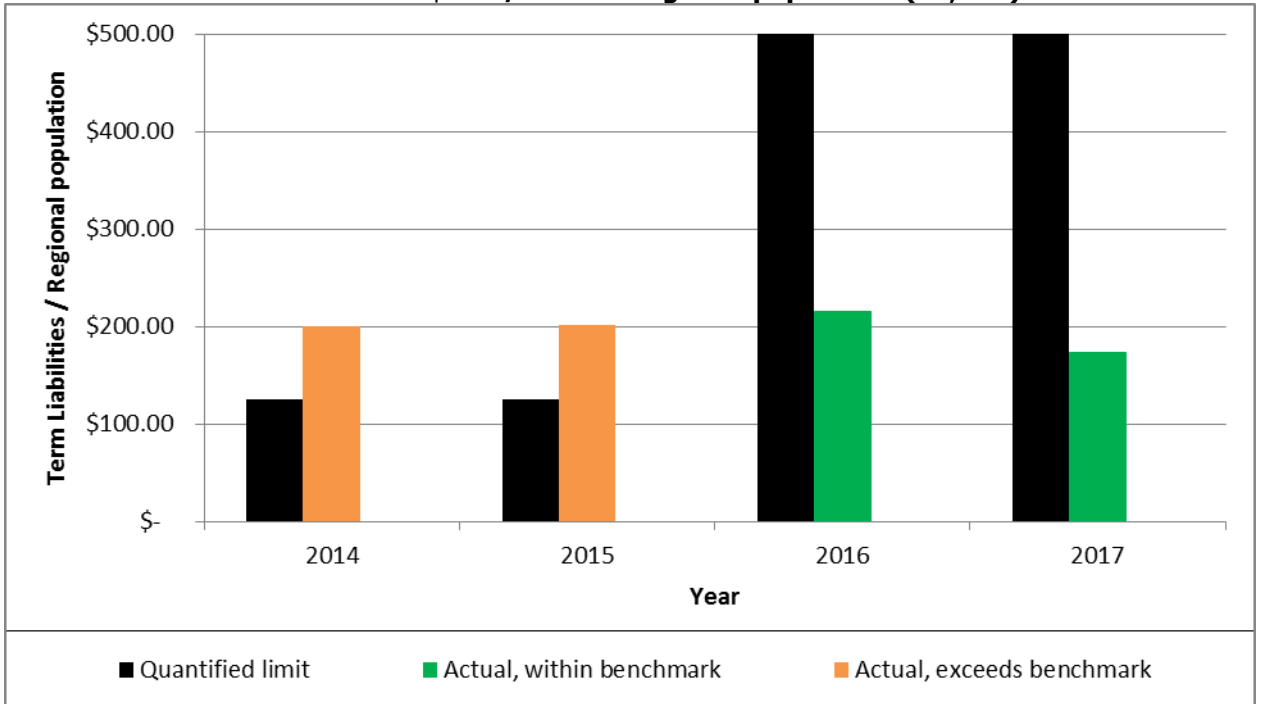
(a) The first benchmark, (included by Council in the Financial Strategy contained in the 2015/25 Long Term Plan).

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



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

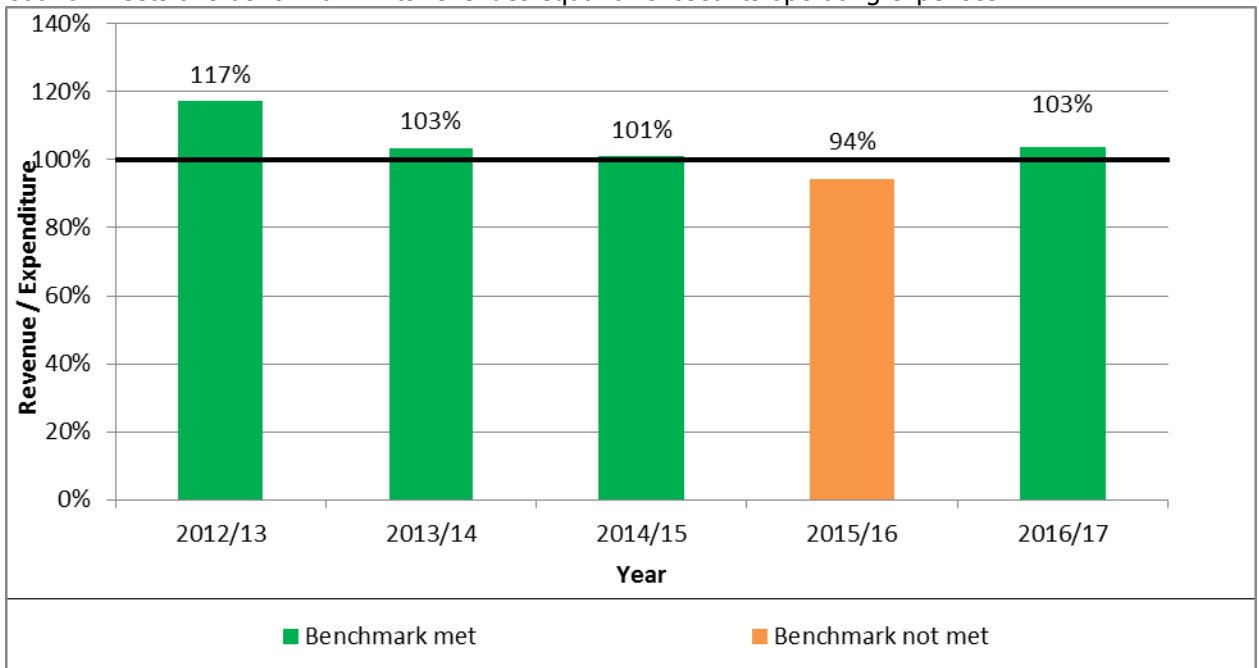
Term Liabilities will not exceed \$500 / head of regional population (32,900)



Mandatory Benchmarks as prescribed by the Regulations

6. **Balanced Budget Benchmark**

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



7. **Essential Services Benchmark**

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

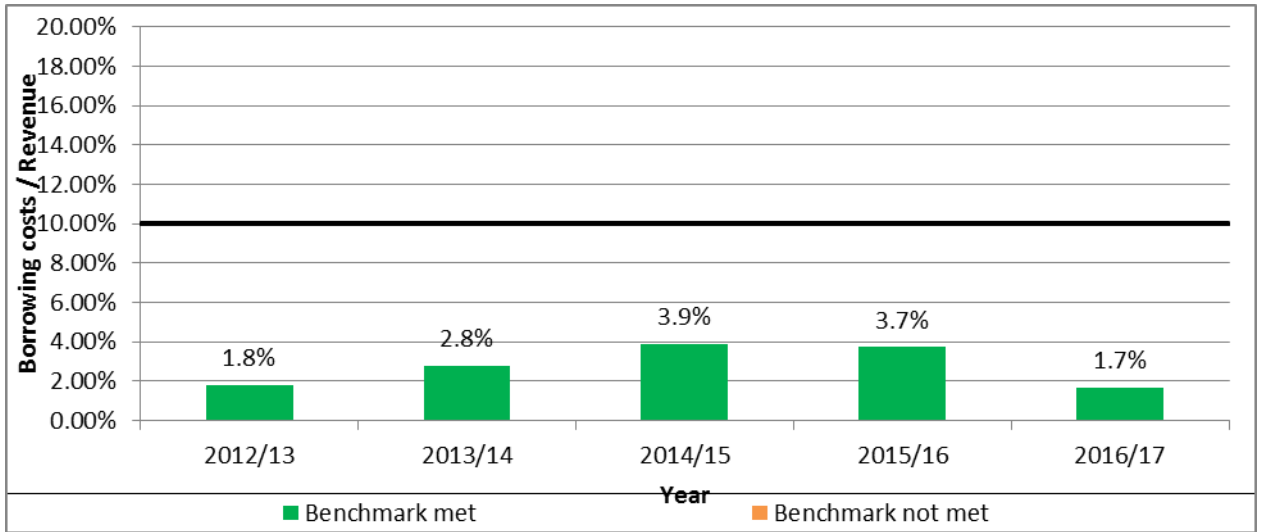
- Water Supply;
- Sewerage and the treatment and disposal of sewage;
- Stormwater drainage;
- Flood protection and control works; or
- Provision of roads and footpaths.

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

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

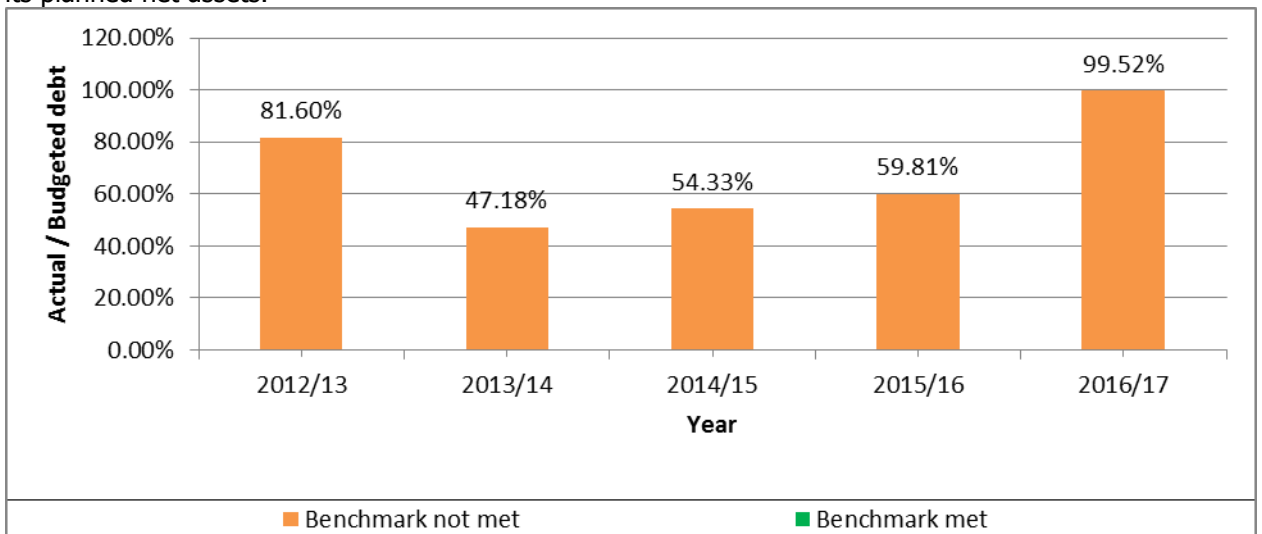
8. Debt Servicing Benchmark

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).



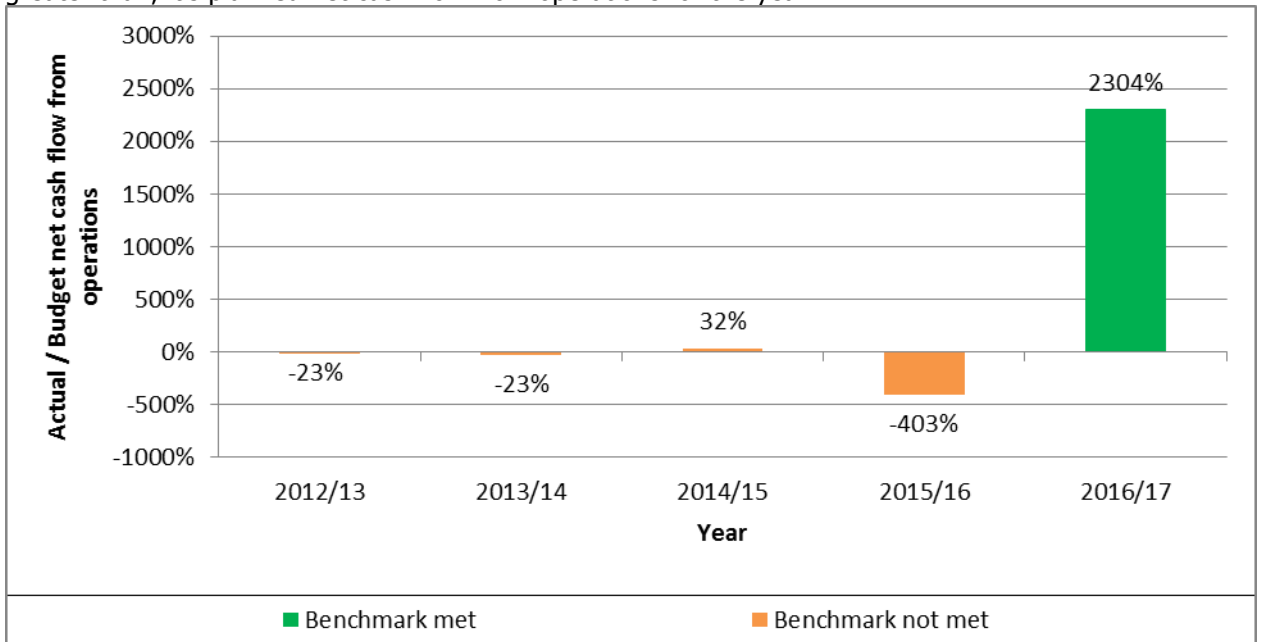
Debt Control Benchmark

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, it's planned net cash flow from operations for the year.



Major Budget Variations

| | 2017 Actual | 2017 Budget | Variance | Note | |
|---|----------------|----------------|--------------|--------|----|
| Cost of Services | | | | | |
| Governance | 493,080 | 481,357 | \$ 11,723 | 2% | |
| Economic Development | 498,992 | 300,000 | \$ 198,992 | 66% | 1 |
| Resource Management | 3,791,854 | 2,934,858 | \$ 856,996 | 29% | 2 |
| Transport | 167,525 | 167,777 | \$ (252) | 0% | |
| Hydrology & Floodwarning Services | 643,807 | 603,072 | \$ 40,735 | 7% | |
| Emergency Management | 481,173 | 322,116 | \$ 159,057 | 49% | 3 |
| River, Drainage & Coastal Protection | 1,909,197 | 1,545,383 | \$ 363,814 | 24% | 4 |
| Vector Control services Business Unit | 5,878,229 | 2,549,227 | \$ 3,329,002 | 131% | 5 |
| Other | 115,263 | 184,396 | \$ (69,133) | -37% | 6 |
| | | 0 | | | |
| | 13,979,120 | 9,088,186 | \$ 4,890,934 | 54% | |
| Less Income | | | | | |
| Rates | 3,665,720 | 3,791,950 | \$ (126,230) | -3% | 7 |
| Other Revenues | 1,142,812 | 925,627 | \$ 217,185 | 23% | 8 |
| Fees & Charges | 9,476,247 | 4,808,360 | \$ 4,667,887 | 97% | 9 |
| Subsidies & grants | 383,144 | 90,613 | \$ 292,531 | 323% | 10 |
| | 14,667,923 | 9,616,550 | \$ 5,051,373 | 53% | |
| Net Surplus / (Deficit) for year | 688,803 | 528,364 | | | |
| | Actual | Budget | | | |
| | 2017 | 2017 | | | |
| Statement Of Financial Position @ 30 June 2017 | | | | | |
| Current Assets | | | | | |
| Total Current Assets | 3,781,944 | 3,955,271 | \$ (173,327) | -4.4% | 11 |
| Non-Current Assets | | | | | |
| Property, Plant & Equipment | 62,226,069 | 61,237,433 | \$ 988,636 | 1.6% | 12 |
| Intangible Assets | 179,098 | 212,450 | \$ (33,352) | -15.7% | |
| Loan Advances | 410,912 | 454,358 | \$ (43,446) | -9.6% | |
| Investment Property | 1,480,000 | 1,408,473 | \$ 71,527 | 5.1% | 13 |
| Investment in Associate | 1,005,969 | 820,000 | \$ 185,969 | 22.7% | 14 |
| Investment in CCO | 212,305 | 215,000 | \$ (2,695) | -1.3% | |
| Other Financial Assets | 9,776,074 | 10,375,963 | \$ (599,889) | -5.8% | 15 |
| Total Non-Current Assets | 75,290,427 | 74,723,677 | \$ 566,750 | 0.76% | |
| Total Assets | 79,072,371 | 78,678,948 | | | |
| Liabilities | | | | | |
| Current Liabilities | 2,803,339 | 2,313,666 | \$ (489,673) | -21.2% | 16 |
| Non-Current Liabilities | 5,504,465 | 5,861,085 | \$ 356,620 | 6.1% | 17 |
| Total Liabilities | 8,307,804 | 8,174,751 | | | |
| Equity | 70,764,567 | 70,504,197 | \$ (260,370) | -0.4% | |
| Total Liabilities and Equity | 79,072,371 | 78,678,948 | | | |

1

Economic Development expenditure exceeded budget due to costs relating to the Regional Economic Development Growth Study and Minerals Institute investigations.
Most of these costs were met from from MBIE grants.

2

Resource management expenditure exceeded budget by \$857,000 due to:
(a) Processing of 10 year whitebait stand consents \$255,000 (additional revenue also).
(b) Mining land resoration costs \$74,000 (funded by called cash bond).
(c) Unbudgeted charging projects \$64,000 (Resource Consent and gravel compliance annual fees).
(d) Maritime NZ work exceeded budget by \$43,000 (and so did revenue)
(e) Regional Plans exceed budget by \$71,000
(f) Bioisecurity costs exceeded budget by \$80,000 due to an error in how the original budget was developed.
(g) Enforcement expenditure exceeded budget by \$20,000.
(h) Environmental monitoring costs exceeded budget by \$77,000 in part due to allocated overhead costs exceeding budget.
(i) Unbudgeted overhead costs allocated to activities makes up nthe balance of the variance.

3

Emergency Management expenditure exceeded budget by \$159,000.
This was due to;
(a) Lifelines costs \$25,000 (funded in part by recoveries amounting to \$13,000).
(b) Project totalling \$45,000 (funded by MCDEM grant).
(c) Franz Josef Hazards study \$82,000 (funded by MBIE).

4

River, Drainage & Coastal Protection expenditure exceeded budget due to demand for works from Rating Districts, various investigations and studies, plus write down of \$108,000 of the valuation of Quarry rock.

5

VCS expenditure exceeded budget due to unprecendented scale of aerial 1080 contracts undertaken during the 2016/17 year.

6

Other expenditure exceeded budget due to capital loan repayments of approximately \$84,000 included in budgeted opex of \$109,000.

7

Rates revenue is \$126,000 less than budgeted mainly due to Warm West Coast \$101,000 rates now being treated as loan repayments rather than as rates income in these financial statements.

8

Other revenues exceeded budget due to share of profits in the PCR LP exceeding budgeted expectation.

9

Fees and Charges income exceeded budget due to unprecendented scale of aerial 1080 contract revenue. See also 5 above.

10

Subsidies & Grants exceeded budget due to unbudgeted grants from MFE (\$53,000), MBIE (\$192,000), and MCDEM (\$50,000)

11

Total current assets were \$174,000 less than budgeted as at 30 June 2017.
Major factors were;
Receivables and inventories were \$741,000 less than budgeted as there were no TBFree NZ Ltd aerial contracts in progress as at 30 June 2017.

Other financial assets were \$593,000 more than budgeted as at 30 June 2017 due to the < 12 month maturity date of a number of individual securities.

12

Property, Plant & Equipment of \$62.2 million exceeds budget amount of \$61.2 million because the revaluation of infrastructure @ 31/12/15 wasn't completed till after the 16/17 Annual Plan was completed.
The actual infrastructure value @ 30/06/16 exceeded the amount anticipated in the 16/17 Annual Plan by \$1 million.

13

Investment property exceeded budgeted value as at 30 June 2017 as the actual market valuation exceeded the erstimated amount in the 16/17 Annual Plan.

14

Investment in Associate includes share of undistributed profits @ 30/6/17.

15

| | Actual | Budgeted |
|------------------------------|----------------------|----------------------|
| Financial Assets-Current | \$ 2,092,942 | \$ 1,500,000 |
| Financial Assets-Non Current | \$ 9,776,074 | \$ 10,375,963 |
| | <u>\$ 11,869,016</u> | <u>\$ 11,875,963</u> |

See also comments in 11 above.

16

Current Liabilities
Current Liabilities of \$2.803 million exceeded the budgeted amount of \$2.313 million by \$490,000 due to:
(a) Employee benefit liabilities of \$456,000 exceeding budgeted amount of \$300,000. This was mainly due to accrued bonuses not included in the budgeted amount.

(b) Current portion of term liabilities \$387,000 were higher than budgeted amount of \$13,000 due to a change in accounting treatment of current portion of bank borrowing.

17

Non Current Liabilities
The actual amount of \$5.504 million is less than the budgeted amount of \$5.861 million due to the change in accounting treatment of current portion of bank borrowing (see 16 above).

