

West Coast Regional Council

Long-Term Plan

2021/2031



THE WEST COAST
REGIONAL COUNCIL



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Foreword

Welcome to the West Coast Regional Council's 2021/2031 Long-Term Plan.

This Plan has been developed in consultation with you, our community, and lays out our work and budget for the next ten years. We have listened to what you have had to say through feedback on the Long-Term Plan Consultation Document and at the hearing, and have taken it all into consideration.

Central Government reform has placed our general rate under significant pressure. Along with the rest of New Zealand we are being called upon to do more, do it better and do it faster. Where we can we are leveraging funding from Government, but this does not cover it all. Some of those in our region are facing some hefty economic challenges, from various disasters including the ongoing impact of Covid-19 and natural disasters. We recognise that the decisions we have made in this Plan will have a financial impact on our ratepayers. We have not made these decisions lightly.

Council is continuing to progress with Central Government's direction to develop Te Tai o Poutini Plan (the combined district plan for the West Coast). Representatives from both Rūnunga, Westland District Council, Grey District Council and Buller District Council are working effectively with us to complete a draft that will be presented to the community early in 2022 for consultation.

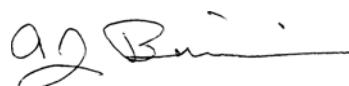
Moving forward, we will continue to look carefully at what is asked of us, the pressures experienced in the region, and how to fund these requirements in the most cost-effective way for our communities. This is particularly the case in areas such as delivering on NZ's freshwater expectations and for our other natural areas. We will focus on achieving the minimum statutory requirements, noting that in regards to freshwater, the overall ecological health of our rivers and streams rate well against national standards.

One of our most important roles is the flood and erosion protection we provide to communities throughout the region. On behalf of our rating districts we own and maintain approximately \$106.8 million worth of flood and erosion protection assets. We now have a new project to undertake on behalf of the Westport community to improve their resilience to flood hazard, and a direction to proceed with further consultation with the Wanganui Rating District on the investment in their assets.

How boundaries are defined for rating districts, and who should, or should not, contribute financially came through clearly from the Long-Term Plan consultation. A review of the current rating district structure and complexity, and whether it is fit for purpose and relevant for the floodwalls, seawalls and drainage infrastructure that protects and supports our communities, will be undertaken for the Long-Term Plan 2024-34.

Ratepayers expect the Council to use its resources wisely to provide the most value. The review of our User Fees and Charges, and the administration of our rating districts, has ensured that those who benefit the most from specific services or projects are those that will pay the majority for them.

We fully recognise the challenges that lie ahead of us; for our communities, for our region, and for us as a Council. Ensuring the future for our people, their property and our economy is at the forefront of everything we do here, and by working together we can make positive change happen.



Allan Birchfield
Chairman, West Coast Regional Council



July 2021 flood event

The July 2021 flood event had a significant impact on the Westport community. As ratepayers provided feedback on the flood protection options proposed in the Long-Term Plan Consultation Document, the impact of the event on their properties, businesses and lives was also communicated. While the event did not damage Council's flood or erosion protection infrastructure assets, Council expects and has budgeted for a financial impact, due to the remission of rates on affected properties.



Statement of Compliance

The West Coast Regional Council, and its officers, confirm that all the relevant statutory requirement of Part 6 of the Local Government Act 2002 (relating to planning, decision-making and accountability) have been complied with, except for the requirements under Section 93(3) to adopt the Long-Term Plan by 30 June 2021.

The Long-Term Plan was adopted on 5 October 2021.

The Council, and its officers, accept responsibility of the preparation of the Long-Term Plan and the prospective financial statements.

In the opinion of the Council, and its officers, the Long-Term Plan for the 10 years commencing 1 July 2021 provides a reasonable basis for long term integrated decision making and for decision making by the public and subsequent accountability to the community about the activity of the West Coast Regional Council.

Handwritten signature of Allan Birchfield in black ink.

Allan Birchfield
Chairman

5 October 2021

Handwritten signature of Heather Mabin in black ink.

Heather Mabin
Acting Chief Executive

Your Councillors

The West Coast Regional Council has seven representatives elected by the community through local body elections every three years, as follows:

Buller constituency | Two members

Councillors John Hill and Laura Coll McLaughlin

Grey constituency | Three members

Councillors Allan Birchfield (Chair), Peter Ewen and Brett Cummings

Westland constituency | Two members

Councillors Stuart Challenger (Deputy Chair) and Debra Magner



*Back row from the left – Cllr Brett Cummings, Cllr Stuart Challenger, Cllr John Hill, Cllr Peter Ewen,
Front row from the left – Cllr Debra Magner, Cllr Allan Birchfield (Chair), Cllr Laura Coll McLaughlin*

Governance

Council committees

In formulating its committees, the Council is required to take into account the dictates of the Local Government Act 2002. This Act requires a local authority to ensure that, so far as is practicable regulatory decision-making responsibilities and processes are separated from responsibility and processes for decision-making for non-regulatory responsibilities.

Governance systems

The full Council and Resource Management Committee meet on a four-weekly cycle, with other meetings convened as necessary. Agendas and minutes from all meetings are publicly available. The adopted structure and approach provides an efficient basis for the sound consideration of issues and the making of good decisions.

Legislative compliance

As a regulatory body, the Council administers various laws and regulations. As such, it is vital that it also complies with relevant legislation. Members and Councillors are cognisant of the legislative requirements. Where necessary, legal advice is obtained to ensure legislative compliance.

Environmental compliance

In addition to its overall environmental management role in the region the Council itself occasionally engages in resource use activities in undertaking its functions. Where that occurs, systems and procedures are in place to ensure that its own actions comply with the standards expected of all other resource users. These include requirements to apply for and obtain the necessary consents. Monitoring and reporting on these are required.

Council operations

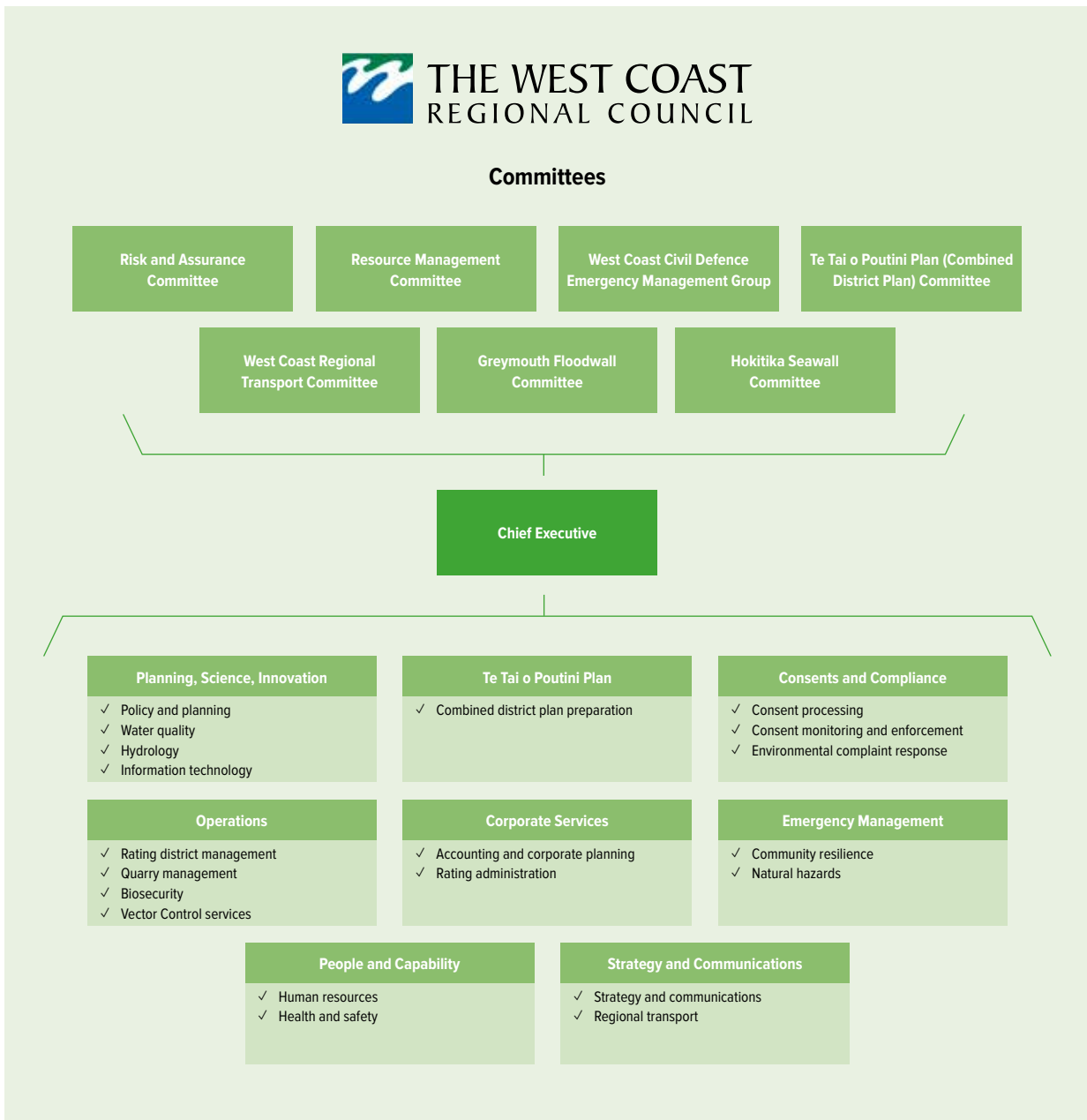
Most activities are primarily the output of one section or department. However, a number of tasks, particularly those associated with the development of policy, require resources to be applied from throughout the organisation. The departmental structure has been designed in accordance with fields of activities. It is a flat, compact structure, which results in a high level of delegated authority, productivity and commitment.

To undertake its activities, a permanent staff with wide-ranging professional, technical and administrative skills is employed. In addition, the necessary property, equipment and facilities are owned.

The staff are individually and collectively committed to promoting the Organisational Values of:



Figure 1: Council committee and staff structure



Strategic direction

Our strategic direction is driven by the challenges before us, and our priorities. The choices we have made on where we live and do business have made us susceptible to the impacts of natural hazards. We need to adapt, or defend as required, to protect the economic, social and cultural well-being of our communities.

Councils are facing significant legislative reform in the areas of freshwater management, hazard management and biodiversity, along with the replacement of the Resource Management Act with three new pieces of legislation. Council is also funding, coordinating and delivering on Te Tai o Poutini Plan (the combined District Plan for the West Coast). Along with the rest of New Zealand, the West Coast is being called upon to do more, do it better and do it faster.

We must ensure that our work programmes are targeted and achieving the best outcomes for regional ratepayers and West Coast communities. Council intends to promote a 'user-pays' approach for the services provided whether these are for rating districts, consent holders for the other services we deliver.

Figure 2 – Strategic overview

CHALLENGES		
Increasing intensity, and impact of natural hazards (including climate change)	Increasing Central Government legislation	Funding the work ahead of us
OUR PRIORITIES		
Living in our hazardscape	Delivering on our statutory requirements	Making best use of our resources
HOW WE PLAN TO DEAL WITH THESE		
<ul style="list-style-type: none"> Working with our communities to adapt to living within our hazardscape. New hazard management provisions to be developed through Te Tai o Poutini Plan. Rating district investment and maintenance. Emergency management role in reduction, readiness and recovery. 	<p>Reviewing legislative requirements, and taking a practical approach in prioritising what we do to ensure we direct our resources to the areas of greatest need and greatest benefit.</p>	<p>Adopting a mixed approach to funding to spread the costs and reduce the impact on our ratepayers.</p> <p>This includes:</p> <ul style="list-style-type: none"> Reviewing our user fees and charges, and ensuring that those who benefit from our services are those that pay these costs as opposed to them falling on the general ratepayer Borrowing to fund development of Te Tai o Poutini Plan over the life of the Plan

Community well-beings

Legislative framework

The role of a Regional Council in supporting community well-being outcomes is defined in part 1 of the Local Government Act 2002. That role has had three significant changes over the history of the Act,

When the Act was first passed, promoting the “four well-beings” – social, economic, environmental and cultural – was a core purpose of councils. Councils were required to set and review those community outcomes every six years. That process required them to work with other agencies and encourage community input in the setting and incorporation of those outcomes into plans.

The Act removed the requirement for review and collaboration with other agencies. A further change in 2012 replaced the community outcomes focus with the “cost-efficient and effective delivery of infrastructure, service and regulatory outputs”.

The four well-beings were reinstated in 2019 as a primary purpose of councils, using identical wording to the original version of the Act. There was no similar move to revive the consultation and collaboration requirements.

West Coast’s response to promoting the well-beings

The most significant steps taken regarding community well-beings on the West Coast was the work completed in 2005. The initial work, led by the Regional Council, used community consultation to identify six high level community outcomes for the region. Over time these have been refined and Council now focusses on three that are within the mandate and scope of work of Council. These are:



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 a strong community spirit and cohesion.

The Council has a range of community well-being indicators (the levels of service within each group of activities) which are currently monitored and annually reported on. Examples include air and water quality, planning processes and rating district services.

These measures paint a picture of the work Council is doing to advance the four well-beings. It sets a good base to develop a more comprehensive framework should this be required in the future, noting that Council’s ability to influence the well-beings are limited to those within its area of responsibility (as defined by various Acts, plans, policies and programmes). In practice this means that the primary focus will be on environmental well-beings, with less of a focus on the other three areas that are less within regional council jurisdiction. The Council will still have regard to those other three well-beings as they relate to its functions.

Audit opinion

To the reader:

Independent Auditor's report on West Coast Regional Council's 2021-2031 long-term plan

I am the Auditor-General's appointed auditor for West Coast Regional Council (the Council). The Local Government Act 2002 (the Act) requires the Council's long-term plan (plan) to include the information in Part 1 of Schedule 10 of the Act. Section 94 of the Act requires an audit report on the Council's plan. Section 259C of the Act requires a report on disclosures made under certain regulations. I have carried out this work using the staff and resources of Audit New Zealand. We completed our report on 5 October 2021.

Opinion

In our opinion:

- the plan provides a reasonable basis for:
 - › long-term, integrated decision-making and co-ordination of the Council's resources; and
 - › accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 61 to 64 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee the accuracy of the information in the plan.

Emphasis of Matters

Without modifying our opinion, we draw attention to the following matters:

Breach of statutory deadline

Page 4 states the Council failed to adopt the plan before the commencement of the first year to which it relates. This is a breach of section 93(3) of the Act.

Uncertainty over the delivery of the capital programme

The plan on page 53 outlines that the Council is proposing to spend \$44.02 million on capital projects over the next 10 years. As outlined on page 95, there is uncertainty over the delivery of the programme within the set timeframes due to a number of factors, including delays in receiving resource consents, adverse weather events, and the inability to procure the appropriate contracted services. If the Council is unable to deliver on a planned project, it could affect intended levels of service.

Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400 The Examination of Prospective Financial Information that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face during the next 30 years;
- the approach taken by the Council to maintain its assets is reasonable, given the types of asset infrastructure owned by the Council;
- the information in the plan is based on materially complete and reliable information;
- the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;
- the assumptions set out in the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures, and forecast financial information has been adequately explained in the plan.

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

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures, and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

We are responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act. We do not express an opinion on the merits of the plan's policy content.

Independence and quality control

We have complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 issued by the New Zealand Auditing and Assurance Standards Board; and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to carrying out all legally required external audits, we completed an assurance engagement pursuant to the Council's debenture trust deed. This assurance engagement is compatible with those independence requirements. Other than the external audits and the assurance engagement, we have no relationship with or interests in the Council.



Chantelle Gernetzky

Audit New Zealand

On behalf of the Auditor-General, Christchurch, New Zealand

Activities we are Involved in



Groups of Activities

For the purpose of this Plan, Council has arranged its business into seven groups of activities, namely:





Regional Leadership

The activities undertaken by Council have been broadened and encompass not only the traditional Governance function but also a combined district plan and a more inclusive approach to decision-making through the formal arrangement with Iwi. Two formal agreements that triggered this change are:

- The signing of the Mana Whakahono ā Rohe Arrangement by Te Rūnanga o Ngāti Waewae, Te Rūnanga o Makaawhio, Te Rūnanga o Ngāi Tahu and Council; and
- An Order in Council to establish the Te Tai o Poutini Plan Committee to develop a combined district plan for the region.

Regional Leadership has been split into three sub-groups of Governance, Mana Whakahono ā Rohe Arrangement and Regional Planning. The activities undertaken by these subgroups are:

- **Governance**
 - › Decision-making undertaken at Council meetings, workshops and committees
 - › Day-to-day Corporate Service functions that apply across Council as a whole of Finance, IT, People and Capability and Health and Safety
- **Mana Whakahono ā Rohe Arrangement**
 - › Implementation of the protocols of the Arrangement
 - › Involvement of Iwi in decision-making
- **Regional Planning**
 - › Statutory compliance for reporting and planning
 - › Development of the Te Tai o Poutini Plan for the region.

Rationale for Regional Leadership activities

Governance includes the democratic function of the Council. Governance activities of the Council are carried out under the Local Government Act 2002, the Resource Management Act 1991, and the Land Transport Management Act 2003, among others. The Council conducts eleven monthly meetings of the Council and the Resource Management Committee, and convenes other meetings and workshops as appropriate.

Individual Councillors attend other committee meetings as representatives of the whole Council, such as the Regional Transport Committee, the Civil Defence Emergency Management Group, and the Greymouth Floodwall and Hokitika Seawall Joint Committees. Councillors also act as commissioners from time to time on resource consent and regional plan hearings.

Schedule 10 of the Local Government Act 2002 requires Council to set out the steps it intends to take to foster development of Māori capacity to contribute to Council's decision-making processes. Specifically, in relation to Governance, Council has facilitated an ongoing role for Poutini Ngāi Tahu in decision-making and resource management to relevant Council committees and forums such as the Resource Management Committee as well as providing opportunities to be involved throughout major policy and plan formation.

The consultation process of the draft Long-Term Plan is one way that other Māori not affiliated to Te Rūnanga o Ngāti Waewae or Te Rūnanga o Makaawhio can communicate their views to the Council.

Community well-beings

Governance activities contribute to the community outcomes and well-beings by maintaining effective and open community representation as an important part of the democratic process; promoting community awareness, and provision of information, and support of the contribution of Poutini Ngāi Tahu to the decision-making processes of Council.

Specifically, this group of activities contributes to the following 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 a strong community spirit and cohesion.

No significant adverse effects on the social, economic, cultural or environmental wellbeing of the community have been identified as a result of undertaking these activities.

Use of significant assets

The Regional Leadership group of activities does not utilise significant assets in the delivery of services.

Governance performance measures

The existing levels of service and measures for Governance have been developed through the introduction of new measures that will monitor Management’s performance in supporting the governance function.

Level of Service: 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						
Measure	Baseline	Targets				
		2021-22	2022-23	2023-24	2024-31	
Number of public meetings held and individual Councillor attendance	At least 80% attendance by each Councillor of all Council and Resource Management Committee meetings, other scheduled meetings and scheduled workshops.	At least 80%	At least 80%	At least 80%	At least 80%	
Timing and number of newsletters, and internet website based information related to public consultation	Twice per year	Twice per year	Twice per year	Twice per year	Twice per year	
Percentage of Council and Committee meeting Agendas (for all scheduled meetings) that are available at least two working days before meetings	New measure	100%	100%	100%	100%	
Percentage of draft Council and Committee minutes available on the Council website within six weeks of meetings	New measure	100%	100%	100%	100%	

Mana Whakahono ā Rohe Arrangement aligned performance measures

With the signing of the Mana Whakahono ā Rohe Arrangement Council formalised Iwi's involvement in the decision-making process. The existing level of service relating to this function has been further developed with three additional performance measures set out below.

Level of Service: Continue to support the contribution our two West Coast Runanga make to Council's decision-making processes; and continue to seek contributions from other Māori					
Measure	Baseline	Targets			
		2021-22	2022-23	2023-24	2024-31
Attendance of Iwi appointees at Resource Management Committee meetings	At least 80% attendance by each Iwi representative of all Resource Management Committee meetings and workshops.	At least 80%	At least 80%	At least 80%	At least 80%
All RMA submissions made by Council reviewed by Iwi	New measure	All	All	All	All
Number of non-RMA submissions made by Council reviewed by Iwi	New measure	At least 75%	At least 75%	At least 75%	At least 75%
Council to fund Pokeka Poutini o Ngāi Tahu Limited*	New measure	100%	100%	100%	100%

*As per Schedule 2 of Mana Whakahono ā Rohe Arrangement signed October 2020.

Regional Planning performance measures

Two levels of service and measures have been introduced to monitor Council's performance in relation to meeting statutory obligations and the new responsibility of drafting the Te Tai o Poutini Plan.

Level of Service: Council's planning and reporting functions meet statutory requirements and demonstrate sound business planning					
Measure	Baseline	Targets			
		2021-22	2022-23	2023-24	2024-31
Compliance with statutory timeframes	Meet statutory deadlines for notifying the Council's Annual Plan or Long-Term Plan, and the Annual Report each year, in accordance with Local Government Act 2002	Annual Plan 30 June, Annual Report 31 December**	Annual Plan 30 June, Annual Report 31 October	Long-term Plan 30 June, Annual Report 31 October	Annual Plan 30 June, Annual Report 31 October
Council's LTP, Annual Plan and Annual Reports meet audit requirements	New measure	Unqualified audit opinion achieved for LTP and Annual Report	Unqualified audit opinion achieved for Annual Report	Unqualified audit opinion achieved for Annual Report	Unqualified audit opinion achieved for LTP and Annual Report

**8 July 2021, Parliament passed a Bill to extend by two months the statutory reporting time frames in the LGA for both the 2021 and 2022 financial reporting years. Council will complete this work by 31 October, however delays are anticipated due to Audit NZ resourcing issues.

ACTIVITIES WE ARE INVOLVED IN

Level of Service: Complete Te Tai o Poutini Plan to operative stage, and ensure ongoing maintenance through its TTPP Committee					
Measure	Baseline	Targets			
		2021-22	2022-23	2023-24	2024-31
<p>Order in Council requirement to produce a combined district plan for the West Coast</p> <p>Te Tai o Poutini Plan to give effect to National and Regional legislation and Policy</p> <p>Plan notified mid-2022, with the aim of submissions, hearings, mediation, and possible court processes complete in 2026</p>	New measure	<p>Draft Plan available for feedback late January 2022</p> <p>Proposed Plan notified July 2022</p> <p>Submissions received and responded to late 2022</p>	Hearings and appeals	Appeals and mediation	<p>Environment Court as required</p> <p>Fully operative Plan circa 2026</p>

Funding Impact Statement – Regional Leadership

AP	2020/21	LTP	2021/22	LTP	2022/23	LTP	2023/24	LTP	2024/25	LTP	2025/26	LTP	2026/27	LTP	2027/28	LTP	2028/29	LTP	2029/30	LTP	2030/31
		Sources of Funding																			
443,129	444,633	525,825	495,087	583,243	661,990	646,235	685,148	781,631	776,048	815,718											
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
166,917	3,672	2,079	422	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
171,751	64,208	68,780	59,084	65,759	70,038	64,494	64,370	69,020	64,340	63,743											
781,797	512,513	596,684	554,593	649,002	732,028	710,729	749,518	850,651	840,388	879,461											
		Applications of Operating Funding																			
525,443	333,618	352,979	316,201	395,245	433,252	318,114	310,347	400,006	401,800	376,050											
75,695	84,428	100,841	97,344	94,415	91,501	88,826	86,953	85,629	84,304	82,978											
43,900	0	0	0	0	0	0	0	0	0	0											
0	0	0	0	0	0	0	0	0	0	0											
645,038	418,046	453,820	413,545	489,660	524,753	406,940	397,300	485,635	486,104	459,028											
136,759	94,467	142,864	141,048	159,342	207,275	303,789	352,218	365,016	354,284	420,433											
		Sources of Capital Funding																			
0	0	0	0	0	0	0	0	0	0	0											
0	0	0	0	0	0	0	0	0	0	0											
-205,719	-179,922	-181,522	-188,157	-144,826	-146,532	-121,013	-66,252	-66,252	-66,252	-66,252											
68,221	43,000	43,000	21,500	0	0	0	0	0	0	0											
52,738	98,269	94,526	29,318	52,945	58,500	43,925	61,132	97,188	72,351	35,334											
0	0	0	0	0	0	0	0	0	0	0											
-84,760	-38,653	-43,996	-137,339	-91,881	-88,032	-77,088	-5,120	30,936	6,099	-30,918											
		Applications of capital funding																			
0	0	0	0	0	0	0	0	0	0	0											
0	0	0	0	0	0	0	0	0	0	0											
316,463	248,000	611,754	321,860	318,264	498,410	447,115	174,420	184,070	182,223	350,495											
566,730	227,643	232,879	-512,231	743,000	-251,411	753,810	1,259,393	1,265,100	1,271,197	1,776,892											
-831,194	-419,829	-745,765	194,080	-993,803	-127,756	-974,224	-1,086,715	-1,053,218	-1,093,037	-1,737,872											
51,999	55,814	98,868	3,709	67,461	119,243	226,701	347,098	395,952	360,383	389,515											
-136,759	-94,467	-142,864	-141,048	-159,342	-207,275	-303,789	-352,218	-365,016	-354,284	-420,433											
0	0	0	0	0	0	0	0	0	0	0											



Resource Management activities

Activities within this group

- Planning, policy and strategy
- State of the Environment monitoring
- Resource consent enquiries and processing
- Compliance monitoring and enforcement
- Hazardous substance spill response

Rationale for Resource Management

The Resource Management Act 1991 (RMA) requires regional councils to have certain planning documents 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 for managing pest plants in the region. All Plans are required to be reviewed within the ten-year period following adoption, including a public consultation process.

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 interests of our West Coast communities.

Council monitors the state of our environment to establish trends in environmental quality and to detect emerging issues. This information is fundamental for assessing the effectiveness of resource management policies and plans. It also 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.

Community well-beings

The resource management group of activities contribute to the community outcomes and well-beings by promoting the sustainable use, development and protection of the West Coast's natural and physical resources of land, water, air, coast and biodiversity in accordance with statutory duties, regional planning objectives and national policy and other standards in an enabling manner; advocating on behalf of the West Coast community on matters of regional interest; processing consents within statutory timeframes making use of non-notified and limited notified processes to minimise delays; setting appropriate conditions on specific resource uses in accordance with the policies set by Council plans; compliance monitoring to ensure consent conditions are adhered to; pollution and incident response; environmental monitoring to inform regional policy and summer contact recreation data.

Specifically, this group of activities contributes to the following 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 a strong community spirit and cohesion.

No significant adverse effects on the social, economic, cultural or environmental wellbeing of the community have been identified as a result of undertaking these activities.

Use of significant assets

The resource management group of activities does not utilise significant assets in the delivery of services.

Environmental Planning and Monitoring performance measures

The following targets measure the performance of the activities undertaken by the Environmental Planning and Monitoring functions.

Level of Service: Complete current regional plans to operative stage and review them to maintain their community acceptability					
Measure	Baseline	Targets			
		2021-22	2022-23	2023-24	2024-31
<p>Compliance with statutory requirements for the review of Council's plans and strategies</p> <p>Meet all deadlines set out in the West Coast Regional Council NPS-FM Progressive Implementation Programme</p>	<p>Regional plans that give effect to the National Policy Statement for Freshwater management 2020 (NPS-FM 2020)</p> <p>Notify regional plans that implement the NPS-FM 2020 by 31 December 2024</p> <p>NPS-FM 2020 is to be in place by 2026</p>	<p>Respond to discussion documents on NPS-FW management</p> <p>Work in partnership with iwi</p>	<p>Develop plan changes</p>	<p>Plans notified</p>	<p>Implementation underway</p>

Level of Service: Advocate for the West Coast interests when external environmental policymaking may affect the West Coast					
Measure	Baseline	Targets			
		2021-22	2022-23	2023-24	2024-31
<p>Number of submissions made and number of successful advocacy outcomes</p>	<p>Submit on all central or local government discussion documents, draft strategies, policies or Bills that may impact on West Coast interests, within required timeframes</p>	<p>100%</p>	<p>100%</p>	<p>100%</p>	<p>100%</p>

Level of Service: To monitor water quality in the West Coast's rivers					
Measure	Baseline	Targets			
		2021-22	2022-23	2023-24	2024-31
<p>Water quality attributes, including ammoniacal nitrogen, clarity, turbidity and faecal coliforms, are measured at 38 river sites¹</p>	<p>Measurement of all relevant attributes at river monitoring sites.</p>	<p>Meet measurement baseline</p>	<p>Meet measurement baseline</p>	<p>Meet measurement baseline and full SOE reporting</p>	<p>Meet measurement baseline and full SOE reporting</p>

¹ The suite of water quality attributes measured by Council will vary in response to the needs of central government policy and regional community needs. The number and location of sites will vary over time for the same reasons stated above.

ACTIVITIES WE ARE INVOLVED IN

Level of Service: To maintain or enhance the water quality in Lake Brunner					
Measure	Baseline	Targets			
		2021-22	2022-23	2023-24	2024-31
The trophic state of Lake Brunner as measured by the rolling 5 year Trophic Level Index (TLI) mean remains above the baseline	2002-2006 TLI baseline mean of 2.79.	TLI >2.79	TLI >2.79	TLI >2.79	TLI >2.79

Level of Service: To monitor the life supporting capacity and amenity value of the West Coast's rivers					
Measure	Baseline	Targets			
		2021-22	2022-23	2023-24	2024-31
Instream macroinvertebrate community health is assessed at 29 river sites²	The SQMCI ³ comparisons are made annually according to the method stipulated under the measure.	Meet baseline requirements	Meet baseline requirements	Meet baseline requirements and full SOE reporting	Meet baseline requirements and full SOE reporting
The Semi Quantitative Macroinvertebrate Community Index (SQMCI) is calculated from a rolling 5 year mean and compared to mean calculated from 2005-2009, at each site					
Twenty swimming sites are tested, weekly or fortnightly⁴, for E coli or Enterococci, and the results compared to relevant national policy and guidelines	Bacterial testing at scheduled swimming sites is completed at least fortnightly from November to March and reported publicly within 5 days of testing.	Meet baseline requirements	Meet baseline requirements	Meet baseline requirements and full SOE reporting	Meet baseline requirements and full SOE reporting
	Test results are compared to following criteria: E coli (moderate-high risk > 550 cfu/100 ml) and Enterococci (moderate-high risk > 280 cfu/100 ml).	All exceedances are reported to the Resource Management Committee	All exceedances are reported to the Resource Management Committee	All exceedances are reported to the Resource Management Committee	All exceedances are reported to the Resource Management Committee

2 The suite of water quality monitoring sites used by Council will vary in response to the needs of central government policy and regional community needs.

3 This macroinvertebrate index uses comparative samples of aquatic invertebrates to evaluate water quality, based on the type and tolerances 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.

4 The number and location of swimming/bathing monitoring sites used by Council, and the frequency that they are sampled at, will vary in response to the needs of central government policy and regional community needs.

Level of Service: Monitor groundwater to protect human health from adverse impacts of poor groundwater quality						
Measure	Baseline	Targets				
		2021-22	2022-23	2023-24	2024-31	
<p>Twenty eight wells⁵ are monitored at least twice annually, 24 of which are used for human consumption</p> <p>The New Zealand Drinking Water Standard (NZDWS) for nitrate is applied to wells used for human consumption: 11.3 mg/L Nitrate-N</p>	<p>Twenty eight wells are monitored at least twice annually.</p>	<p>Meet baseline requirements</p>	<p>Meet baseline requirements</p>	<p>Meet baseline requirements and full SOE reporting</p>	<p>Meet baseline requirements and full SOE reporting</p>	
	<p>For each well compare the most recent 12 months of data to the NZDWS Nitrate-N guideline and report twice yearly to the Resource Management Committee.</p>	<p>Meet baseline requirements</p>	<p>Meet baseline requirements</p>	<p>Meet baseline requirements</p>	<p>Meet baseline requirements</p>	

Level of Service: To protect human health from any adverse impacts of poor air quality in Reefton						
Measure	Baseline	Targets				
		2021-22	2022-23	2023-24	2024-31	
<p>Reefton's air is monitored for PM₁₀ in accordance with the National Environmental Standard for Air Quality (NESAQ)</p>	<p>The threshold is a 24hr mean PM₁₀ of 50 micrograms/m³.</p>	<p>All exceedances are reported to the Resource Management Committee</p>	<p>All exceedances are reported to the Resource Management Committee</p>	<p>All exceedances are reported to the Resource Management Committee and full SOE reporting</p>	<p>All exceedances are reported to the Resource Management Committee and full SOE reporting</p>	

⁵ The number and location of monitoring wells used by Council, and the frequency that they are sampled at, will vary in response to the needs of central government policy and regional community needs.

Consents and Compliance performance measures

The following targets measure the performance of the activities undertaken by the Consents and Compliance functions.

Level of Service: Compliance with the consent processing timeframes in the RMA and mining legislation					
Measure	Baseline	Targets			
		2021-22	2022-23	2023-24	2024-31
Compliance with discounting regulations and mining timeframes	Process all resource consent applications without incurring any cost to Council due to the RMA discounting regulations.	100%	100%	100%	100%
	Process all resource consent applications within statutory timeframes.	100%	100%	100%	100%
	Process all mining work programmes within 20 working days.	100%	100%	100%	100%

Level of Service: Respond to all genuine incident complaints received by the Council and take enforcement action where needed					
Measure	Baseline	Targets			
		2021-22	2022-23	2023-24	2024-31
Operate a 7.00 am – 9.00 pm complaints service	Respond to all urgent / high risk complaints within 24 hours.	100%	100%	100%	100%
	Non-urgent medium/high risk complaints within 10 working days, and non-urgent low risk desktop response only.	100%	100%	100%	100%

Level of Service: To monitor the impact of discharges on water quality in the West Coast’s rivers					
Measure	Baseline	Targets			
		2021-22	2022-23	2023-24	2024-31
Compliance Monitoring for Discharges:	All significant consented discharges ⁶ are monitored at least annually.	100%	100%	100%	100%
The number of compliant or non-compliant point source discharges to water or discharges likely to enter water; and council’s response to any non-compliance	All dairy farms that operate under permitted activity rules are monitored at least bi-annually depending on each individual compliance record.	100%	100%	100%	100%
	All non-compliances are publicly reported to the Resource Management Committee	100%	100%	100%	100%
	Enforcements reported to Resource Management Committee	100%	100%	100%	100%

⁶ 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 (Westland Milk Products and CMP Kokiri Ltd).

Level of Service: Respond to marine oil spills in coastal waters					
Measure	Baseline	Targets			
		2021-22	2022-23	2023-24	2024-31
In accordance with the Tier 2 Oil Spill Response Plan and maintain readiness for spill response	Respond within 4 hours to all spills, using Council or MNZ spill equipment to contain spills.	100%	100%	100%	100%
	10 staff are trained responders.	10 or more	10 or more	10 or more	10 or more

Level of Service: To provide marine oil spill and terrestrial hazardous substance spill support, and biosecurity response services for Maritime NZ, Ministry for Primary Industries and the Regional Council					
Measure	Baseline	Targets			
		2021-22	2022-23	2023-24	2024-31
Availability of trained staff	At least 10 staff available as a response unit for marine and terrestrial pollution spill events as advised by Maritime NZ.	10 or more	10 or more	10 or more	10 or more
	Have 4 staff plus a vehicle available for biosecurity emergencies, as per the National Biosecurity Capability Network agreement 2011.	4	4	4	4

To monitor Council's Compliance function, a new level of service has been introduced that focuses on Staff performance.

Level of Service: Maintain the Consents and Compliance functions of Council in a manner that promotes effective decision-making, transparency, and accountability to the West Coast regional community					
Measure	Baseline	Targets			
		2021-22	2022-23	2023-24	2024-31
Bond release within four months of surrender or at the conclusion of mining	New measure	100%	100%	100%	100%
Annual inspection of all Whitebait stands on Little Wanganui, Taramakau, Hokitika, Wanganui, Paringa, Haast and Waiatoto Rivers	New measure	100%	100%	100%	100%
Annual assessment of farm compliance in the Lake Brunner catchment	New measure	100%	100%	100%	100%
Inspect new consents that involve major construction works within 1 month of the project commencing	New measure	100%	100%	100%	100%

Other Resource Management Activities planned for 2021 – 2031

(These matters will not be measured or reported on in Council's Annual Reports)

Plan and strategy preparation and review:

- Make the appealed parts of Plan Change 1 to the Regional Land and Water Plan operative by 30 June 2022.
- Complete the Regional Coastal Plan review when the Natural and Built Environments Act is released in December 2022.
- Progress the Air Plan review when the Natural and Built Environments Act is released in December 2022
- Implement the National Planning Standards in the Regional Policy Statement by 5 April 2022, and continue transferring the Regional Policy Statement and Regional Plans into an E-planning system.
- Implement the requirements of the National Policy Statement for Freshwater Management by 2030.
- Publicly notify the proposed freshwater Plan Change 2 to the Regional Land and Water Plan by 31 December 2024.

Funding Impact Statement – Resource Management

AP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31		
	Sources of Funding											
1,655,815	3,049,584	3,447,550	3,951,212	3,994,311	4,216,469	4,489,797	4,759,941	5,021,525	5,378,738	5,694,832		
0	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000		
0	1,650,377	700,400	974,289	0	0	0	0	0	0	0		
1,391,134	1,599,866	1,653,517	1,689,076	1,726,252	1,766,661	1,802,220	1,842,629	1,883,037	1,923,446	1,967,087		
641,772	440,383	450,950	471,540	450,349	446,100	448,077	447,202	443,410	445,933	445,014		
3,688,721	7,240,210	6,752,417	7,586,117	6,670,912	6,929,230	7,240,094	7,549,772	7,847,972	8,248,117	8,606,933		
	Applications of Operating Funding											
1,510,601	7,859,400	6,959,102	7,099,235	6,252,324	6,133,843	6,183,071	6,306,833	6,429,701	6,533,234	6,903,274		
0	55,491	50,423	45,254	75,882	65,675	55,264	44,645	33,812	27,764	11,494		
2,283,055	0	0	0	0	0	0	0	0	0	0		
0	0	0	0	0	0	0	0	0	0	0		
3,793,656	7,914,891	7,009,525	7,144,489	6,328,206	6,199,518	6,238,335	6,351,478	6,463,513	6,560,998	6,914,768		
-104,935	-674,681	-257,108	441,628	342,706	729,712	1,001,759	1,198,294	1,384,459	1,687,119	1,692,165		
	Sources of Capital Funding											
0	0	0	0	0	0	0	0	0	0	0		
0	0	0	0	0	0	0	0	0	0	0		
0	2,521,145	-258,456	-263,625	1,284,714	-520,564	-530,974	-541,595	-552,426	-563,475	-574,745		
0	0	0	0	0	0	0	0	0	0	0		
0	0	0	0	0	0	0	0	0	0	0		
0	0	0	0	0	0	0	0	0	0	0		
0	2,521,145	-258,456	-263,625	1,284,714	-520,564	-530,974	-541,595	-552,426	-563,475	-574,745		
	Applications of capital funding											
0	0	0	0	0	0	0	0	0	0	0		
0	0	0	0	0	0	0	0	0	0	0		
62,600	90,000	20,460	20,900	96,119	21,861	22,299	102,600	23,300	23,821	109,530		
0	0	0	0	0	0	0	0	0	0	0		
-167,535	1,756,464	-536,024	157,103	1,531,301	187,287	448,486	554,099	808,733	1,099,823	1,007,890		
-104,935	1,846,464	-515,564	178,003	1,627,420	209,148	470,785	656,699	832,033	1,123,644	1,117,420		
104,935	674,681	257,108	-441,628	-342,706	-729,712	-1,001,759	-1,198,294	-1,384,459	-1,687,119	-1,692,165		
0	0	0	0	0	0	0	0	0	0	0		



Regional Transport

Rationale for Regional Transport Planning

Council takes a coordination and administration role in the delivery of regional transport planning. This includes the appointment of the West Coast Regional Transport Committee (RTC), with membership from each of the four Councils and Waka Kotahi NZ Transport Agency. The primary role of the RTC is to prepare a Regional Land Transport Plan which sets the long-term vision and strategic direction for the land transport system, and establishes the short to medium term regional transport priorities, to inform the National Land Transport Programme and guide transport activities in Long-Term Plans. The activities of the approved organisations (four West Coast Councils, Waka Kotahi and Department of Conservation) are provided in a single coordinated three-to-six-year programme which bids for funding from the National Land Transport Fund.

Council is also responsible for the Regional Public Transport Plan. This Plan provides the framework for the delivery of the Total Mobility Scheme on the West Coast as well as supporting the subsidies obtained by the District Councils to ensure the viability of taxi services within Westport and Hokitika. Funded in partnership by local and central government, the Total Mobility Scheme assists eligible people, with physical or cognitive impairments to access appropriate transport to meet their daily needs and enhance their community participation. This assistance is provided in the form of subsidised door to door transport services wherever Total Mobility transport providers operate.

Community well-beings

The Regional Transport group of activities contribute to the community outcomes and well-beings by contributing to an effective, efficient and safe land transport system in the public interest by facilitating growth and economic development, ensuring a regional and nationally integrated network that is resilient and responsive.

Specifically, this group of activities contributes to the following community outcomes:



Economy

A thriving, resilient and innovative economy is promoted, which creates many opportunities for growth, wealth generation and employment.



Safety

A region that is a safe place to live, with a strong community spirit and cohesion.

No significant adverse effects on the social, economic, cultural or environmental wellbeing of the community have been identified as a result of undertaking these activities.

Use of significant assets

The Regional Transport group of activities does not utilise significant assets in the delivery of services.

Regional Transport performance targets

The performance targets included in this group of activities apply across each of the 10 years of the Long-Term Plan.

Level of Service: Maintain a Regional Land Transport Plan in accordance with relevant legislation reflecting West Coast issues and opportunities					
Measure	Baseline	Targets			
		2021-22	2022-23	2023-24	2024-31
An operative Regional Land Transport Plan	Compliance with statutory requirements for the preparation, review and implementation of the Regional Land Transport Plan.	100%	100%	100%	100%
Level of Service: Maintain a Regional Public Transport Plan in accordance with relevant legislation					
Measure	Baseline	Targets			
		2021-22	2022-23	2023-24	2024-31
An operative Regional Public Transport Plan	Compliance with the statutory requirements for the preparation, review and implementation of the Regional Public Transport Plan.	100%	100%	100%	100%

Funding Impact Statement – Regional Transport

AP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31			
	Sources of Funding												
84,613	50,372	55,248	50,471	60,781	64,350	62,186	71,348	75,406	71,171	79,179			
0	0	0	0	0	0	0	0	0	0	0			
85,896	101,100	100,152	108,994	107,975	110,502	119,863	116,713	119,273	131,733	130,828			
0	0	0	0	0	0	0	0	0	0	0			
32,795	7,274	7,227	6,023	6,853	6,808	6,206	6,703	6,658	5,901	6,187			
203,304	158,746	162,627	165,488	175,609	181,660	188,255	194,764	201,337	208,805	216,194			
	Applications of Operating Funding												
144,216	180,179	180,018	181,790	183,608	188,102	192,341	196,717	200,848	204,779	209,785			
0	0	0	0	0	0	0	0	0	0	0			
66,855	0	0	0	0	0	0	0	0	0	0			
0	0	0	0	0	0	0	0	0	0	0			
211,071	180,179	180,018	181,790	183,608	188,102	192,341	196,717	200,848	204,779	209,785			
-7,767	-21,433	-17,391	-16,302	-7,999	-6,442	-4,086	-1,953	489	4,026	6,409			
	Sources of Capital Funding												
0	0	0	0	0	0	0	0	0	0	0			
0	0	0	0	0	0	0	0	0	0	0			
0	0	0	0	0	0	0	0	0	0	0			
0	0	0	0	0	0	0	0	0	0	0			
0	0	0	0	0	0	0	0	0	0	0			
0	0	0	0	0	0	0	0	0	0	0			
0	0	0	0	0	0	0	0	0	0	0			
0	0	0	0	0	0	0	0	0	0	0			
0	0	0	0	0	0	0	0	0	0	0			
	Total Sources of capital funding (C)												
0	0	0	0	0	0	0	0	0	0	0			
	Applications of capital funding												
0	0	0	0	0	0	0	0	0	0	0			
0	0	0	0	0	0	0	0	0	0	0			
0	0	0	0	0	0	0	0	0	0	0			
0	0	0	0	0	0	0	0	0	0	0			
-7,767	-21,433	-17,391	-16,302	-7,999	-6,442	-4,086	-1,953	489	4,026	6,409			
-7,767	-21,433	-17,391	-16,302	-7,999	-6,442	-4,086	-1,953	489	4,026	6,409			
	Total applications of capital funding (D)												
7,767	21,433	17,391	16,302	7,999	6,442	4,086	1,953	-489	-4,026	-6,409			
0	0	0	0	0	0	0	0	0	0	0			
	Surplus (Deficit) of Capital Funding (C) - (D)												
	Funding Balance (A - B) + (C - D)												



Hydrology and Flood Warning Services

Rationale for Hydrology and Flood Warning Services

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.

How Council manages changes in demand

There is sometimes demand for new rivers to be added to our flood warning service, and our ability to meet such demand depends on the resources available balanced against the river's proximity to a major population centre and the risk profile. Any decision to invest in new assets would take into account factors such as need (risk), cost, accessibility, and whether there are clear communications to the site.

Will new infrastructure be required?

It is very difficult to accurately predict when or where new hydrology equipment may be required. The Mokihinui River was added to our flood warning rivers recently, and it is possible that further sites/rivers will also be added in the future.

Assets for activities

Council owns infrastructure at 36 hydrometric monitoring sites across the West Coast. Eight of these sites share infrastructure with NIWA. River level and flow gauges are located on river banks and consist of instrumentation cabinets with sensors that extend into or over the river channel. Rainfall gauges are located strategically in open areas to minimise sheltering caused by trees or buildings. They also include instrumentation cabinets and sensors.

Four repeaters and four link radios are located throughout the West Coast, many on mountain tops. These transmit recorded hydrometric information to the server at the Council office where it is quality assured and stored. These are not considered to be the type of assets that require management statements in the Long-Term Plan as per Schedule 10.2 of the Local Government Act.

Community well-beings

The Hydrology and Flood Warning group of activities contribute to the community outcomes and well-beings by being able to monitor the state of the environment as well as enhancing the safety of residents and businesses. The provision of timely flood warning information enables decisions to be made around the management and movement of stock and other assets.

Specifically, this group of activities contributes to the following 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 a strong community spirit and cohesion.

No significant adverse effects on the social, economic, cultural or environmental wellbeing of the community have been identified as a result of undertaking these activities.

Use of significant assets

The Hydrology and Flood Warning group of activities does not utilise significant assets in the delivery of services.

Hydrology and Flood Warning performance targets

The performance targets included in this group of activities apply across the whole 10 years of the Long-Term Plan.

Level of Service: 24hr Flood Warning Service for 6 key rivers on the West Coast; Karamea River, Mokihinui River, Buller River, Grey River, Hokitika River, Waiho River					
Measure	Baseline	Targets			
		2021-22	2022-23	2023-24	2024-31
Staff response to high flow events	Deliver flood warning alerts as required in accordance with the Flood Warning Manual.	100%	100%	100%	100%
Availability of information about high flow events	River level data available on the Council website for the 6 key rivers on the West Coast (updated 12 hourly, or 3 hourly during flood events).	> 90%	> 90%	> 90%	> 90%

Other hydrology and flood warning activities planned for 2021 – 31 years

- Prepare a hydrology data summary report for the West Coast every fifth year.

Funding Impact Statement – Hydrology and Flood Warning Services

AP	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	LTP	
	Sources of Funding											
777,613	671,914	731,802	807,768	931,096	993,364	1,088,907	1,158,301	1,240,678	1,335,261	1,450,203		
0	0	0	0	0	0	0	0	0	0	0		
0	0	0	0	0	0	0	0	0	0	0		
0	0	0	0	0	0	0	0	0	0	0		
301,394	97,030	95,722	96,400	104,979	105,097	108,672	108,824	109,554	110,702	113,324		
1,079,007	768,944	827,524	904,168	1,036,075	1,098,461	1,197,579	1,267,125	1,350,232	1,445,963	1,563,527		
	Applications of Operating Funding											
489,902	978,106	959,906	1,065,492	1,073,570	1,092,630	1,140,706	1,156,177	1,198,914	1,208,394	1,264,041		
0	0	0	0	0	0	0	0	0	0	0		
585,379	0	0	0	0	0	0	0	0	0	0		
0	0	0	0	0	0	0	0	0	0	0		
1,075,281	978,106	959,906	1,065,492	1,073,570	1,092,630	1,140,706	1,156,177	1,198,914	1,208,394	1,264,041		
3,726	-209,162	-132,382	-161,324	-37,495	5,831	56,873	110,948	151,318	237,569	299,486		
	Sources of Capital Funding											
0	0	0	0	0	0	0	0	0	0	0		
0	0	0	0	0	0	0	0	0	0	0		
0	0	0	0	0	0	0	0	0	0	0		
0	0	0	0	0	0	0	0	0	0	0		
0	0	0	0	0	0	0	0	0	0	0		
0	0	0	0	0	0	0	0	0	0	0		
0	0	0	0	0	0	0	0	0	0	0		
0	0	0	0	0	0	0	0	0	0	0		
0	0	0	0	0	0	0	0	0	0	0		
0	0	0	0	0	0	0	0	0	0	0		
0	0	0	0	0	0	0	0	0	0	0		
0	0	0	0	0	0	0	0	0	0	0		
0	0	0	0	0	0	0	0	0	0	0		
0	0	0	0	0	0	0	0	0	0	0		
	Applications of capital funding											
0	0	0	0	0	0	0	0	0	0	0		
39,750	40,000	40,920	73,150	42,720	43,720	44,600	34,200	34,950	36,730	36,730	0	
62,600	100,000	102,300	104,501	106,800	109,300	111,500	114,000	116,500	119,100	121,699		
0	0	0	0	0	0	0	0	0	0	0		
-98,624	-349,162	-275,602	-338,975	-187,015	-147,189	-99,227	-37,252	-132	81,739	177,787		
3,726	-209,162	-132,382	-161,324	-37,495	5,831	56,873	110,948	151,318	237,569	299,486		
	Surplus (Deficit) of Capital Funding (C) - (D)											
-3,726	209,162	132,382	161,324	37,495	-5,831	-56,873	-110,948	-151,318	-237,569	-299,486		
0	0	0	0	0	0	0	0	0	0	0		
	Funding Balance (A - B) + (C - D)											
0	0	0	0	0	0	0	0	0	0	0		



Community Resilience

The group of activities historically known as Civil Defence Emergency Management has been renamed to reflect the ongoing need for Council to focus on community resilience, especially in a time of adversity such as significant weather events, a pandemic or an Alpine Fault earthquake (AF8).

Council's role in these situations need to be forefront in all planning and decision-making.

Rationale for Community Resilience

The Council is part of the Civil Defence Emergency Management (CDEM) Group, along with the region's district councils. The Group is governed by a Joint Committee of the District Council Mayors, Regional Council Chair and the Chief Executives of the respective organisations. The Coordinating Executive Group (CEG), which is the main working group of civil defence in the region, is comprised of the Chief Executives of the four councils, emergency services and health representatives. The CEG generally reports to the Group quarterly. There is also a 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 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 November 2016, and is due for review no later than September 2021. The four Councils now co-ordinate the delivery of CDEM regionally. The Regional Council employ a Director of CDEM and the district councils have seconded their part time staff to this Manager to achieve a fully integrated CDEM staff resource for the region.

Council has established a cross department Flood Risk Assessment Team (FRAT). Comprising staff from operations, hydrology, natural hazards and emergency management, FRAT's purpose is to assess warnings to determine potential levels of risk to assist with increased levels of preparedness prior to an event.

The Levels of Service and Performance Targets reflect only the Regional Council's role in CDEM across the West Coast. District Council Long-Term Plans and Annual Plans will also provide for local CDEM services.

Community well-beings

The Community Resilience group of activities contribute to the community outcomes and well-beings by enhancing the safety and well-being of the public and the protection of property of residents and businesses through an integrated emergency management system that includes hazard awareness, reducing risk, maintaining readiness and providing response and recovery capacity and capability across the region.

Specifically, this group of activities contributes to the following community outcomes:



Economy

A thriving, resilient and innovative economy is promoted, which creates many opportunities for growth, wealth generation and employment.



Safety

A region that is a safe place to live, with a strong community spirit and cohesion.

No significant adverse effects on the social, economic, cultural or environmental wellbeing of the community have been identified as a result of undertaking these activities.

Use of significant assets

The Community Resilience group of activities does not utilise significant assets in the delivery of services.

Community Resilience performance targets

The performance targets included in this Group of Activities apply across the whole 10 years of the LTP.

Level of Service: Maintain a Civil Defence Plan that delivers efficient and effective management of the region’s civil defence functions in compliance with the legislation					
Measure	Baseline	Targets			
		2021-22	2022-23	2023-24	2024-31
Compliance with statutory requirements for the preparation, review and implementation of the Group CDEM Plan	The CDEM Group has an operative and up to date CDEM Group Plan.	100%	100%	100%	100%
	The CDEM Group work programme makes adequate provision to maintain and implement the CDEM Group Plan.	The CDEM Group work programme is monitored and reviewed quarterly by Joint Committee and annually by CEG	The CDEM Group work programme is monitored and reviewed quarterly by Joint Committee and annually by CEG	The CDEM Group work programme is monitored and reviewed quarterly by Joint Committee and annually by CEG	The CDEM Group work programme is monitored and reviewed quarterly by Joint Committee and annually by CEG
Appropriately trained staff	Ensure at least 30 Council staff are trained as Emergency Coordination Centre (ECC) personnel so that we have two shifts of ECC staff trained and exercised in case of a regional emergency.	>30	>30	>30	>30
	Staff are provided at least three training opportunities each year to learn about emergency management and practice a coordination centre activation.	Three	Three	Three	Three

Level of Service: Maintain a level of staff preparedness so that Council can respond to significant events in a timely manner					
Measure	Baseline	Targets			
		2021-22	2022-23	2023-24	2024-31
Continuity Plan reviewed annually for relevance	New Measure	100%	100%	100%	100%
All Council vehicles are fitted with a disaster kit	New Measure	100%	100%	100%	100%
Maintain a register of natural hazards that is available on the website	New Measure	Reviewed annually	Reviewed annually	Reviewed annually	Reviewed annually

Other Community Resilience Activities planned for 2021 – 31 years:

- Maintain the Emergency Co-ordination Centre in a ready state for possible emergency events, in accordance with the CDEM Group Plan.
- Prepare and distribute public information as determined in the CDEM Group Plan, or subsequent Group or CEG decisions.
- Ensure all new hazards research is communicated to the Lifelines and CEG meetings to assist with risk avoidance and preparedness activities.
- Co-ordinate one training exercise per year to ensure Emergency Operation Centre and Emergency Coordination Centre staff are familiar with each other and with each other’s roles in an event.



Funding Impact Statement – Community Resilience

AP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31			
	Sources of Funding												
469,485	610,940	567,129	561,329	566,218	587,097	601,555	616,926	614,514	634,107	642,503			
730,318	730,000	746,790	762,850	779,640	797,890	813,950	832,200	850,450	869,430	888,410			
0	0	0	0	0	0	0	0	0	0	0			
0	0	0	0	0	0	0	0	0	0	0			
0	23,241	13,967	10,869	9,653	10,077	9,960	9,764	7,971	8,138	7,412			
1,199,803	1,364,181	1,327,886	1,335,048	1,355,511	1,395,064	1,425,465	1,458,890	1,472,935	1,511,675	1,538,325			
	Applications of Operating Funding (A)												
936,997	1,385,901	1,315,043	1,307,847	1,313,689	1,354,463	1,381,886	1,410,337	1,438,124	1,471,897	1,503,629			
0	0	0	0	0	0	0	0	0	0	0			
291,030	0	0	0	0	0	0	0	0	0	0			
0	0	0	0	0	0	0	0	0	0	0			
1,228,027	1,385,901	1,315,043	1,307,847	1,313,689	1,354,463	1,381,886	1,410,337	1,438,124	1,471,897	1,503,629			
	Total Applications of operating funding (B)												
-28,224	-21,720	12,843	27,201	41,822	40,601	43,579	48,553	34,811	39,778	34,696			
	Surplus (deficit) of Operating Funding (A) - (B)												
	Sources of Capital Funding												
0	0	0	0	0	0	0	0	0	0	0			
0	0	0	0	0	0	0	0	0	0	0			
0	0	0	0	0	0	0	0	0	0	0			
0	0	0	0	0	0	0	0	0	0	0			
0	0	0	0	0	0	0	0	0	0	0			
0	0	0	0	0	0	0	0	0	0	0			
0	0	0	0	0	0	0	0	0	0	0			
0	0	0	0	0	0	0	0	0	0	0			
	Total Sources of capital funding (C)												
	Applications of capital funding												
0	0	0	0	0	0	0	0	0	0	0			
0	0	0	0	0	0	0	0	0	0	0			
0	0	0	141,075	48,060	0	0	153,900	52,425	0	0			
0	0	0	0	0	0	0	0	0	0	0			
-28,224	-21,720	12,843	-113,874	-6,238	40,601	43,579	-105,347	-17,614	39,778	34,696			
-28,224	-21,720	12,843	27,201	41,822	40,601	43,579	48,553	34,811	39,778	34,696			
	Total applications of capital funding (D)												
28,224	21,720	-12,843	-27,201	-41,822	-40,601	-43,579	-48,553	-34,811	-39,778	-34,696			
0	0	0	0	0	0	0	0	0	0	0			
	Surplus (Deficit) of Capital Funding (C) - (D)												
	Funding Balance (A - B) + (C - D)												



River, Drainage and Coastal Protection Work

River, Drainage and Coastal protection activities include:

- Administering the Special Rating Districts
- Managing Council's flood protection assets
- Quarry management and administration.

Rationale for administering the special rating districts

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 rating district protection assets throughout the region and participates in the Greymouth and Hokitika Joint Committees.

The purpose of local government under section 10 of the Local Government Act (2002) is:

- To enable democratic local decision making and action by and on behalf of communities; and
- To promote the social, economic, environmental and cultural well-being of communities in the present and in the future.

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 and beach systems. This assists to identify what, if any, maintenance or additional protection is needed for rating districts. This work will be undertaken as required depending on the urgency and seriousness of the risks and consequences. The work will be undertaken according to recognised engineering standards and practices, and according to the affordability to the local community who fund the work.

The Council rating districts all have different levels of flood protection according to the history of the works and affordability for the community. Several schemes also have in-river or riverbank erosion protection works such as groynes or rock rip rap. The intent is to maintain these works to their current dimensions in accordance with each asset management plan. The following section sets out the flood protection levels of service for each scheme.

How Council manages changes in service

Any increase in level of service provided by the protection works is primarily determined by the community that pays the targeted rate. Decisions about changes in service levels are recorded in the minutes of the rating district meeting. These minutes are then received by Council, and the rate is set accordingly. If requests for new works are received, Council will evaluate what additional expenditure would be required and discuss it with the rating district that would be funding the increased level of service. Council will over-ride committee recommendations if Council feels those recommendations are unsustainable or could lead to the assets not being properly managed.

Will more rating districts be established?

Council formed the new Neil’s Beach rating district in 2016, and the Rapahoe and Westport Rating Districts in 2020. Coastal erosion issues are a growing concern for many communities and Council has been receiving a growing number of enquiries for advice and assistance. Council has committed to exploring long term options for these communities, as well as providing advice and assistance with short to medium term options.

It is likely that further enquiries will be received within the ten-year life of this Plan. Rating districts will be established upon request if there is sufficient support from the affected ratepayers that respond when an opinion survey is circulated.

New rating districts may require Council to develop new and economical sources of rock for protection works.

Who pays for the works?

Protection infrastructure is financed by each of the individual communities by way of a targeted rate set on properties within defined geographical areas (rating districts). The maps of these special rating areas are on Council’s website. Annual works reports are prepared by Council following the annual asset inspections. Proposed works are discussed at a rating district meeting. Maintenance works and new capital works are put out for tender, and Council’s engineering staff then supervise the contractor who wins the tender.

Community outcomes

Administering the special rating districts of the region, along with managing Council’s flood protection assets contribute to the community outcomes and well-being by enhancing the safety and well-being of the public, protection of property and minimising and preventing damage from floods, erosion and coastal inundation.

Specifically, this group of activities contributes to the following community outcomes:



Economy

A thriving, resilient and innovative economy is promoted, which creates many opportunities for growth, wealth generation and employment.



Safety

A region that is a safe place to live, with a strong community spirit and cohesion.

There are potential adverse environmental effects as a result of installing and maintaining flood and erosion protection works, and these are managed through the Resource Management Act consents process.

Communities do need to be aware that flood protection cannot guarantee absolute protection, particularly from very large flood events, which tend to occur very infrequently.

Significant assets administered by Council

The Regional Council presently administers 25 special rating districts at the following locations: Karamea, Kongahu (drainage scheme), Mokihinui, Punakaiki, Redjacks, Nelson Creek, Coal Creek, Greymouth, Saltwater Creek/New River, Taramakau, Inchbonnie, Hokitika (which includes the previous Hokitika Seawall and Kaniere Rating Districts), Southside Hokitika, Raft Creek (drainage scheme), Kowhitirangi, Vine Creek, Wanganui, Whataroa, Matainui, Waitangitona, Franz Josef (which includes the previous Lower Waiho Rating District), and Okuru.

New protection works are proposed for the Westport Rating District.

The Neils Beach and Rapahoe Rating Districts do not have significant assets under administration.

At 1 July 2022 this will change to 23 Rating Districts with the amalgamation of the Greymouth Floodwalls, Coal Creek and New River / Saltwater Creek Rating Districts as a result of submissions on the 2021-31 Long-Term Plan Consultation Document.

Levels of Service for Rating Districts

The flood protection schemes described below offer different levels of protection from flood events. Several schemes are associated with aggrading riverbeds, and flood protection levels can alter as riverbeds rise. Generally, Council staff recommend to affected communities that they adopt a minimum level of protection against a 2% annual probability flood – protection against a 1 in 50-year flood event.

Some of the Council's schemes do not provide this level of protection, despite Council recommending it to the ratepayers. Sometimes such protection is not affordable for affected ratepayers. Council considers that each community of ratepayers is entitled to choose the level of risk that they feel is appropriate for their circumstances.

The Council intends managing its rating district assets as follows:

Karamea

Cross-section and flood flow analysis undertaken for the Karamea township flood bank indicates that its current service potential is capable of containing less than the 1 in 50-year return period flood at some locations.

The rating district has a five-year plan that identifies priority works for the community to improve their protection against flood impacts. The rating district has increased their annual rates to allow for this additional work.

Kongahu (Little Wanganui)

This is a drainage scheme that carries drainage flows from the Kongahu farmland to Blackwater and Granite Creeks. Maintenance of the drainage channels is ongoing. Granite Creek has aggraded due to slips in the headwaters and that affects drainage efficiency at the northern end of the scheme. The ratepayers are currently involved in sustained control of parrots feather, an invasive aquatic weed, from the scheme drains.

Mokihinui

The Mokihinui scheme was formed in 2009, but the works have been in place for many years. There is an outer sacrificial gravel bund protecting the township from the sea, plus a river stopbank near the river mouth on the south bank, which extends around the township on the coastal side as well, inside of the sacrificial gravel sea bund.

The Mokihinui erosion control works were generally designed to handle a low to medium stage storm. The design reflects the historic tide and surge characteristics of the adjacent Tasman Sea in the vicinity of the Mokihinui Township.

Punakaiki

The Punakaiki seawall was built in 2005 and was designed to handle the historically observed tidal fluctuations and surge patterns of the adjacent Tasman Sea. The scheme structures are being maintained to the dimensions that they were originally constructed. The 2005 seawall was extended in 2017 to provide additional protection to the Punakaiki Rating District.

Greymouth Floodwalls

The Greymouth floodwalls were initially constructed in the late 1980s and early 1990s to a service level that would protect the town from a 2% annual exceedance probability (1 in 50-year flood event). More recent hydrological analysis revealed that the floodwalls needed to be raised to meet the same service level they were initially constructed for. The hydrology statistics changed with the longer flow record. Council consulted with affected ratepayers and decided to upgrade most of the wall to the new 50-year flood level, with any concrete work upgraded to the 150-year flood level. Following the release of funding for community resilience infrastructure projects, Council secured \$1.9M towards the cost of raising the rest of the wall to the 150-year flood protection level.

Coal Creek (Greymouth)

The historic stop bank crest height was 900mm above the highest known flood. However, the November 2011 floods came very close to overtopping the Coal Creek stopbank and the Council raised the stopbank in 2012. Erosion upstream of the stopbank is a current issue.

New River / Saltwater Creek

The mouth of New River and Saltwater Creek will be re-opened if it becomes blocked, causing risk of flooding nearby properties. This generally occurs once or twice per year.

NOTE – From 1 July 2022, Coal Creek and New River / Saltwater Creek Rating Districts will be amalgamated into the Greymouth Rating District as a result of outcomes on the 2021-31 Long-Term Plan Consultation Document.

Nelson Creek

There has been a mix of design standards during the life of this scheme. The original stopbanks were built to 900mm above the highest known flood. After 1983, sections of stopbank were built to contain a flood of 539 cumecs which at that time was estimated to be a 2% annual probability flood (1 in 50-year flood).

The rating district has had a new flood analysis undertaken in 2011 but this is yet to be applied.

Red Jacks Creek

There has been a mix of design standards during the life of this scheme. The original stopbanks were built 900mm above the highest known flood. After 1986, sections of stopbank were built to contain a flood of 411 cumecs which at that time was estimated to be a 2% annual probability flood (1 in 50 year flood).

The Council have previously suggested that an analysis be commissioned to quantify the actual level of protection that the scheme currently provides. The ratepayers previously decided that they did not wish to have any new analysis undertaken. It is envisaged that the suggestion for an analysis to quantify the actual levels of protection provided to the scheme will be presented to the ratepayers within the timeframe of this Plan.

Inchbonnie

Cross-section and flood flow analysis undertaken for the Inchbonnie scheme indicates that its current service potential is capable of containing 2620m^{3/s} plus 900mm freeboard, which is the current model estimate of a 1 in 400-year flow.

Taramakau River

Cross-section and flood flow analysis undertaken for the Taramakau scheme indicates that approximately 70% of the main stopbanks are not capable of containing 4,100 cumecs, which is the 2008 estimate of the 1 in 50-year return period flood with 900mm freeboard.

Hokitika

Hokitika Seawall

In 2013 Council constructed a \$1.8M seawall across the frontage of the Hokitika town centre. The wall is designed to withstand tidal fluctuations and surge patterns of the adjacent Tasman Sea. The structure will be maintained to its current dimensions. In 2020 the Council consulted on extending the seawall to provide better protection for the residents and central business district. An Infrastructure Resilience Group funding application was successful in securing funds towards the costs of providing the community coastal erosion and flood protection.

In 2020, Council consulted on merging the Kaniere and Hokitika Rating Districts and extending the boundary to better capture the parties receiving direct and in-direct benefits from the flood and coastal erosion schemes. The differentials were also changed during this consultation. The Hokitika Rating District was further extended as a result of the 2021-31 Long-Term Plan Consultation.

Kaniere

This scheme maintains three groynes and a section of continuous riprap that protect the riverbank from erosion (not a stopbank). These structures will continue to be maintained to the dimensions that they were originally constructed. The Plan for extending the river protection up river to provide protection for previously unprotected properties was implemented in 2017.

Southside (Hokitika Bridge)

This scheme maintains five groynes and a section of continuous riprap that protect the riverbank immediately south of the bridge from erosion (not a stopbank). These structures will continue to be maintained to the dimensions that they were originally constructed.

Raft Creek (Kokatahi)

This drainage scheme assists drainage of farmland near Kokatahi (not a stopbank). The sections of drain constructed in the revised scheme of 1960 were designed for a maximum drainage flow of 23 cumecs. Maintenance of the drainage channels is ongoing.

Kowhitirangi

Cross-section and flood flow analysis undertaken for the Kowhitirangi scheme indicates that its current service potential is capable of containing river flows greater than the 2008 estimate of the 1% annual probability flood (1 in 100-year flood). The scheme structures will continue to be maintained to their current dimensions.

Vine Creek (Kowhitirangi)

The objective of the Vine Creek Rating District is to contain Vine Creek in its existing channel in order to prevent uncontrolled gravel deposition over nearby farmland. The revised Vine Creek scheme of 1985 was designed to contain a flow of 88 cumecs with 300mm freeboard.

Wanganui River (Hari Hari)

The historic “existing standard” was 900mm above the highest known flood. The Council has suggested that an analysis be commissioned to quantify the actual level of protection that the scheme currently provides. However, the ratepayers decided that they do not wish to have any new analysis undertaken. It is envisaged that the suggestion for an analysis to quantify the actual levels of protection provided to the scheme will be presented to the ratepayers within the timeframe of this Plan. The flood protection bank known as “Raymonds Bank” was included in the scheme in 2017. Through the 2021-31 Long-Term Plan Consultation Document, Council consulted with the community on a total upgrade to the existing level of service to counter the aggradation being experienced over the last two years. Further consultation will be undertaken during year one of the Long-Term Plan due to feedback received from submissions. A review of the rating district classifications will be undertaken during year one of the Long-Term Plan.

Whataroa River

The Whataroa scheme was established in 2011, primarily to manage existing riverbank protection within 1.5km of the highway bridge. These works are all instream groynes, not stopbanks. They will be maintained to their current dimensions.

Matainui Creek (Whataroa)

The historic “existing standard” was 300mm above the highest known flood. The Council has suggested that a re-analysis of flood protection levels be commissioned. However, the ratepayers do not wish to have any new analysis undertaken to quantify the actual level of protection that the scheme currently provides. The scheme structures will therefore continue to be maintained to their current dimensions.

Waitangitaona River

Cross-section and flood flow analysis undertaken for the Waitangitaona scheme indicates that it is capable of containing less than 990 cumecs, which is the 2008 estimate of the 2% annual probability flood (1 in 50-year flood) with 600mm freeboard. The ratepayers accept there is a need to eventually increase the level of protection afforded by the stopbank and are considering raising its height in future.

Franz Josef

Flood modelling analysis indicates that the North stopbank which protects the main town can contain a theoretical 1 in 150-year return period flood.

In 2011 Council commissioned an independent report on how to best manage the Waiho River and its flood protection assets. In 2014 Council commissioned more analysis on the rate of aggradation in the Waiho River. The work indicated that on average the aggradation was occurring at 0.2m per year since 1940, the report highlighted that in some areas surveyed aggradation has been more rapid in the order of 1-2m in a single year. Work is ongoing on identifying possible solutions.

In the 2018-2028 Long-Term Plan it was envisaged that within the timeframe of this plan, consultation would be undertaken on having a holistic approach to managing the issues facing Franz Josef. This may include forming an overarching governance group formed with the Regional Council, Westland District Council, Department of Conservation, Iwi and community representatives. In 2020, Council consulted with the community on merging the two existing Rating Districts (Franz Josef and Lower Waiho), and extending the boundary to better identify the parties that would receive direct and in-direct benefit from an upgrade to the flood protection scheme. Funding of \$9.2 million has been secured from the Infrastructure Resilience Group with other funding from West Coast Regional Council, Westland District Council and New Zealand Transport Agency making up the remaining co-funding of \$1.1 million, and further funding of \$1.9 million via a loan on behalf of the Franz Josef Rating District, to upgrade the north side assets, as well as the three critical south side assets. The new Rating District boundary includes the area identified in the 2017 Tonkin&Taylor report as the area for the town to pivot to, away from the alpine fault risk.

Assets contained within the previously known Lower Waiho Rating District have been incorporated into the expanded Franz Josef Rating District. Flood flow analysis in 2008 indicated that the Rubbish Dump stopbank could contain a theoretical 1 in 50 year return period flood. The same report indicated that 80% of the Milton and Others stopbank would contain the same flow.

Since commissioning this report further severe aggradation has occurred in the Waiho River. The Council has raised the Rubbish Dump stopbank and constructed a compacted gravel stopbank which links the Rubbish Bank and the Milton and Others stopbank. Due to the aggradation the 2008 report is now out of date and no further modelling work has been undertaken in this area.

The Lower Waiho Rating District was merged into the Franz Josef Rating District in 2020.

Okuru

The seawall built in 2000 has been designed to handle the historically observed tidal fluctuations and surge patterns of the adjacent Tasman Sea. The scheme structures will be maintained to their current dimensions.

Westport

Overwhelming support from submitters for the construction of extensive floodwalls and stopbanks was received from ratepayers within the Westport Rating District through consultation on the 2021-31 Long-Term Plan. Survey and design work will commence in the 2021-22 financial year. This will include a flood modelling review to ensure that the floodwall design meets the recommended level of service for the 1% annual exceedance probability. Feedback on the other mitigation options submitted during the consultation will be reviewed and presented to the Joint Committee once this has been formed. The Joint Committee will recommend to the Regional Council any additional works for consideration in year 2 of the Long-Term Plan.

River drainage and coastal protection work performance targets

The performance targets included in this Group of Activities apply across the whole 10 years of the Long-Term Plan.

Level of Service: Meet or exceed the flood protection, drainage or erosion protection levels as described in the 'levels of service – background' section above					
Measure	Baseline	Targets			
		2021-22	2022-23	2023-24	2024-31
Completion of 25* rating district inspections, works reports, and consultation meetings	Complete all asset inspections of rating districts.	100%	100%	100%	100%
	Complete all works reports for rating districts where material works are proposed.	100%	100%	100%	100%
	Hold meetings with all rating districts annually or as agreed with the spokesman of the liaison committee.	100%	100%	100%	100%
	Perform all capital and maintenance works as agreed in the annual work programme.	100%	100%	100%	100%
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.	100%	100%	100%	100%
Meet timeframes for plan review	Review Rating District Asset Management Plans every third year or earlier where information indicates a significant change from what is stated in the Asset Management Plan.	NA	NA	100%	NA

* From 1 July 2022, Council will administer 23 rating districts following the amalgamation of the Greymouth Floodwalls, Coal Creek and New River / Saltwater Creek Rating Districts into a wider Greymouth Rating District.

Rationale for administering the quarries

The Council manages quarries and identifies other rock recovery sites to ensure security of supply of rock for rating district protection works. The quarries, and other viable rock sources need to be within an economically viable distance to where it is being used to minimise the impact on the affordability of rock protection schemes. 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, including the stockpiling of rock.

Due to the variability in demand and sales of rock, quarries are inconsistent in their ability to cover the administration and management costs. Council has decided to tender the sale of the mining permits and the developed Blackball, Kiwi, Camelback and Okuru quarries. As part of the tender process, Council will request a supply agreement from each quarry with a quantifiable mechanism for price adjustment for the remaining life of the relevant mining permit.

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 current rating districts. However, there are not always rock sources near the flood and river protection works that require repair or maintenance. Large areas of the West Coast are not serviced by the existing quarries and rely on other rock sources other than from formed quarries.

If the quarries are not successfully sold, the cost of any additional quarries, or maintenance of existing ones, will be paid for either on a user pays basis, or on the quantities of rock used.

How Council manages changes in service

The demand for rock from quarries is driven by the need to maintain works or build new protection works, plus private sales. Some years see high demand for rock and therefore the quarries run a surplus, while in other years the quarries can run at a loss. Council's aim is to run quarries on a cost-neutral basis, as a long-term average.

Community outcomes

Administering the quarries of the region contribute to the community outcomes and well-being by enhancing the safety and well-being of the public through the provision of rock for the protection of property and minimising and preventing damage from floods, erosion and coastal inundation.

Specifically, this group of activities contributes to the following community outcomes:



Economy

A thriving, resilient and innovative economy is promoted, which creates many opportunities for growth, wealth generation and employment.



Safety

A region that is a safe place to live, with a strong community spirit and cohesion.

There are potential adverse environmental effects as a result of quarrying activities and these are managed through the Resource Management Act consents process.

Significant assets administered by Council

The Regional Council also currently administers rock quarries at the following locations: Miedema Rock Deposit (Karamea)⁷, Oparara (in abeyance), Blackball, Cobden (being rehabilitated), Kiwi Point⁸, Inchbonnie, Camelback, Whataroa, and Okuru.

The primary reason for Council owning these quarries is to supply the rating districts with rock for maintaining river and coastal protection works. Council also supplies rock to individual customers.

⁷ Privately owned, but Council has a licence to take rock

⁸ Land owned by Grey District Council

Quarry administration performance targets

The performance targets included in this Group of Activities apply across the whole 10 years of the Long-Term Plan.

Level of Service: 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					
Measure	Baseline	Targets			
		2021-22	2022-23	2023-24	2024-31
Timing of delivering on rock requests	Deliver on requests for rock within two weeks, and ensure sufficient stockpiled rock is available where practical.	100%	100%	100%	100%
Number of site inspections to monitor contractor health and safety and performance	Visit each active quarry site, when contractors are working the quarry (where possible), to ensure health and safety standards and other permit requirements are being adhered to.	Twice annually	Twice annually	Twice annually	Twice annually



Funding Impact Statement – River, Drainage and Coastal Protection; and Quarrying

AP	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	LTP	2030/31	
		Sources of Funding											
617,391	559,192	588,230	586,804	679,218	720,526	766,585	815,491	861,656	923,042	977,311			
1,248,762	1,484,566	1,978,469	2,063,622	2,229,531	2,364,418	2,390,287	2,419,684	2,449,082	2,479,447	2,510,228			
0	0	0	0	0	0	0	0	0	0	0			
373,297	853,080	901,345	649,029	663,313	678,840	692,504	708,031	723,558	739,085	755,854			
239,293	807,752	76,942	70,030	76,580	76,231	76,504	76,616	76,086	76,526	76,370			
2,478,743	2,977,590	3,544,986	3,369,485	3,648,642	3,840,015	3,925,880	4,019,822	4,110,382	4,218,100	4,319,763			
		Applications of Operating Funding (A)											
1,311,531	2,690,689	2,597,316	2,648,236	2,685,860	2,751,693	2,814,440	2,878,491	2,939,180	2,997,228	3,071,157			
91,467	155,339	268,066	363,314	398,500	431,570	411,968	392,260	372,339	351,998	332,795			
567,896	0	0	0	0	0	0	0	0	0	0			
0	0	0	0	0	0	0	0	0	0	0			
1,970,894	2,846,028	2,865,382	3,011,550	3,084,360	3,183,263	3,226,408	3,270,751	3,311,519	3,349,226	3,403,952			
		Surplus (deficit) of Operating Funding (A) - (B)											
507,849	131,562	679,604	357,935	564,282	656,752	699,472	749,071	798,863	868,874	915,811			
		Sources of Capital Funding											
0	11,363,417	4,423,873	104,500	106,800	109,300	111,500	114,000	116,500	119,000	121,700			
0	0	0	0	0	0	0	0	0	0	0			
-285,932	1,809,263	7,826,441	4,637,138	1,683,130	1,571,992	-988,105	-988,703	-1,009,571	-1,031,078	-895,510			
0	0	0	0	0	0	0	0	0	0	0			
0	0	0	0	0	0	0	0	0	0	0			
0	0	0	0	0	0	0	0	0	0	0			
0	0	0	0	0	0	0	0	0	0	0			
-285,932	13,172,680	12,250,314	4,741,638	1,789,930	1,681,292	-876,605	-874,703	-893,071	-912,078	-773,810			
		Applications of capital funding											
0	0	0	0	0	0	0	0	0	0	0			
0	13,811,405	12,874,635	5,400,000	2,550,000	2,550,000	0	0	0	0	0			
0	0	0	0	0	0	0	0	0	0	0			
0	0	0	0	0	0	0	0	0	0	0			
221,917	-507,163	55,283	-300,427	-195,788	-211,956	-177,133	-125,632	-94,208	-43,204	142,001			
221,917	13,304,242	12,929,918	5,099,573	2,354,212	2,338,044	-177,133	-125,632	-94,208	-43,204	142,001			
		Surplus (Deficit) of Capital Funding (C) - (D)											
-507,849	-131,562	-679,604	-357,935	-564,282	-656,752	-699,472	-749,071	-798,863	-868,874	-915,811			
0	0	0	0	0	0	0	0	0	0	0			
		Funding Balance (A - B) + (C - D)											



Vector Control Services

The Council's business unit exists to provide a suitable return to Council, to ensure there is capacity for delivering TB possum control work on the West Coast, and to assist with other Council and contracted work as appropriate. Current work areas the business unit is involved in include:

- ground-based and aerial pest control, and bulk storage facilities
- providing support for biosecurity responses
- support for marine oil spill and pollution responses.

While pest management is the principal activity, and money earner, of the business unit, the intention is to continue to broaden the scope of services provided, as other suitable opportunities arise where our staff can add value.

VCS will tender for work both within and outside the West Coast region.

Why have a VCS Business Unit?

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 as a business unit enables Council 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 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 available at short notice for emergency work.

Community outcomes

Council's business unit contributes to the community outcomes and well-being of the public by providing economic opportunities as an employer of permanent and casual staff, and pest control programmes contributing to the eradication of Bovine TB. Such programmes will also contribute to the environmental wellbeing of the natural environment. The successful operation and management of the business will provide a financial return to the Council which will allow it to offset other costs saving the ratepayer money.

Specifically, this group of activities contributes to the following 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.

There are potential adverse effects as a result of the operations of Council’s Business Unit. The Council is a significant user of 1080 poison in its delivery of pest management programmes. Some people prefer other methods of possum control, however the use of pesticides is currently the most effective tool for controlling the spread and proliferation of Bovine TB amongst farmed cattle and deer herds and the benefits of the use of pesticides far outweigh any perceived adverse effects. Council acknowledges the level of community concern about aerial 1080 operations, however Council decisions do need to be based on benefits to the region as a whole.

Assets for Activities

VCS maintains a depot at Jacks Road, Greymouth to store equipment. It owns various vehicles and other equipment. These are not considered to be the type of assets that require management statements in the Long-Term Plan as per Schedule 10.2 of the Local Government Act.

Vector Control Services performance targets

The performance targets included in this Group of Activities apply across the whole 10 years of the Long-Term Plan.

Level of Service: To produce a financial surplus (to offset general rates) by tendering for and delivering on vector control and other contracts						
Measure	Baseline	Targets				
		2021-22	2022-23	2023-24	2024-31	
Achieve or exceed budgeted financial return	Tender for, and win, sufficient contracts to provide or exceed the annual budgeted return to Council.	Above adopted budget	Above adopted budget	Above adopted budget	Above adopted budget	Above adopted budget

Funding Impact Statement – Vector Control Services Business Unit

AP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31		
	Sources of Funding											
0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0
4,057,436	4,332,000	4,431,636	4,526,940	4,626,576	4,734,876	4,830,180	4,938,480	5,046,780	5,155,080	5,272,044		
0	0	0	0	0	0	0	0	0	0	0	0	0
4,057,436	4,332,000	4,431,636	4,526,940	4,626,576	4,734,876	4,830,180	4,938,480	5,046,780	5,155,080	5,272,044		
	Applications of Operating Funding											
3,386,166	3,887,408	3,993,228	4,090,006	4,187,596	4,278,992	4,374,659	4,475,273	4,571,180	4,661,826	4,779,530		
0	0	0	0	0	0	0	0	0	0	0	0	0
100,000	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0
3,486,166	3,887,408	3,993,228	4,090,006	4,187,596	4,278,992	4,374,659	4,475,273	4,571,180	4,661,826	4,779,530		
571,270	444,592	438,408	436,934	438,980	455,884	455,521	463,207	475,600	493,254	492,514		
	Sources of Capital Funding											
0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0
	Applications of capital funding											
0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0
73,031	180,000	51,150	47,825	96,120	196,740	55,750	51,300	104,850	178,652	60,850		
0	0	0	0	0	0	0	0	0	0	0	0	0
498,239	264,592	387,258	389,109	342,860	259,144	399,771	411,907	370,750	314,602	431,664		
571,270	444,592	438,408	436,934	438,980	455,884	455,521	463,207	475,600	493,254	492,514		
	Surplus (Deficit) of Capital Funding (C) - (D)											
-571,270	-444,592	-438,408	-436,934	-438,980	-455,884	-455,521	-463,207	-475,600	-493,254	-492,514		
0	0	0	0	0	0	0	0	0	0	0	0	0
	Funding Balance (A - B) + (C - D)											



Working together with Poutini Ngāi Tahu

The tangata whenua, through the region's two iwi (Te Rūnanga o Ngāti Waewae and Te Rūnanga o Makaawhio – Poutini Ngāi Tahu) have a special relationship with the region's natural and physical resources. Inherent in this relationship is kaitiakitanga which seeks to maintain the mauri of these resources, while allowing the ability to use and develop them for social, cultural and economic well-being. Iwi either individually, or as a collective, wish to maintain meaningful and adequate input to decision-making and to have effective and efficient structures and processes in place to enable that to occur.

The Council recognises the importance of working together with Poutini Ngāi Tahu across the region. The Paetae Kotahitanga ki Te Tai Poutini (Partnership Protocol) and Mana Whakahono ā Rohe (Resource Management Act Iwi Participation Arrangement), signed in October 2020, captures the intent of Council and Poutini Ngāi Tahu to progress their relationship in accordance with the Treaty of Waitangi partnership between iwi and the Crown.

Furthermore, Schedule 10 of the Local Government Act 2002 requires Council to set out the steps it intends to take to foster development of Māori capacity to contribute to Council's decision-making processes.

Council intends to undertake the following:

Governance

- Facilitate the ongoing role for Poutini Ngāi Tahu in decision-making and resource management to relevant Council committees and forums such as the Resource Management Committee.
- Provide full and unrestricted access to Poutini Ngāi Tahu representatives to Council meetings, agendas and papers, including those to be considered "In Committee" or "Public Excluded".

Policy development

Provide opportunities to involve Poutini Ngāi Tahu in major policy decisions including, but not limited to, policies, plans and strategies under the Local Government Act 2002, the Resource Management Act 1991, the Biosecurity Act 1993, the Civil Defence Emergency Management Act 2002 and the Land Transport Management Act 2003 and the Public Transport Management Act 2008. Freshwater management is a core component of this work. This includes, but is not limited to:

- Substantive input including co-drafting, review and comment as part of the process of partnering to develop and refine policies, planning frameworks, instruments and documents.
- Evaluation of proposals will incorporate costs and benefits in relation to Poutini Ngāi Tahu economic, social, cultural well-being; the relationship to their culture and traditions with ancestral lands, water, wāhi tapu and associate taonga; the principles of Te Tiriti o Waitangi; and the kaitiakitanga responsibilities of mana whenua.

Resource consents process

- Email summaries of consent applications received by Council for activities within, adjacent to, or likely to be impacting directly on a Ngāi Tahu Tribal Settlement Instrument
- Have regard to the effects on Māori in assessing whether resource consent applications are to be notified or non-notified and require applicants to obtain written approval to non-notification where Māori are an affected party including with particular regard to statutory acknowledgements arising from Treaty of Waitangi settlements with iwi.
- Facilitate hearings on marae where requested, upholding the kawa or protocols of that marae recognising tikanga Māori.
- Provide information regarding monitoring and non-compliance issues which are likely to result in adverse effects on Poutini Ngāi Tahu values
- Provide for input into monitoring, compliance and enforcement matters
- Provide for opportunity to determine appropriate remedial and enforcement action, depending on the nature of the impact and the extent of remedial action.

Training

- Support and help fund the training of approved Poutini Ngāi Tahu whānui to become certified resource management hearing commissioners.
- Support trained hearing commissioners onto decision-making roles through Council practices and processes.
- Induction material for Councillors and Council staff are co-developed with Poutini Ngāi Tahu.

Each triennium, the newly elected Council shall attend a cultural induction session at Arahura Marae.

Resources

- Work together on the allocation of resources each year and on a multi-year timeframe to support the partnership protocol. This includes:
 - › Contracting Poutini Ngāi Tahu for services for the delivery of specific advice, expertise, information or training services.
 - › The funding arrangement for Pokeka Ngāi Tahu Limited for Council related resource management mahi
 - › Poutini Ngāi Tahu Partnership Manager

Ongoing engagement

- Meet with Poutini Ngāi Tahu to discuss any matter of mutual interest or importance at times and venues to be agreed.
- Provide opportunities for Māori within the framework of standing orders, to appear before and address any meeting of a standing committee or meeting of the full Council.
- Review resourcing and funding arrangements annually.
- Undertake a three yearly review of the Mana Whakahono ā Rohe with opportunity to amend the Arrangement over the following year.

Strategies



Financial Strategy

Overview

This financial strategy sets out the overall financial goals of the West Coast Regional Council for the 2021–31 Long-Term Plan. The strategy builds on our current financial position by setting out where Council wants to be positioned during, and at the end of, the long-term plan period. The financial strategy also provides guidance on how Council considers and approaches funding of expenditure proposals in the current Long-Term Plan and informs the subsequent decisions for the duration of the 2021–31 Long-Term Plan.

This financial strategy includes a risk analysis and an assessment of the resilience of the Council's financial position.

Strategic context

According to the Local Government Act, 2002 the purpose of the financial strategy is to:

- facilitate prudent financial management by the local authority by providing a guide for the local authority to consider proposals for funding and expenditure; and
- provide a context for consultation on the local authority's proposals for funding and expenditure by making transparent the overall effects of those proposals on the local authority's services, rates, debt, and investments.

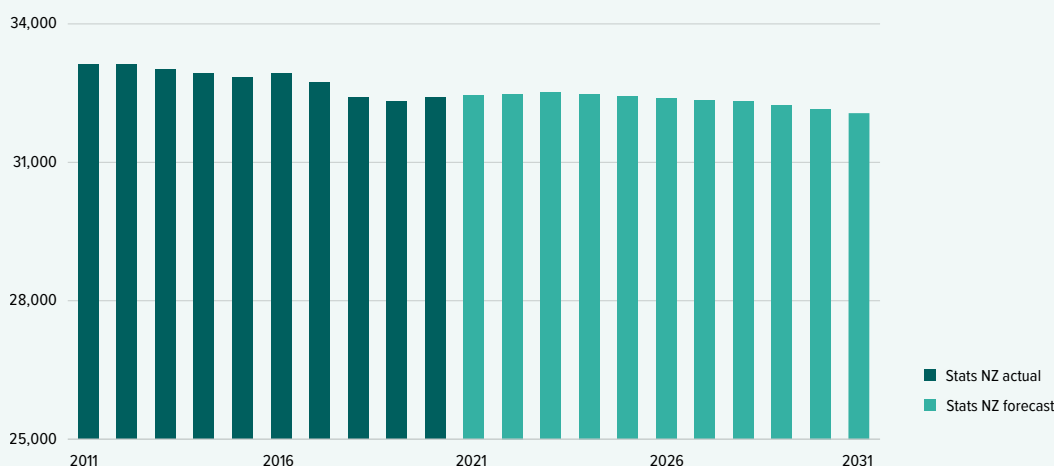
In presenting the financial strategy for this Long-Term Plan Council has incorporated the financial assumptions as set out in the Long-Term Plan and draw your attention to the following assumptions:

- there will be no significant growth in the population in the region over the Long-Term Plan period;
- economic growth of the region will fluctuate, reflecting the volatility of the tourism sector in the shadow of COVID-19 and the nature of the extractive industries (e.g. mining and forestry) that the West Coast region relies on; and
- growth in the rating base is not likely in the short term with the Department of Conservation, and other central government organisations, administering approximately 85% of the land in the region.

Figure 1 presents the most recent Statistics NZ estimates and medium-term projections of population in the West Coast region from 2011 to 2031. The figures indicate a population decline of around 0.2% a year on average over the entire period.

Figure 1: Actual and forecast population in West Coast Region, 2011 - 2031

Source: Sub-national population estimates and projections, Stats NZ.



With minimal or declining population growth in the West Coast region over the Long-Term Plan period, no increase in operating or capital expenditure resulting from population change in the West Coast region is expected.

Figure 2 presents the Gross Domestic Product (GDP) of the West Coast region (as reported by Stats NZ) between 2000 and 2020 in real (inflation-adjusted) terms.

Figure 2: GDP of the West Coast Region, 2000 – 2020, \$ million (real, \$2020)
 Source: Regional gross domestic product, Stats NZ

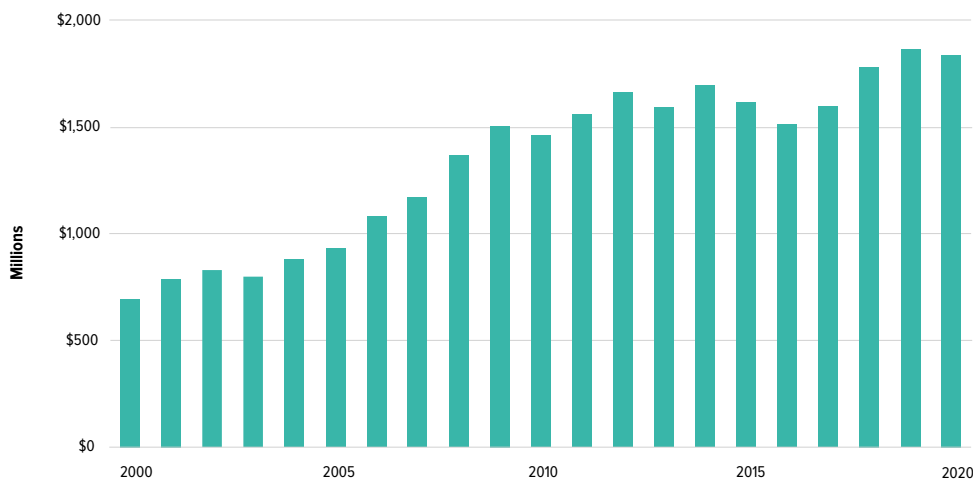
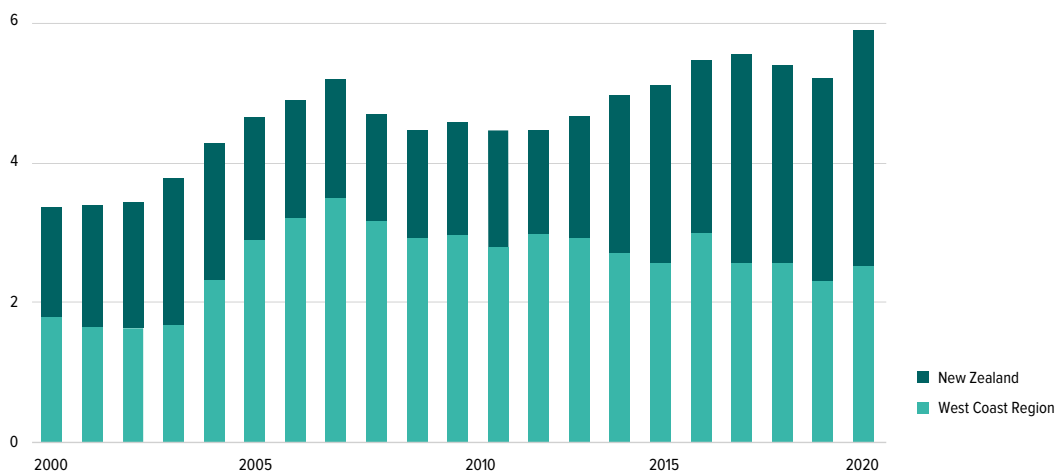


Figure 2 shows that while there has been an upward trend in the economic output of the West Coast region there has also been volatility, reflecting the cycles in the extractive industries (e.g. mining and forestry) the West Coast relies on. More recently, the region has been hard hit by COVID-19.

Figure 3 presents a measure of the affordability of housing (the house price to income ratios) for the West Coast region and New Zealand between 2000 and 2020. This ratio compares affordability of the West Coast region and New Zealand as a whole.

Figure 3: Median house prices to mean household incomes ratio, 2000 - 2020
 Source: West Coast Region Economic Profile, Infometrics; Median West Coast Region House Prices, REINZ



As shown by Figure 3, house prices on the West Coast are significantly lower (relative to household incomes) than for New Zealand as a whole and the affordability of houses has increased somewhat relative to the rest of New Zealand over the last ten years. While mean household income in the West Coast is approximately 15% lower than the New Zealand average, median house prices on the West Coast are 53% of the New Zealand average.

Use of land

There are at present approximately 400 dairy farms in the region. Modest growth in the number of dairy farms or the total hectares of land used for dairy farming is expected. This growth is not expected to have a significant impact on Council operating or capital expenditure requirements. Land use in the region is otherwise not expected to change significantly over the 10-year period.

Demand for services

There will always be rising expectations from the community as to what the Council should be able to deliver. This behaviour is not necessarily tied to population growth and does not imply an increased willingness to pay. The most likely future demand is in the flood protection area, where additional expenditure is financed by loans and then repaid by targeted rates set on the benefitting community. The quantified limits on borrowing have been set in anticipation of this possible increase in demand.

Financial principles

The key financial management principles that underpin the financial strategy of the West Coast Regional Council are summarised below:

Overarching principle

The West Coast Regional Council aims for prudent and sustainable financing of its operations and activities and to maintain a strong and resilient balance sheet.

Council should aim for an operating surplus in most years

Operating surpluses arise from operating revenue exceeding operating expenses. Operating surpluses mean the Council is not borrowing to fund current expenditure. Council will require operating surpluses to service existing debt, in addition they will reduce reliance on borrowing to fund capital expenditure, thus surpluses will reduce Council debt.

The cost of significant capital expenditure should be spread over time so that the beneficiaries of the asset contribute towards the cost

It is important to acknowledge that current ratepayers should not bear the full burden of capital expenditure by having to pay for these assets in full now as future generations will enjoy the benefits of those assets.

Council should aim to maintain the real value of managed funds over the LTP period

Managed funds should be held to use in the event of unanticipated future costs, or can be used to provide flexibility to take advantage of opportunities that may arise. The income derived from the managed funds is used by Council to reduce rates.

Council should take only moderate risk with its investment assets and consider its risk exposure in the context of the balance sheet as a whole

Given the statutory obligations on the Council to act prudently, the Council should hold an investment portfolio of relatively low risk and seek to optimise the risk/return trade off over the long term.

Council promotes effective and efficient use of resources to achieve value for money

Ratepayers expect the Council to use its resources efficiently and effectively and in ways that provide the most value. Plans for the efficient and effective delivery of the core functions of the Council should be in place to meet the demands of the region's ratepayers.

Council should seek to maximise the recovery of costs for services provided to specific individuals or businesses

Cost recovery ensures that users value the services they receive from the Council and that Council has sufficient funding to continue providing the services critical to the operation and viability of the Council. Council's approach to cost recovery should be equitable, efficient, transparent, and justifiable. The intended target for RMA cost recoveries over the Long-Term Plan period will be around 70%.

Rates should be affordable, fair and equitable

Rates on property are the primary source of income for Council. Rates should provide an adequate, fair and affordable source of funding for the Council to undertake the services and activities required of it. Where choices are made to fund services from a general rates pool rather than user charges, that should be transparent to ratepayers.

Council should seek external funding, where available

The West Coast region is large, relative to the number of ratepayers. As such Council should seek to lessen the burden on the ratepayers and actively seek opportunities to have work funded or co-funded from external sources.

The financial goals of Council

The following are Council's financial goals for the next 10 years:

1. ensuring operating revenues are sufficient to meet operating expenses;
2. maintaining the current levels of services provided by Council;
3. keeping rates at an affordable level;
4. ensuring Council's debt is at a manageable level so it has some leeway should emergencies or opportunities arise;
5. reinvesting in strategic infrastructure to lessen the impact of climate change; and
6. maximising Council's efficiencies in cost recoveries from resource consents and compliance.

The strategic direction of Council

The following sections highlight the strategy the Council will take to ensure the Council's financial goals are reached.

Focus on critical activities and infrastructure

In order to improve the resilience of critical infrastructure, assets need to be:

1. maintained and upgraded during their life to continue delivering the required service; and
2. replaced when they reach the end of their useful life.

Table 1 provides the Council's projected capital expenditure over the 10-year Long-Term Plan period for replacing and upgrading its assets.

Table 1: Total expected capital expenditure, 2022 - 2031, \$ million

Expected capital expenditure (\$ million)	
Replacements (to maintain existing levels of service)	6.39
Improved levels of service	37.63
Meet additional demand	-
Total	44.02

New infrastructure requests are received from individual West Coast communities for Council to investigate and implement protection works. New infrastructure work over the last decade has largely related to coastal protection (Punakaiki, Hokitika). The requests for new or improved infrastructure are not driven by population growth but a desire to maintain and protect property from the impacts of climate change. These infrastructure projects may receive external funding, with the internal funding coming from targeted rates on the particular community.

Any capital expenditure on river, drainage and coastal protection infrastructure will be funded from either retained rating district credit balances or loan funds. River, drainage and coastal protection infrastructure capital expenditure has no impact on the general rates.

Affordability of rates

General rates (excluding UAGC) are set on the basis of the capital value held by ratepayers. Affordability considerations are a key matter for the Council to consider. Council needs to be able to contribute to the wellbeing of its community by keeping the cost of its services at the same level as the ability of its community to pay.

Where possible Council will aim to smooth costs and any anticipated drops in revenue over the Long-Term Plan period, to minimise the impact on ratepayers. The Council can also consider how to best leverage other funding opportunities such as user fees and charges, subsidies and grants to improve the affordability of rates in the region.

Over the Long-Term Plan period Council has budgeted for revenue from general rates (excluding UAGC) to grow by the Local Government Cost Index (LGCI) plus additional percentages as shown in Figure 4.

Figure 4: General Rates (excluding UAGC) increases above LGCI cost adjustors, 2022 - 2031

	2022	2023	2024	2025 - 31
General Rates (excl UAGC) increases (above the LGCI)	30%	10%	10%	5% p.a.

In order to ensure financial sustainability the Council has found it necessary to increase general rates (excluding UAGC) by 30% above the LGCI in the first year of the Long-Term Plan period and by 10% above the LGCI in the subsequent two years. The Council will not be looking to increase general rates (excluding UAGC) by more than 5% per annum above LGCI cost adjustments from 2025 to 2031 per rate payer.

Balancing the budget

Section 100 of the Local Government Act 2002 requires Councils to set operating revenues at a level sufficient to meet operating expenses. The Council has experienced operating deficits over the last five years with operating expenditures rising faster than operating revenue. The last 10 years have seen the Council debt levels rise from \$3.1 million in 2012 to \$9.5 million in 2020. Of the \$9.5 million borrowed as at 2020, approximately \$3.4 million was to fund operating deficits.

Ensure beneficiaries of services pay the costs

Targeted rates provide councils with a transparent means to raise revenue from those who benefit from particular services or amenities or who impose costs on the Council. Ensuring beneficiaries of services pay for costs incurred associated with the particular service is important for both affordability considerations and to help avoid operating deficits. Borrowing, funded by targeted rates, also allow for the cost of infrastructure associated with the particular service to be spread over the life of the asset.

Growing the rate base

The Department of Conservation, and other Central Government organisations, administer approximately 85% of the land in the region and this land is mostly not rateable. The remaining 15% of land is comprised of farmland, forestry and urban areas. Growing the rate base is best seen as a longer-term objective that may not be achievable over the next 10 years.

Optimisation of cost recoveries

Over the Long-Term Plan period, cost recoveries for Resource Management expenditure are expected to average around 70%. This is noticeably higher than the previous decade which saw recoveries average 48% (with a low of 27% in 2015). Given the rise in expenditure from the National Freshwater Policy it will be increasingly important over the Long-Term Plan period to maintain a high cost-recovery target.

Holding and managing investments

Table 2: Council investments as at June 2021, \$ million

Council Investments (\$ million)	
Diversified “balanced” portfolio	10.27
Rolleston Land and Building Investment	1.71
“Conservative” Catastrophe Fund	-
Total	11.98

The Council's objective for the "balanced" investments is to protect the real value of the investment portfolio. Investment income is used to finance Council's operating activities. The Council's objective is to develop and maintain a \$1.0 million Catastrophe Fund to provide easily accessible funding in the event of a catastrophe.

Targeted levels of returns for the Council's investments are shown below in Table 3.

Table 3: Targeted levels of returns for investments

Targeted levels of returns	p.a.
Diversified "balanced" portfolio	5.0%
Rolleston Land and Building Investment	5.7%
"Conservative" Catastrophe Fund	4.5%

Management of debt

Debt will be used by Council to help fund long-term infrastructure. The use of debt to fund operating deficits is not sustainable for the financial health of the Council and is not desirable over the Long-Term Plan period.

Should there be unplanned capital expenditure the Council may also need to increase debt to meet those costs. Unexpected capital works may result from changes in land use (e.g., a road used by heavy traffic requires capital replacement before it was planned) or from natural disasters.

To manage debt the Council has decided to limit debt to 175% of annual revenue and keep finance costs below 10% of total revenue. These limits are generous enough to provide leeway in the case of unexpected capital expenditure while at the same time ensuring Council is not complacent by taking up unnecessary borrowings (refer Appendix 1).

Security for borrowings

As at 30 June 2021, Council borrowings are expected to total \$8.8 million, as shown in Table 4.

Table 4: Projected council borrowings as at 30 June 2021, \$ million

Council borrowings (\$ million)	
Rating District protection schemes repaid by targeted rates	3.4
Investment in commercial property (Rolleston Land and Building)	0.6
Warm West Coast Insulation Scheme repaid by targeted rate	0.1
Working Capital - term loan	0.4
General	4.2
Total	8.8

In accordance with its existing borrowing policy, the Council may offer the following forms of security to lenders:

- a specific charge over particular targeted rates (s115 Local Government Act, 2002); or
- a specific charge over its general rates (s115 Local Government Act, 2002).

Council borrowings are secured by a shared security Debenture Trust Deed held with the NZ Local Government Funding Agency (LGFA).

Financial projections

Table 5 presents a summary of the Council's financial projections over the Long-Term Plan period. The values in this table are cost-adjusted using the LGCI.

Table 5: 10-year financial projections, 2022 - 2031, \$ million (LGCI adjusted)

\$ million	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
General Rates	3.1	3.6	4.0	4.3	4.6	4.9	5.3	5.7	6.1	6.5
Targeted Rates	2.7	3.2	3.3	3.5	3.7	3.8	3.7	3.8	3.8	3.8
UAGC	2.3	2.3	2.4	2.5	2.6	2.6	2.7	2.8	2.9	3.0
Cost recoveries	1.6	1.7	1.7	1.7	1.8	1.8	1.8	1.9	1.9	2.0
Cost Recovery (%)	71%	68%	70%	72%	71%	70%	70%	71%	71%	70%
Operating revenue	28.8	22.1	18.6	18.3	19.1	19.7	20.3	21.0	21.8	22.6
Operating expenditure	-18.2	-17.4	-17.8	-17.2	-17.4	-17.6	-17.9	-18.3	-18.6	-19.2
Operating surplus / deficit	10.6	4.7	0.8	1.1	1.7	2.1	2.4	2.7	3.2	3.3
Borrowings	-12.9	-20.3	-24.5	-27.3	-28.2	-26.6	-25.0	-23.3	-21.7	-20.1
Finance costs	-0.3	-0.4	-0.5	-0.6	-0.6	-0.6	-0.5	-0.5	-0.5	-0.4
Capital expenditure	14.5	13.8	6.1	3.3	3.4	0.7	0.6	0.5	0.5	0.6

NB:

1. The cost recoveries represent the income from the fees charged on compliance monitoring and consent processing.

Compliance with the National Freshwater Policy Statement has resulted in Surface Water Quality Monitoring costs increasing by approximately \$300,000 relative to before 2020. This increase in expenditure has occurred through higher salaries, contractors and consultants, and external laboratory costs.

In 2018 the West Coast Region's three district councils were ordered by the Local Government Commission to combine their district plans into a single document ("Te Tai o Poutini Plan"). This document is to outline how natural and physical resources are to be used, developed and managed. Expenditure on this Te Tai o Poutini Plan is recoverable by targeted rates although additional debt will be used to smooth the rates increases. Targeted rates have been set to fund this debt with the rates equalised over the 10-year Long-Term Plan period.

Cost recovery of Resource Management expenditure is expected to average around 70% over the Long-Term Plan period. This is noticeably higher than the average over the last nine years of 48%.

Investment Income is expected to remain relatively constant at around \$750,000 for the entire Long-Term Plan period. None of this income is expected to be reinvested as it will be used as a source of funding for the period in which it is received.

Borrowings over the Long-Term Plan period are expected to increase from \$12.9 million in 2022 up to \$20.1 million in 2031. The high borrowing levels can be attributed to the capital expenditure in infrastructure in addition borrowings for the Te Tai o Poutini Plan (\$4.57 million). While it is important to keep debt levels manageable, increasing debt is appropriate if it is to maintain intergenerational equity.

During the COVID-19 lockdown the central Government announced an economic stimulus package which included funding for resilience projects that were "Shovel-Ready". The values in the operating statement assume that the Hokitika, Greymouth projects and stage one of the Franz Josef project have all been signed off and approved.

Ensuring the continued maintenance and resilience of infrastructure assets is important for the long-term financial sustainability of the Council. It is also important to consider the impact of rising debt levels and the targeted rates required to repay the cost of borrowing.

Assessment of Council's financial resilience

This section of the strategy considers the key financial risks the Council faces over the Long-Term Plan period and assesses the resilience of the Council's financial position to these risks. By highlighting these risks through scenario analysis, the Council can assess the extent to which these risks are likely to affect its financial position over the period.

Potential risks to strategic direction

In formulating a financial strategy it is important for the Council to identify potential risks, analyse the potential effects and outline potential avenues to mitigate the effects. The Council in formulating its financial strategy has considered the following risks to its ability to continue providing an affordable service to its ratepayers.

Increased operating expenditure

Between 2011 and 2020 operating expenditure grew by 8% per annum while over the Long-Term Plan period the base case projections (in Table 5 above) show expenditure growing by 0.6% per annum. The Council's scenario analysis considers a higher than anticipated operating expenditure growth of 5% per annum from 2023 to reflect the effect on the deficit/surplus and potential borrowing levels.

Lower cost recoveries

Between 2011 and 2020 the Consents & Compliance group cost recovery averaged just below 50%. While Resource Management expenditure has been reasonably stable over the last 10 years, recoveries revenue saw a noticeable decline in the last 2 years. The medium / long term aspirational target for cost recoveries is approximately 70% which is shown in the base-case projections. The scenario analysis considers the effect of achieving only the lower historical cost recovery percentage on the operating deficit/surplus.

Increased capital expenditure

Unexpected capital expenditures over the Long-Term Plan period could result in larger than anticipated borrowings which impact on the finance costs in the operating statement. The scenario analysis considers additional capital expenditure for River, Drainage and Coastal Protection projects over the Long-Term Plan period amounting to \$1 million in total.

Economic shock to User Charges and Investment Income

The Council operates a business unit, named VCS, that provides possum control services. If VCS net returns were excluded the Council would have recorded operating deficits in 7 of the last 10 years. The Council expects VCS to produce an operating surplus each year of the Long-Term Plan starting at \$350,000 in 2022 before increasing to \$425,000 in 2031. This translates to an average increase of 2.2% p.a. in VCS's net returns over the Long-Term Plan as opposed to the historical decline in VCS net returns of 7.6% (between 2012 and 2021). The volatility in net returns for VCS impacts significantly on the Council's returns each year.

Currently Investment Income is not being reinvested to protect the real value of the Council's investment portfolio. While not a significant contributor to the surplus/deficit, it is important that the real value of the Council's investment portfolio is protected.

There is potential for volatility of net returns for VCS and for a decline in the real value of the Council's investments. The scenario analysis considers the impact of a 40% drop in revenue from both of these sources from 2023.

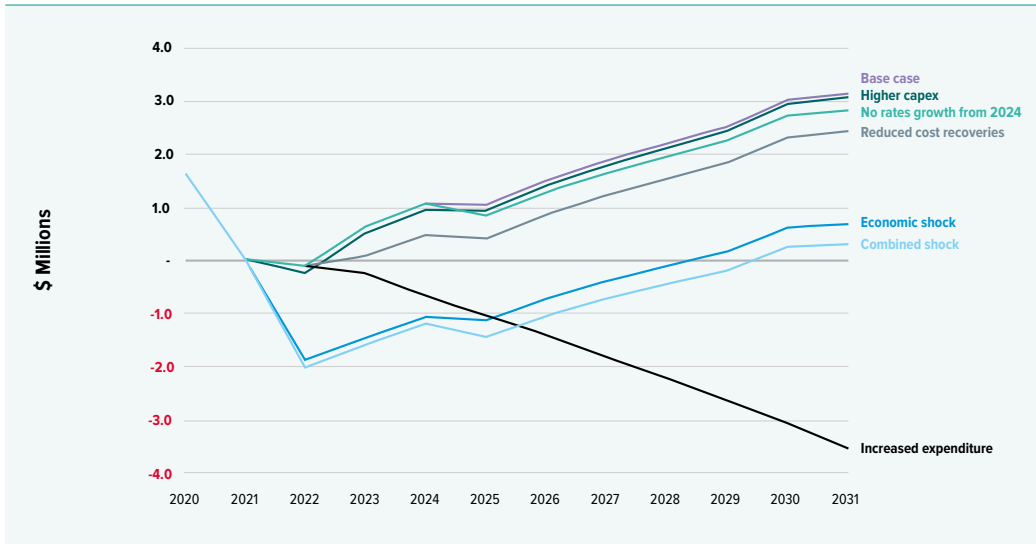
No rates revenue growth between 2024 and 2031

In each year of the Long-Term Plan the Council is projecting an increase in rates above the LGCI. While this increase is important for guaranteeing financial sustainability the Council may face affordability concerns amongst ratepayers in the region. The analysis considers a scenario where there is no growth in general rates above the LGCI from 2024.

Scenario analysis

Figure 5 presents an analysis of the effects of the risks identified above on the projected surplus/deficit over the Long-Term Plan period (2022 to 2031). The base case refers to the Council’s financial projections presented in Table 5 above.

Figure 5: Scenario analysis: projected surplus/deficit, 2020 - 2031, \$ million (LGCI adjusted)



As shown in Figure 5 above:

- continued increases in operating expenditure of 5% p.a. would result in a \$3.5 million operating deficit in 2031;
- an economic shock to user fees and investment income and lower cost recovery percentages would have the next largest impact on the Council’s operating deficit;
- a reduced cost recoveries target (45%) over the LTP period has a greater effect on operating surpluses/deficits than no rates growth from 2024; and
- an economic shock to investment income and VCS returns would mean the Council potentially experiences operating deficits until 2029.

From the risk analysis the Council is most susceptible to continued growth in operating expenditure, declining net returns from VCS and lower than anticipated cost-recovery targets.

Scenario analysis of levers

The Council has a number of levers available to it to mitigate the risks identified above.

As depicted in Figure 6 the three key levers of rates, borrowing and expenditure determine the size of the triangle which represents the level of service Council is able to provide. Changing one lever, such as increasing expenditure by providing new services means the Council must collect more revenue or use reserves/debt for funding. If the Council decides not to invest in a capital project this will either reduce the need for additional revenue or reduce the need to increase debt levels.

Figure 6 presents an analysis of the effects the levers have in mitigating a possible “worst-case” scenario of a combined economic shock (reduced VCS and investment income, no rates growth post-2024 and increased capital expenditure).

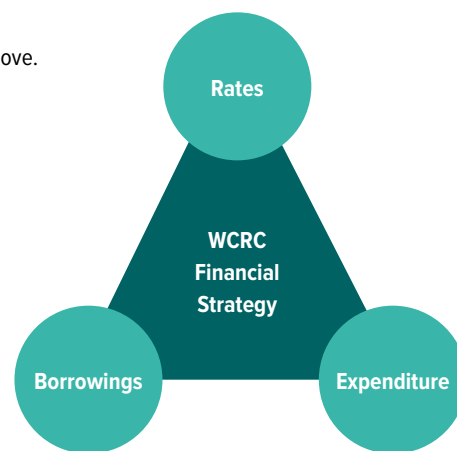
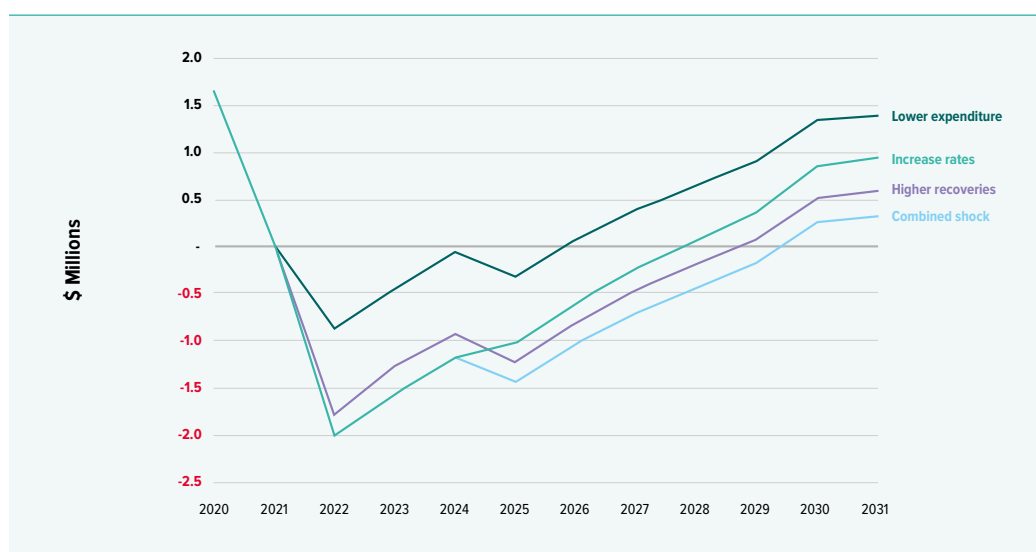


Figure 6: Levers available to balance financial strategy.

Figure 7: Projected surplus/deficits using different levers to manage a combined shock, 2020 - 2031, \$ million (LGCI adjusted)



As shown by Figure 7 the levers available to the Council can reduce the impacts of the combined shock on operating deficits. The most effective lever available to the Council would be to reduce expenditure. Expenditure control for the Council remains a top priority especially given increased spending arising from the Te Tai o Poutini Plan project.

Both increased cost recoveries and higher rates growth are also shown to be effective although implementing higher rates growth will infringe on affordability concerns. Table 6 presents the projected surplus/deficit and the expected debt level at the end of 2031 under the different scenarios.

Table 6: Projected surplus/deficit and borrowings, 2031, \$ million (LGCI adjusted)

\$ million	Projected 2031 a) surplus/deficit	b) borrowings
The base case	3.1	-15.3
Risks		
R1. Higher expenditure from 2022	-3.5	-48.9
R2. Reduced cost recoveries from 2022	2.4	-21.1
R3. Increased capital expenditure	3.1	-16.4
R4. Economic shock (VCS and Investment Income reduced)	0.7	-37.4
R5. No rates revenue growth from 2024	2.8	-17.1
R6. Combined (R3., R4. and R5.)	0.3	-40.3
Levers		
L1. Expenditure reduced by \$1m p.a.	1.4	-29.3
L2. Increase cost recovery to 80%	0.6	-37.8
L3. Increase rates growth by 5% p.a.	0.9	-36.7

Summary of scenario analysis levers

- increases in operating expenditure of 5% p.a. would see debt levels more than triple by 2031;
- reducing expenditure is the most effective lever available to recover from the combined risk scenario;
- achieving an 80% cost-recovery target over the LTP period is less effective on increasing the operating surplus than increasing rates by 5% per annum above the LGCI;
- or combinations of the above

Conclusions

The Council is projecting an operating surplus (revenues less expenditures) of \$10,575,970 in Year 1 of the Long-Term Plan. The surplus is largely the result of central government grants for “shovel ready” infrastructure projects, without those grants Council would essentially have a balanced budget.

The Council is projected to rely on the following income sources across the Long-Term Plan:

Figure 8: Revenue sources for Council (10-year average)

Revenue source	(10-year average)
General rates & UAGC	38%
Targeted rates	18%
User charges	38%
Investment income	4%
Subsidies & grants	2%
Total	100%

NB. Revenue sources excludes the projected Infrastructure Capital Funding.

It will be important for the Council to maintain the value of its General Rates income in real terms (LGCI-adjusted). If the General Rates income did not keep pace with cost increases, the ability of Council to maintain existing levels of service could be affected.

The earnings from the Council’s Investments and the VCS Business Unit are key parts of Council’s funding. If Investment or VCS incomes do not meet expectations this could also affect the ability of Council to maintain existing levels of service.

The Council’s financial strategy has identified strengths in its operations that will need to be developed and weaknesses that will need to be mitigated. Recommendations for the Council to have a robust financial strategy include:

- controlling expenditure growth for Council operations;
- maintaining the competitiveness of VCS to ensure it continues to secure aerial contracts;
- setting consistent, achievable and high targets for cost recovery in the Consent & Compliance group; and
- protecting the real value of the Council’s investment portfolio.

Appendix A - Local Government (Reporting and Prudence) Regulations 2014 requirements

The purpose of this statement is to disclose the Council’s planned financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The Council is required to include this statement in its Long-Term Plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

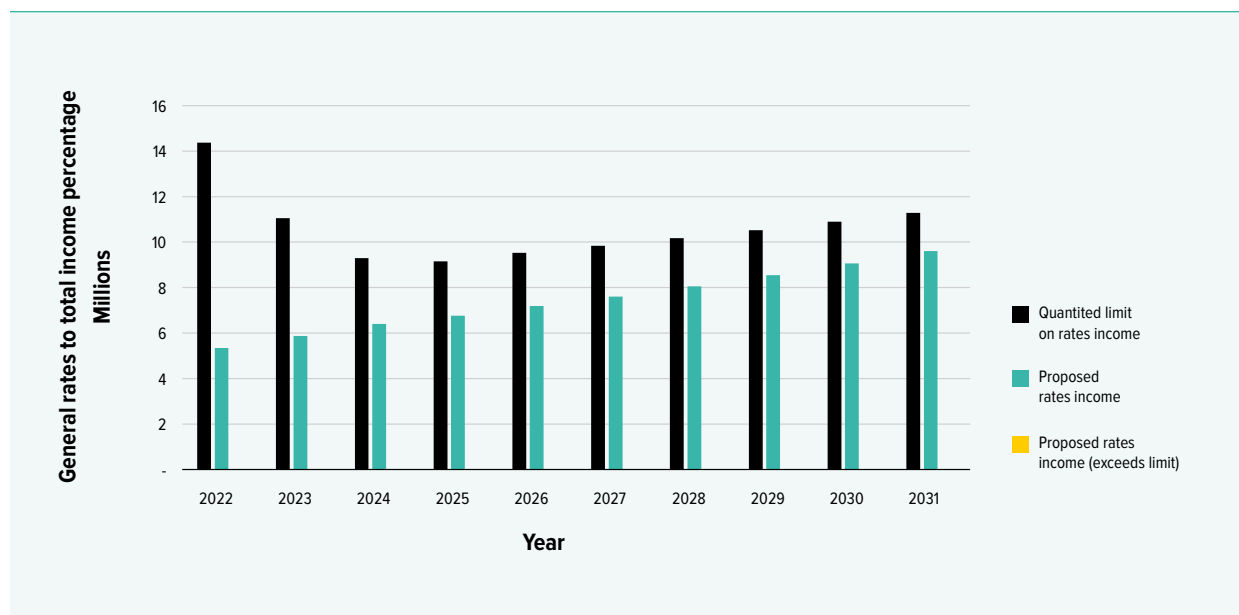
Rates affordability benchmark

The Council meets the rates affordability benchmark if:

- its planned rates income equals or is less than each quantified limit on rates; and
- its planned rates increases equal or are less than each quantified limit on rates increases.

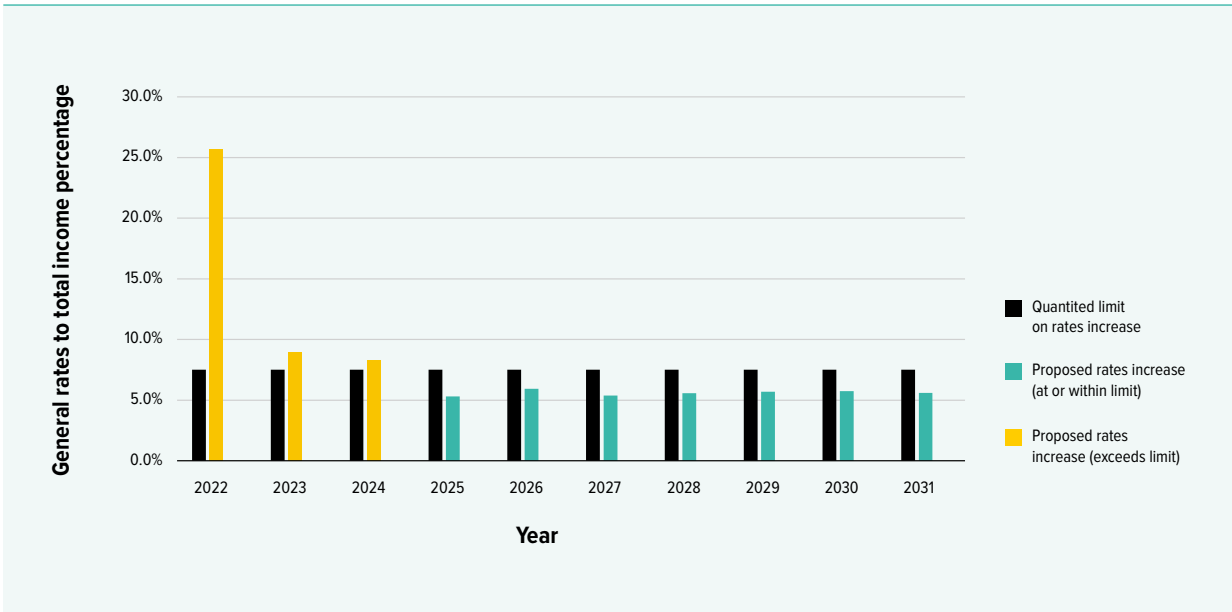
Rates (income) affordability

The following graph compares the Council’s planned general rates income (including UAGC) with a quantified limit on general rates (including UAGC) contained in the financial strategy included in Council’s long-term plan. The quantified limit is that general rates (including UAGC) will not exceed 50% of total income (the quantified limit in the 2018-28 LTP was 35%).



Rates (increase) affordability

The following graph compares the Council’s planned general rates (including UAGC) increases with a quantified limit on general rates (including UAGC) contained in the financial strategy included in Council’s long-term plan. The quantified limit is that general rates (including UAGC) increase will not exceed 7.50% per annum.

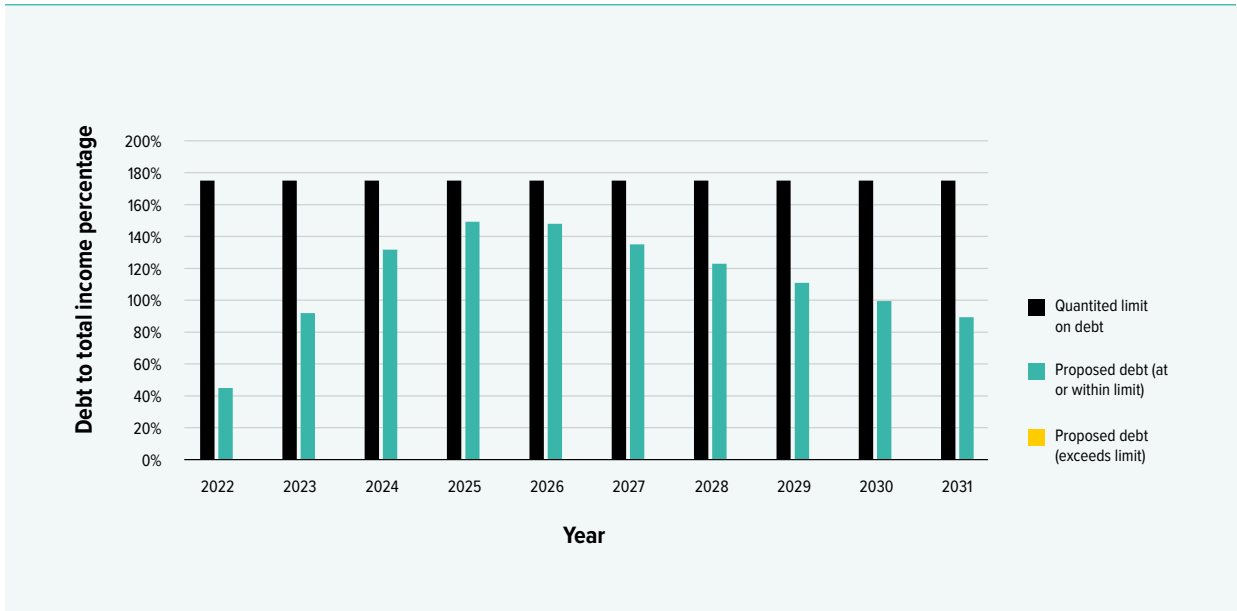


Council considers that achieving a balanced budget in desirable most years, this is balanced against rate payers’ affordability. As a guide, Council considers that the annual general rates (including UAGC) increase should not exceed 7.5% per annum unless there are significant changes required to maintain service levels and / or implement new regulations. Council has found it necessary to increase general rates (including UAGC) by more than the set limit to maintain levels of service, implement new regulations and achieve a balanced budget.

Debt affordability benchmark

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

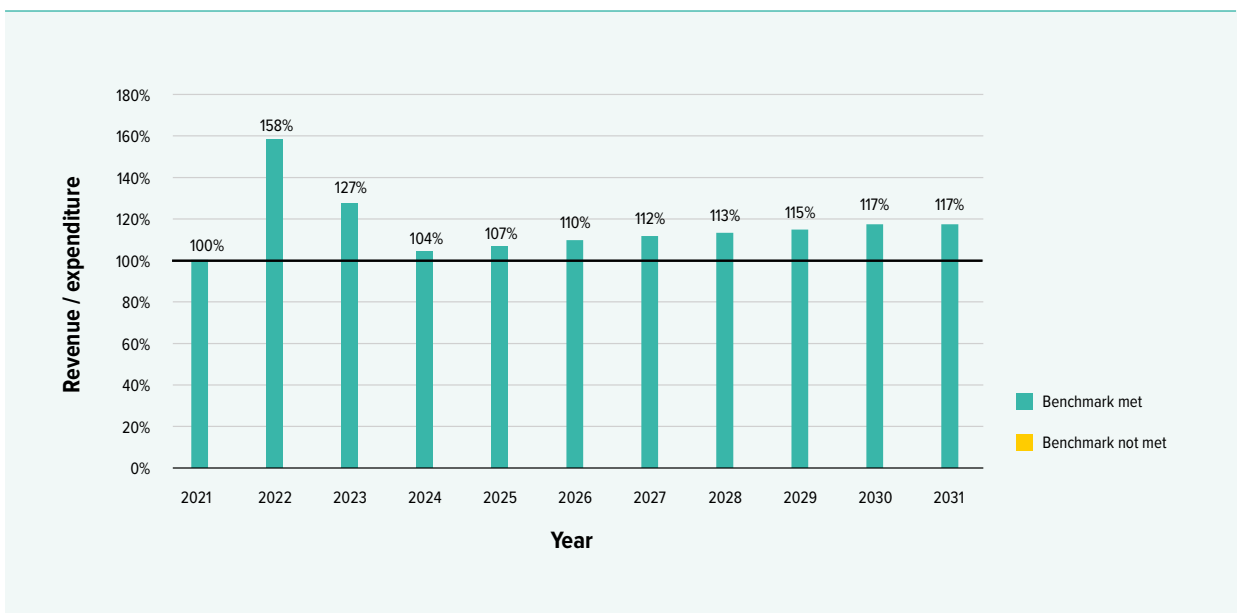
The following graph compares the Council’s planned borrowing with a quantified limit on borrowing stated in the financial strategy included in Council’s Long-Term Plan. The quantified limit is "proposed debt divided by total revenue" will not exceed 175%.



Balanced budget benchmark

The Council meets this benchmark if its revenue equals or is greater than its operating expenses.

The following graph displays the council’s revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).



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 sewerage;
- stormwater drainage;
- flood protection and control works; and
- provision of roads and footpaths.

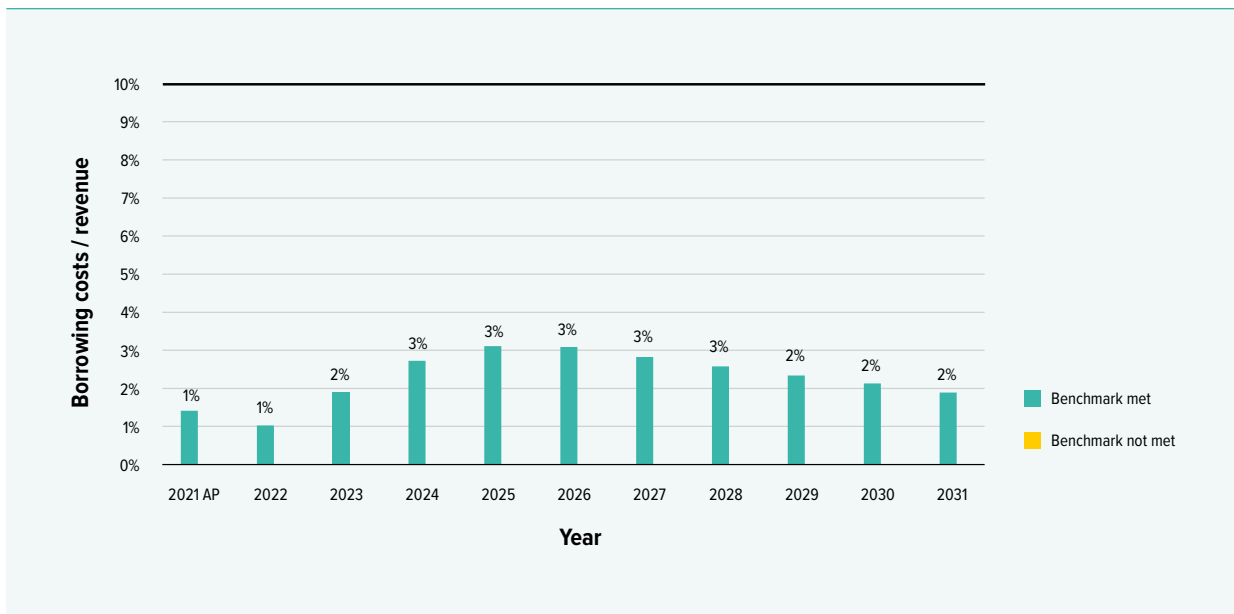
Council’s only network services relate to flood protection and control works. Council does not provide any other network services. These network services are in the form of assets such as rock protection, stopbanks, seawalls etc. These assets are not subject to depreciation. Council’s capital expenditure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

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

Debt servicing benchmark

The following graph displays the Council’s planned borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects the council’s population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



Infrastructure Strategy

Council is required to plan and manage its infrastructure needs with a thirty-year time horizon. Specifically, the Council must identify significant infrastructure issues and identify the principal options for managing those issues and the implications of those options.

This Strategy sets out Council's thirty-year plan for protection against river flooding, erosion and coastal inundation and the assets to deliver on this. The assets involved for flood protection, erosion control and coastal erosion include stopbanks, groynes, sacrificial bunds, drainage channels, seawalls and river training works.

Settlement patterns have resulted in many of our communities locating in hazard areas; river flats or along the coastline. As a result, Council now manages 25 rating districts from Neil's Beach in the south of the region, to Karamea in the North. These range in size from the protection of our largest towns (Westport, Greymouth and Hokitika) to schemes providing for the maintenance of drainage or a creek opening. However, this number will reduce to 23 from 1 July 2022 due to feedback received on the 2021-31 Long Term Plan Consultation Document resulting in the amalgamation of rating districts in the Greymouth area.

Protection against river flooding and erosion, as well as coastal erosion schemes are a significant component of the Council's operations. Based on 2020 Annual Report, River, Drainage & Coastal Group of Activities accounted for \$3,025,791 out of total operating expenditure of \$17,474,652.

They account for approximately 17% of total operating expenditure. As at the 30 June 2020 valuation, the Council's protection infrastructure has a value of \$87.8M (\$106.8M @ 30/06/2021) out of total Council assets of \$110.5M.

Based on property valuations as at 30 June 2020 Rating District assets protect \$5,624,324,250 of capital value. Ensuring the protection of these towns, communities and property supports the economic, social and cultural wellbeing of our people.

Climate Change

The West Coast is the wettest region in New Zealand with yearly rainfall totals between 1,746mm and 11,228mm. Although there is uncertainty around some climate change effects, and the scale of impacts, climatic records throughout New Zealand already show changing trends, for example, reductions in snow and glacier ice mass, and sea level rise.

Projections for climate change impacts on the West Coast⁹

Rainfall	With projected warmer temperatures, the West Coast is expected to become wetter, particularly in winter and spring, with extreme rainy days likely to become more frequent.
Wind	The frequency of extremely windy days in the West Coast by 2090 is likely to increase.
Storms	Some increase in storm intensity, local wind extremes and thunderstorms is likely to occur.
Snowfall	Less winter snowfall and an earlier spring melt may cause marked changes in the annual cycle of river flow in the region. For rivers where the winter precipitation currently falls mainly as snow and is stored until the snowmelt season, there is the possibility for larger winter floods.
Sea level rise	New Zealand tide records show an average rise in relative mean sea level of 1.7 mm per year over the 20th century, and further rise is expected.

Assuming the Ministry for the Environment's projections are accurate, the potential impacts on the Council's activities from the effects of climate change in the future could include increased management and maintenance of river and coastal erosion/flood protection infrastructure.

Within the term of this strategy, there is more potential for impacts on Council's infrastructure assets over the next 30 years due to natural multi-decadal climate cycles such as the Interdecadal Pacific Oscillation (IPO)

Moving into a "positive" phase of the IPO period may increase the intensity of flooding in the West Coast rivers as was experienced in the 1980's and 90's.

It is unknown what impact on river bed aggradation that the IPO will have during the period of this Infrastructure Asset Strategy document. As we look to the future past 2051, the climate change predictions forecast more frequent and severe weather events¹⁰. Sea level rise will continue to exacerbate erosion issues for communities located in coastal areas and will impact on current infrastructure assets.

⁹ Ministry for the Environment website, 31/5/2018, projections calculated for 2040 and 2090. <https://www.mfe.govt.nz/climate-change/likely-impacts-of-climate-change/how-could-climate-change-affect-my-region/west-coast>

¹⁰ <https://environment.govt.nz/publications/coastal-hazards-and-climate-change-guidance-for-local-government/>

Rating District work programmes are aimed at supporting the West Coast region to minimise and adapt to the negative impacts of climate change, reduce and manage risks from flooding and natural hazards.

Coordinating independent expert advice, surveying and modelling data will allow Council to inform and advise the community of the risks and risk mitigation options that they face now and into the future.

Council will communicate this information to the affected community with public meetings, rating district meetings, mailouts and media releases. Council will take advice from the affected community on the mitigation options that they wish to fund and implement.

West Coast Rating Districts (25)

River flood and erosion protection	River flood protection	Seawall – erosion protection	River erosion	No infrastructure
Inchbonnie	Coal Creek	Okuru	Hokitika southside	Westport
Kowhitirangi	Franz Josef/Lower Waiho	Hokitika/Kaniere	Whataroa	Rapahoe
Red Jacks Creek	Greymouth	Punakaiki		
Taramakau	Nelson Creek			
Waitangitoana				
Wanganui				
Karamea				
Creek clearance, erosion protection, stopbanking	Land drainage scheme	Coastal river mouth opening	River and flood protection, and sacrificial coastal bund	Creek clearance and erosion protection
Vine Creek	Raft Creek Kongahu	Saltwater / New River (2021/22 only)	Mokihinui Neils Beach	Matainui

**Note that from 1 July 2022, the Coal Creek and Saltwater Creek / New River Rating Districts will be amalgamated into the Greymouth Rating District*

Our priorities

The following priorities will guide us with our future planning and decision-making processes:

- Providing, and maintaining agreed levels of flood and erosion protection for our communities;
- Communicating the hazard risk to communities where the recommended levels of service are not being achieved, or there is a high likelihood of failure;
- Continuing to refine our asset management plans for each scheme.

Capital and maintenance explanation and assumptions

The creation of new assets, or work to lift the rating district’s level of service (e.g., increasing the height or length of a stopbank) is regarded as capital expenditure. All costs incurred to address aggradation or to repair flood and drainage assets, either routinely or post event to restore the level of service, is considered maintenance and is expensed as such.

The assumptions for each of the rating districts for their capital and maintenance expenditure programme are:

- There is no deferred maintenance during the 30-year period
- There will be events (flood, earthquake, etc.) of a magnitude that will damage the assets
- The impact of climate change, in this case sea level rise, will be gradual in line with Ministry for the Environment predictions and is not expected to impact on current infrastructure assets during the term of this strategy.
- There will be no new schemes developed over the 30-year period but will respond to communities needs
- There will be no changes to levels of service over the 30-year period with the exception of the capex projects identified in the capex table.
- There will be no significant population growth and therefore no significant increase in the demand for rating district protection. Assets are not directly impacted by population figures, more so by the location of the new development in relation to the hazardscape.

Capital expenditure

Capital expenditure occurs as a result of requests from the associated Rating District or on the recommendation of the Area Engineer. These may include:

- The need to replace or upgrade existing assets that are no longer fit for purpose
- The need for an increase in the level of service that the schemes currently provide
- A new flood or drainage rating district
- The potential impact of climate change and the hazardscape risk in the future. At this point no requests or recommendations have been made or are forecast therefore this infrastructure strategy includes no forecast capital expenditure.

There are capital projects forecast for years one and two of the LTP for Franz Josef, Hokitika and Greymouth as part of the “shovel ready” central government funding. Council does not have any capital expenditure projects other than the projects identified in the Capex table below.

Capex Projects

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	Total
IRG infrastructure capex							
Hokitika capex	260,831	4,719,891	2,019,278				7,000,000
Greymouth capex	227,809	2,047,651	324,540				2,600,000
Franz Josef capex	66,783	7,043,863	5,180,817				12,291,463
Total IRG infrastructure	555,423	13,811,405	7,524,635	0	0	0	21,891,463
CD Infrastructure capex							
CD4 Wanganui			2,850,000	2,850,000			5,700,000
CD9 Westport			2,550,000	2,550,000	2,550,000	2,550,000	10,200,000
Total CD Infrastructure	0	0	5,400,000	5,400,000	2,550,000	2,550,000	15,900,000
Total Capex	555,423	13,811,405	12,924,635	5,400,000	2,550,000	2,550,000	37,791,463

Council will engage independent project management, consent and design specialists to support the delivery of these projects.

Replacing assets

Provided assets are properly maintained, the majority of the current assets will not require replacement or renewal. The type of assets that will require a programme of replacement or renewal include culverts, pipes and other structures that have a finite lifespan. Council undertakes an annual maintenance programme to ensure the integrity and longevity of the assets.

Increasing levels of service

A ‘level of service’ is defined at the level of protection the rating district assets provide to the community. These are predominantly expressed in terms of the return period of a flood, e.g., the 1% annual exceedance probability. Council may increase the level of service for a rating district if requested by the community and it is considered affordable, and is supported by engineering advice.

Current agreed levels of service are identified for rating districts in the relevant Asset Management Plan. Council can consult with a rating district through the Long-Term Plan, Annual Plan or a separate process to gain feedback on the proposal.

Establishing new rating districts and investing in our current ones

New rating districts may be established depending on the hazardscape and demand from the relevant community. Council is likely to undertake a number of investigations to determine the feasibility of these during the 30-year period of this Strategy.

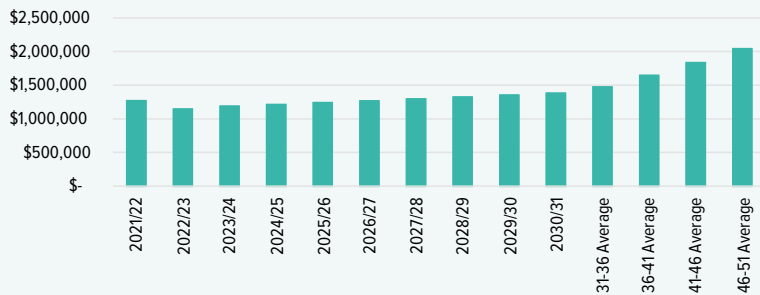
Most recently, new rating districts have been established for Westport and Rapahoe in 2020. In addition to these new rating districts the Greymouth Floodwall repairs (2020) and the Greymouth Floodwall upgrade in 2021 are examples of major capital upgrades. As part of Infrastructure Resilience ‘shovel ready’ programme, capital expenditure is planned for Franz Josef, Hokitika and Greymouth in 2021/22. Consultation on a \$5.7m upgrade to the assets in the Wanganui Rating District, and flood protection options for the Westport Rating District, will be undertaken during the 2021 LTP development.

Operational expenditure

Council has spent approximately \$7.5m in operating expenditure over the past ten years to maintain the existing rating district assets. Future maintenance costs are expected to track similarly, assuming there is no demand for new rating districts or additional assets.

Asset management plans set out the maintenance requirements for each of the assets within the relevant rating district. Copies of these plans are available on Council’s website.

Operating Expenditure Forecasts for River, Drainage & Coastal Protection Infrastructure



Rating District funding

All protection works are funded via a rating district. Annual operating costs are confirmed with each Rating District. Capital works are typically funded by any reserve the respective Rating District holds or via an external loan. Loans are repaid from the targeted rates on that Rating District.

The Infrastructure Strategy and Financial Forecasts assumes no major floods or earthquakes will occur, however, based on history, and the prediction of more frequent and more severe weather events occurring, the likelihood of some flooding during the 30-year period is high. There is no accurate means to forecast where these events will occur. Repairs to assets can be funded through reserves or a loan if required. In addition to this, Council has an insurance policy which covers rating districts to provide the 40% local share in order to access the 60% share in funding from the National Emergency Management Agency for a “State of Emergency” event.

The excess on any claim under Council’s Insurance policy is 40% of \$1,000,000 for a flood event and 40% of \$500,000 for any other event.

Significant issues and uncertainties

Franz Josef

Flood modelling analysis of the Waiho River indicates that the north stopbank, which protects the main town, can contain a theoretical 1% annual exceedance probability (AEP) flood event. The term “1% AEP” means that there is a 1% chance of this event occurring annually. The southside stopbank is not capable of containing a theoretical 10% AEP (10% chance of this event occurring annually). This side of the river is seriously vulnerable due to the severe aggradation of gravel in the river and the impracticalities of providing higher levels of protection.

There has been a significant amount of investigation into the potential options available to the communities to address the hazardscape issues culminating in the Tonkin + Taylor and Ernst & Young report in 2017, which provided three potential options for the future; defend, live with or relocate the town. The Waiho River has been aggrading (building up with gravel) at a rate of approximately 200mm per year for the last 60 years. Expert advice cannot predict when this will move into a degradation cycle as this is influenced by a number of factors including glacial change, Callery River influence, and the various stopbank network. There is broad agreement with previous findings that a fundamental shift in approach is required to develop a long-term sustainable flood resilience solution – moving away from channelling the Waiho River between long sections of stop bank on the north and south sides of the river, and instead creating a flood plain on the southern side of the river designed to dissipate the river’s energy as required.

In 2020, Council consulted on and implemented a singular Rating District to encompass the two previous rating districts, as well as extending the boundary to Lake Mapourika.

Westport

Feedback from the Long-Term Plan consultation identified other potential flood mitigation options that will be collated and presented to the Westport Joint Committee. This may identify work that the Joint Committee and Westport community want prioritised as additional works to the flood protection scheme that was consulted on.

Wanganui

Feedback from Wanganui Rating District on the Long-Term Plan consultation identified further consultation is required on the flood protection scheme upgrade. The Covid19 Lockdown in August 2021 prevented the planned public meeting as part of the consultation process from taking place. The consultation feedback also identified the Rating District members wanted to review the existing classifications of the Rating District to determine whether these were still fit for purpose.

Working with communities to manage coastal erosion

Coastal erosion is a complex hazard affecting many of our communities. Influenced by many factors (including sediment movement through river systems, ocean conditions, weather events, and littoral drift), future predictions indicate that impacts will worsen over time as a result of climate change and sea level rise. Robust science and engineering must underpin any decision-making for these communities.

Potential cost implications from potential solutions are a significant issue for many communities. Typically, solutions are short term in nature and have considerable cost and risk implications due to the user-pays (based on benefits) model for funding such works. A feature of several recent reports has been the inclusion of recommendations supporting managed retreat.

There is no blueprint for managed retreat. It is an issue being discussed at a national level as each region attempts to address similar issues on other parts of the country. New legislation to replace the Resource Management Act may provide further direction on this matter. The major problem of how to fund this remains a live issue.

Council has utilized EnviroLink funding to inform decision-making by better understanding the issue and examining the short-, medium- and long-term options to discuss with the community. These may include managed retreat, or other options, instead of traditional engineering solutions. The long term solution will be balanced with meeting the immediate needs of the community and providing time to allow for a meaningful long term solution to be identified and socialized with the affected community.

For some situations, consideration should be given to the Council securing a resource consent that the community could then operate under to provide for their own protection works. With the right guidelines and advice, communities could work under such a consent and undertake works without the burden of resource consent fees and costs. It also avoids issues that arise from non-compliance where property owners are simply attempting to protect their property.

Council holds a small fund for one-off projects and investigation work where a rating district would not be formed as part of a long-term solution as options for communities are considered, for example the Buller flood modelling. Council will continue to utilize this. Council has also increased resourcing for a third engineer to better respond to these important community issues.

Planning for the future

Council has taken a lead in developing a Natural Hazards Strategy for the region. Working with the three District Councils, Poutini Ngāi Tahu, Waka Kotahi NZ Transport Agency and Department of Conservation, the Strategy seeks to foster consistency in the approach to managing our hazardscape and how we work with our communities.

Climate change

Government regulatory and policy framework

Like most countries, New Zealand recognises that climate change requires a national and international response. For New Zealand, that response came first from the Climate Change Response Act 2002, which set the national Kyoto Protocol implementation framework. New Zealand ratified the Paris Accord in 2016, committing to limit global warming to 2 degrees above pre-industrial levels and targeting a 1.5 degree temperature increase.

The Climate Change Response (Zero Carbon) Amendment Act 2019 commits New Zealand to zero net emissions for most greenhouse gasses by 2050, with separate targets for biogenic methane. The Act uses a mix of emissions budgets, a National Adaptation Plan and establishes a restructured national emissions trading system.

Local government's climate change role has traditionally been quite limited; due to the Resource Management Amendment Act 2004. That Act restricted councils to a general consideration of climate change when exercising functions and powers under the Act.

Recent changes to that position have come from:

- The Resource Management Act
 - › requiring councils to consider the effects of climate change in their local communities
 - › making management of significant risks from natural hazards a matter of national importance
 - › reversing the limits upon consent considerations in the 2004 Act (with effect from the start of 2022).
- The Local Government Act 2002 “four well-beings” uses wording that implicitly includes climate change
- The Resource Management Review Panel report (a government priority for this term) strongly recommends requiring councils to manage sources and effects of greenhouse gases
- Various provisions in biosecurity and land transport legislation all support or require activities that impact climate change outcomes.

The assumptions

Although there is uncertainty around some climate change effects, and the scale of impacts, climatic records throughout New Zealand already show changing trends, for example, reductions in snow and glacier ice mass, and sea level rise.

Projections for climate change impacts on the West Coast ¹¹	
Rainfall	With projected warmer temperatures, the West Coast is expected to become wetter, particularly in winter and spring, with extreme rainy days likely to become more frequent.
Wind	The frequency of extremely windy days in the West Coast by 2090 is likely to increase.
Storms	Some increase in storm intensity, local wind extremes and thunderstorms is likely to occur.
Snowfall	Less winter snowfall and an earlier spring melt may cause marked changes in the annual cycle of river flow in the region. For rivers where the winter precipitation currently falls mainly as snow and is stored until the snowmelt season, there is the possibility for larger winter floods.
Sea level rise	New Zealand tide records show an average rise in relative mean sea level of 1.7 mm per year over the 20th century, and further rise is expected.

Assuming the Ministry for the Environment's projections are accurate, the potential impacts on the Council's activities from the effects of climate change could include:

- increased management and maintenance of river and coastal erosion/flood protection infrastructure
- additional biosecurity staff and changes to the Pest Plant Management Plan to address an increase in the spread of pests and weeds
- increased civil defence emergency management response to natural hazard events
- changes to regional policy statement and plans to include hazard adaptation and mitigation provisions (greater setbacks on earthworks and vegetation clearance in areas of coastal erosion, volume restrictions for the same activities on steep slopes with increased instability from heavy rainfall).

¹¹ Ministry for the Environment website, 31/5/2018, projections calculated for 2040 and 2090. <https://www.mfe.govt.nz/climate-change/likely-impacts-of-climate-change/how-could-climate-change-affect-my-region/west-coast>

While many climate change impacts will be costly, some may not necessarily be negative. Warmer temperatures, a longer growing season and fewer frosts could provide opportunities to grow new crops, and farmers might benefit from faster growth of pasture and better growing conditions. However, these benefits may be limited by negative effects of climate change such as increased flood risk or greater frequency and intensity of storms. Annual and seasonal variations to climate change effects add to the uncertainty of impacts. Council will continue to keep up to date with relevant science and prediction modelling taking this into account in future budgets and operations.

Council is concerned about the potential negative social, economic and cultural impacts of climate change on communities, as well as the effects of central government direction. These may include:

- injury to people and damage to property and infrastructure from the increased frequency and severity of weather events
- increased health issues for people who cannot afford to solely use electricity to heat their homes resulting from a national ban on using fossil fuels
- job losses in primary and service industries which cannot continue production as a result of a national ban on extracting/using fossil fuels
- flow-on effects of a declining population including:
 - › reduction in health and social services
 - › loss of Council revenue from rates and debt limits
- inability for small-medium hydro electricity generation to be established in appropriate areas on public conservation land
- delays in the full provision of a range of electric vehicles, for example, rental cars, campervans and trucks, could impact on tourism and agriculture activities.

Council will continue to highlight these concerns to central government and advocate for economic and socially sustainable initiatives and support for West Coast communities.

Council response

Councils approach in responding to climate change adaptation is primarily through RMA planning instruments. For example, the West Coast Regional Policy Statement (RPS) promotes good planning and actions to avoid or mitigate the effects of natural hazards on people, property and communities. This includes avoiding locating inappropriate land uses in high-risk areas. No matter how well both the community and Council prepare and plan to mitigate the effects of such events, there will be events which will require coordinated relief actions and responses to assist individuals and communities affected. This activity is facilitated through the Civil Defence Emergency Management Act 2002 (CDEMA) and the plans and local arrangements developed under this framework by the West Coast Civil Defence Emergency Management Group.

Climate change mitigation

Council will undertake a base-line assessment of the organisation's greenhouse gas emissions during 2022. This will enable Council to set emission reduction targets and understand what actions and costs will be associated with becoming net carbon neutral. The Council does not currently have any regional mitigation programmes in place.

Financial Information



Prospective Financial Statements

Prospective Statement of Comprehensive Revenue and Expense

Annual Plan 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31
	Operating Expenditure									
642,132	682,755	744,456	697,398	708,711	781,246	736,139	751,215	828,534	779,445	796,375
4,758,954	7,969,808	7,072,727	7,209,258	6,392,708	6,243,251	6,284,874	6,402,135	6,508,612	6,607,273	6,970,936
154,484	180,179	180,018	181,790	183,608	188,102	192,341	196,717	200,848	204,779	209,785
1,051,096	1,054,840	1,057,882	1,165,061	1,158,610	1,197,899	1,269,120	1,298,814	1,342,188	1,370,437	1,446,124
1,147,494	1,432,660	1,361,499	1,364,465	1,366,778	1,404,599	1,432,022	1,461,733	1,472,350	1,506,123	1,530,646
1,796,285	2,855,440	2,865,382	3,011,550	3,084,360	3,183,263	3,226,408	3,270,751	3,311,519	3,349,226	3,403,952
4,404,954	3,982,000	4,073,586	4,161,190	4,252,776	4,352,326	4,439,930	4,539,480	4,639,030	4,738,230	4,846,094
32,811	18,948	17,748	17,098	17,048	17,048	17,048	17,048	17,048	17,048	17,048
13,988,210	18,176,630	17,373,298	17,807,810	17,164,599	17,367,734	17,597,882	17,937,893	18,320,129	18,572,561	19,220,960
	Operating Revenue									
6,098,298	8,051,200	9,091,044	9,729,143	10,274,038	10,856,104	11,309,503	11,809,040	12,344,941	12,917,244	13,508,384
116,199	13,114,894	5,224,425	1,187,783	214,775	219,802	231,363	230,713	235,773	250,733	252,528
823,680	712,888	713,588	713,946	714,173	714,352	713,914	713,480	712,699	711,540	712,051
245,000	0	0	0	0	0	0	0	0	0	0
6,743,350	6,838,618	7,038,577	6,915,467	7,066,142	7,230,377	7,374,904	7,539,140	7,703,375	7,867,611	8,044,985
0	35,000	36,521	38,053	39,668	41,408	41,080	44,934	46,838	48,800	50,905
14,026,527	28,752,600	22,104,155	18,584,392	18,308,796	19,062,043	19,670,764	20,337,307	21,043,626	21,795,928	22,568,853
38,317	10,575,970	4,730,857	776,582	1,144,197	1,694,309	2,072,882	2,399,414	2,723,497	3,223,367	3,347,893
	Other Comprehensive Revenue & Expense									
0	2,039,951	2,442,082	3,070,342	3,137,890	3,352,693	3,131,561	3,349,577	3,423,268	3,657,606	3,416,363
38,317	12,615,921	7,172,939	3,846,924	4,282,087	5,047,002	5,204,443	5,748,991	6,146,765	6,880,973	6,764,256

Summary of Operating Expenditure by Expenditure Type

Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31			
200,602	295,258	419,330	505,912	568,797	588,746	556,058	523,858	491,780	464,066	427,267			
468,226	566,071	596,375	593,092	503,910	546,013	636,607	679,859	650,397	629,338	686,227			
5,650,512	6,139,807	6,549,731	6,747,317	7,023,983	7,188,402	7,333,091	7,497,510	7,661,929	7,826,348	8,003,921			
7,668,870	11,175,494	9,807,862	9,961,489	9,067,909	9,044,573	9,072,126	9,236,666	9,516,024	9,652,809	10,103,546			
13,988,210	18,176,630	17,373,298	17,807,810	17,164,599	17,367,734	17,597,882	17,937,893	18,320,129	18,572,561	19,220,960			

Summary of Depreciation & Amortisation expense by Groups of Activities

Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31			
243,835	283,656	308,384	300,952	236,099	273,541	346,247	370,963	359,948	310,389	354,395			
46,485	54,917	63,202	64,769	64,503	43,733	46,539	50,657	45,099	46,275	56,169			
72,211	76,734	97,976	99,569	85,039	105,269	128,415	142,637	143,274	162,044	182,082			
24,993	46,759	46,456	56,618	53,089	50,136	50,136	51,396	34,226	34,226	27,017			
12,415	9,412	0	0	0	0	0	0	0	0	0			
68,287	94,592	80,358	71,184	65,180	73,334	65,271	64,207	67,850	76,404	66,564			
468,226	566,071	596,375	593,092	503,910	546,013	636,607	679,859	650,397	629,338	686,227			

Prospective Statement of Changes in Equity

Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	LTP	LTP
Ratepayers Equity												
24,195,032	41,011,998	51,608,410	56,111,483	57,397,976	57,800,778	58,740,642	60,063,964	61,296,674	62,656,305	64,618,080	64,618,080	64,618,080
38,317	10,575,970	4,730,857	776,582	1,144,197	1,694,309	2,072,882	2,399,414	2,723,497	3,223,367	3,347,893	3,223,367	3,347,893
	150,000	-180,000	560,000	-670,000	-660,000	-625,000	-1,000,000	-1,175,000	-1,050,000	-1,370,000	-1,050,000	-1,370,000
26,171	-129,558	-47784	-50,089	-71,395	-94,445	-124,560	-166,704	-188,866	-211,592	-409,548	-211,592	-409,548
-750,000	0	0	0	0	0	0	0	0	0	0	0	0
250,000	0	0	0	0	0	0	0	0	0	0	0	0
23,759,520	51,608,410	56,111,483	57,397,976	57,800,778	58,740,642	60,063,964	61,296,674	62,656,305	64,618,080	66,186,425	64,618,080	66,186,425
Rating District Equity												
1,850,000	2,500,000	2,629,558	2,677,342	2,727,431	2,798,826	2,893,271	3,017,831	3,184,535	3,373,401	3,584,993	3,373,401	3,584,993
-26,171	129,558	47784	50,089	71,395	94,445	124,560	166,704	188,866	211,592	409,548	211,592	409,548
1,823,829	2,629,558	2,677,342	2,727,431	2,798,826	2,893,271	3,017,831	3,184,535	3,373,401	3,584,993	3,994,541	3,584,993	3,994,541
Revaluation Reserves												
49,756,755	64,000,000	66,039,951	68,482,033	71,552,375	74,690,265	78,042,958	81,174,519	84,524,096	87,947,364	91,604,970	87,947,364	91,604,970
0	2,039,951	2,442,082	3,070,342	3,137,890	3,352,693	3,131,561	3,349,577	3,423,268	3,657,606	3,416,363	3,657,606	3,416,363
49,756,755	66,039,951	68,482,033	71,552,375	74,690,265	78,042,958	81,174,519	84,524,096	87,947,364	91,604,970	95,021,333	91,604,970	95,021,333
Investment Growth Reserve												
9,000,000	8,500,000	8,350,000	8,530,000	7,970,000	8,640,000	9,300,000	9,925,000	10,925,000	12,100,000	13,150,000	12,100,000	13,150,000
0	-150,000	180,000	-560,000	670,000	660,000	625,000	1,000,000	1,175,000	1,050,000	1,370,000	1,050,000	1,370,000
9,000,000	8,350,000	8,530,000	7,970,000	8,640,000	9,300,000	9,925,000	10,925,000	12,100,000	13,150,000	14,520,000	13,150,000	14,520,000
Catastrophe Fund												
0	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
750,000	0	0	0	0	0	0	0	0	0	0	0	0
750,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
85,090,104	129,627,919	136,800,858	140,647,782	144,929,869	149,976,871	155,181,314	160,930,305	167,077,070	173,958,043	180,722,299	173,958,043	180,722,299

Prospective Statement of Financial Position

Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31		
	Current Assets											
56,684	1,255,107	164,856	170,133	691,638	726,906	407,107	65,051	132,702	593,536	665,186		
1,600,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000		
400,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000		
50,000	71,325	54,423	35,662	38,050	40,598	43,317	46,218	49,315	0	0		
1,000,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000		
3,106,684	4,776,432	3,669,279	3,655,795	4,179,688	4,217,504	3,900,424	3,561,269	3,632,017	4,043,536	4,115,186		
	Non-Current Assets											
5,436,244	4,683,927	4,501,989	4,378,315	4,594,083	4,656,243	4,688,278	4,622,762	4,496,178	4,439,919	4,463,341		
74,650,000	119,988,880	135,305,597	143,775,939	149,463,829	155,366,522	158,498,083	161,847,660	165,270,928	168,928,534	172,344,897		
694,116	872,958	1,190,579	1,401,153	1,336,614	1,539,969	1,508,667	1,463,612	1,358,706	1,253,801	1,151,395		
445,000	307,583	253,160	217,498	179,448	138,850	95,533	49,315	0	0	0		
1,600,000	1,785,000	1,820,700	1,857,114	1,894,256	1,932,141	1,970,784	2,010,200	2,050,404	2,091,412	2,133,240		
210,000	165,982	165,982	165,982	165,982	165,982	165,982	165,982	165,982	165,982	165,982		
1,115,000	0	0	0	0	0	0	0	0	0	0		
9,929,600	13,210,643	13,443,522	12,931,291	13,674,291	13,422,880	14,176,690	15,436,083	16,701,183	17,972,380	19,749,272		
94,079,960	141,014,973	156,681,529	164,727,292	171,308,503	177,222,587	181,104,017	185,595,614	190,043,381	194,852,028	200,008,127		
97,186,644	145,791,405	160,350,808	168,383,087	175,488,191	181,440,091	185,004,441	189,156,883	193,675,398	198,895,564	204,123,313		
	Current Liabilities											
2,896,251	8,085,663	9,501,266	9,037,652	9,204,872	8,643,330	8,085,734	7,547,534	6,998,672	6,438,846	5,930,840		
1,500,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000		
500,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000		
4,896,251	10,885,663	12,301,266	11,837,652	12,004,872	11,443,330	10,885,734	10,347,534	9,798,672	9,238,846	8,730,840		
	Non-Current Liabilities											
6,623,749	4,834,823	10,805,683	15,454,653	18,110,451	19,576,889	18,494,393	17,436,043	16,356,656	15,255,677	14,227,176		
576,540	443,000	443,000	443,000	443,000	443,000	443,000	443,000	443,000	443,000	443,000		
7,200,289	5,277,823	11,248,683	15,897,653	18,553,451	20,019,889	18,937,393	17,879,043	16,799,656	15,698,677	14,670,176		
	Equity											
23,759,520	51,608,410	56,111,484	57,397,976	57,800,777	58,740,643	60,063,964	61,296,675	62,656,305	64,618,079	66,186,422		
1,823,829	2,629,558	2,677,342	2,727,431	2,798,826	2,893,271	3,017,831	3,184,535	3,373,401	3,584,993	3,994,541		
750,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000		
49,756,755	66,039,951	68,482,033	71,552,375	74,690,265	78,042,958	81,174,519	84,524,096	87,947,364	91,604,970	95,021,333		
9,000,000	8,350,000	8,530,000	7,970,000	8,640,000	9,300,000	9,925,000	10,925,000	12,100,000	13,150,000	14,520,000		
85,090,104	129,627,919	136,800,859	140,647,782	144,929,868	149,976,872	155,181,314	160,930,306	167,077,070	173,958,042	180,722,296		
97,186,644	145,791,405	160,350,808	168,383,087	175,488,191	181,440,091	185,004,441	189,156,883	193,675,398	198,895,565	204,123,312		

Prospective Statement of Cash Flows

Annual Plan 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31
Cash Flow from Operating Activities										
6,098,298	8,051,200	9,091,044	9,729,143	10,274,038	10,856,104	11,309,503	11,809,040	12,344,941	12,917,244	13,508,384
0	712,888	713,588	713,946	714,173	714,352	713,914	713,480	712,699	711,540	712,051
7,200,729	19,953,512	12,263,824	8,104,888	7,283,441	7,453,703	7,608,704	7,775,372	7,945,781	8,126,134	8,306,590
13,299,027	28,717,600	22,068,456	18,547,977	18,271,652	19,024,159	19,632,121	20,297,892	21,003,421	21,754,918	22,527,025
Less Cash Paid for:										
200,602	295,258	419,330	505,912	568,797	588,746	556,058	523,858	491,780	464,066	427,267
13,319,382	17,315,301	16,357,593	16,708,806	16,091,892	16,232,975	16,405,217	16,734,176	17,177,952	17,479,157	18,107,466
13,519,984	17,610,559	16,776,923	17,214,718	16,660,689	16,821,721	16,961,275	17,258,034	17,669,732	17,943,223	18,534,733
-220,957	11,107,041	5,291,533	1,333,259	1,610,963	2,202,438	2,670,846	3,039,858	3,333,689	3,811,695	3,992,292
Cash Flow from Investing Activities										
Cash From:										
0	29,359	31,325	33,423	35,662	38,050	40,598	43,317	46,218	49,315	0
1,537,500	0	0	0	0	0	0	0	0	0	0
25,141	98,269	94,526	29,318	52,945	58,500	43,925	61,132	97,188	72,351	35,334
1,562,641	127,628	125,851	62,741	88,607	96,550	84,523	104,449	143,406	121,666	35,334
Cash Paid to:										
1,355,000	14,469,405	13,701,219	6,109,310	3,258,084	3,420,028	681,265	630,420	516,095	540,525	642,577
750,000	227,643	232,879	-512,231	743,000	-251,411	753,810	1,259,393	1,265,100	1,271,197	1,776,892
2,105,000	14,697,048	13,934,098	5,597,079	4,001,084	3,168,617	1,435,075	1,889,813	1,781,195	1,811,722	2,419,469
-542,359	-14,569,420	-13,808,247	-5,534,338	-3,912,477	-3,072,067	-1,350,552	-1,785,364	-1,637,789	-1,690,056	-2,384,135
Cash Flow from Financing Activities										
Loans Raised										
750,000	5,018,612	8,419,957	5,400,000	4,345,071	2,550,000	0	0	0	0	0
30,000	828,126	993,494	1,193,644	1,522,053	1,645,104	1,640,092	1,596,550	1,628,249	1,660,805	1,536,507
720,000	4,190,486	7,426,463	4,206,356	2,823,018	904,896	-1,640,092	-1,596,550	-1,628,249	-1,660,805	-1,536,507
Total Changes in Cash Held										
-43,316	728,107	-1,090,251	5,277	521,504	35,267	-319,798	-342,056	67,651	460,834	71,650
100,000	527,000	1,255,107	164,856	170,133	691,638	726,906	407,107	65,051	132,702	593,536
56,684	1,255,107	164,856	170,133	691,637	726,905	407,108	65,051	132,702	593,536	665,186

Prospective capital expenditure

Annual Plan 2020/21		2021/22	LTP	2022/23	LTP	2023/24	LTP	2024/25	LTP	2025/26	LTP	2026/27	LTP	2027/28	LTP	2028/29	LTP	2029/30	LTP	2030/31
60,000	Water Quality Sondes	20,000		20,460		20,900		21,360		21,860		22,300		22,800		23,300		23,820		24,340
0	Air Quality Monitoring Plant	70,000		0		0		74,760		0		0		79,800		0		0		85,190
60,000	Hydrology	100,000		102,300		104,500		106,800		109,300		111,500		114,000		116,500		119,100		121,700
45,000	IT Equipment	58,000		59,334		60,610		115,344		118,044		120,420		66,120		67,570		128,628		131,436
100,000	IT Software (Intangibles)	100,000		368,280		261,250		0		281,994		64,670		57,000		0		0		0
40,000	Hydrology	40,000		40,920		73,150		42,720		43,720		44,600		34,200		34,950		36,730		0
650,000	Flood protection and control network	13,811,405		12,924,635		5,400,000		2,550,000		2,550,000		0		0		0		0		0
0	Emergency Management Vehicles	0		0		141,878		48,060		0		0		153,900		52,425		0		0
160,000	WCRC Vehicle Replacements	90,000		184,140		0		202,920		98,370		262,025		51,300		116,500		53,595		219,060
150,000	VCS-Shed	0		0		0		0		0		0		0		0		0		0
30,000	VCS-Plant Replacements	0		0		0		0		0		0		0		0		0		0
60,000	VCS-Vehicle Replacements	180,000		51,150		47,025		96,120		196,740		55,750		51,300		104,850		178,653		60,850
1,355,000	TOTAL	14,469,405		13,751,219		6,109,313		3,258,084		3,420,028		681,265		630,420		516,095		540,525		642,576

Prospective Consolidated Funding Impact Statement

AP	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	LTP
Sources of Funding											
3,936,177	5,386,635	5,915,784	6,452,671	6,814,867	7,243,796	7,655,265	8,107,155	8,595,410	9,118,367	9,659,746	LTP
2,128,133	2,714,566	3,225,259	3,326,472	3,509,171	3,662,308	3,704,237	3,751,884	3,799,532	3,848,877	3,898,638	LTP
116,199	1,751,477	800,552	1,083,283	107,975	110,502	119,863	116,713	119,273	131,733	130,828	LTP
6,777,338	6,788,618	6,988,577	6,865,467	7,016,141	7,180,377	7,324,904	7,489,140	7,653,375	7,817,611	7,994,985	LTP
1,068,680	712,888	713,588	713,946	714,173	714,351	713,913	713,479	712,699	711,540	712,050	LTP
0	0	0	0	0	0	0	0	0	0	0	LTP
14,026,527	17,354,184	17,643,760	18,441,839	18,162,327	18,911,334	19,518,182	20,178,371	20,880,289	21,628,128	22,396,247	LTP
Applications of Operating Funding											
13,319,382	17,315,301	16,357,592	16,708,806	16,091,892	16,232,975	16,405,217	16,734,176	17,177,953	17,479,158	18,107,467	LTP
200,602	295,258	419,330	505,912	568,797	588,746	556,058	523,858	491,780	464,066	427,267	LTP
0	0	0	0	0	0	0	0	0	0	0	LTP
13,519,984	17,610,559	16,776,922	17,214,718	16,660,689	16,821,721	16,961,275	17,258,034	17,669,733	17,943,224	18,534,734	LTP
506,543	-256,375	866,838	1,227,121	1,501,638	2,089,613	2,556,907	2,920,337	3,210,556	3,684,904	3,861,513	LTP
Sources of Capital Funding											
0	11,363,417	4,423,873	104,500	106,800	109,300	111,500	114,000	116,500	119,000	121,700	LTP
0	0	0	0	0	0	0	0	0	0	0	LTP
73,358	43,000	43,000	21,500	0	0	0	0	0	0	0	LTP
660,000	4,150,486	7,386,463	4,185,356	2,823,018	904,896	-1,640,092	-1,596,550	-1,628,249	-1,660,805	-1,536,507	LTP
25,141	98,269	94,526	29,318	52,945	58,500	43,925	61,132	97,188	72,351	35,334	LTP
0	0	0	0	0	0	0	0	0	0	0	LTP
758,499	15,655,172	11,947,862	4,340,674	2,982,763	1,072,696	-1,484,667	-1,421,418	-1,414,561	-1,469,454	-1,379,473	LTP
Applications of capital funding											
0	0	0	0	0	0	0	0	0	0	0	LTP
690,000	13,851,405	12,915,555	5,473,150	2,592,720	2,593,720	44,600	34,200	34,950	36,730	0	LTP
665,000	618,000	785,664	636,161	665,363	826,311	636,664	596,220	481,145	503,796	642,574	LTP
750,000	227,643	232,879	-512,231	743,000	-251,411	753,810	1,259,393	1,265,100	1,271,197	1,776,892	LTP
-839,958	701,749	-1,119,398	-29,285	483,318	-6,311	-362,834	-390,894	14,800	403,727	62,574	LTP
1,265,042	15,398,797	12,814,700	5,567,795	4,484,401	3,162,309	1,072,240	1,498,919	1,795,995	2,215,450	2,482,040	LTP
-506,543	256,375	-866,838	-1,227,121	-1,501,638	-2,089,613	-2,556,907	-2,920,337	-3,210,556	-3,684,904	-3,861,513	LTP
0	-0	0	0	0	0	0	0	0	0	0	LTP

Rates funding impact statement for 2021/22

Targeted Rates

The following table summarises the types of targeted rate, the group of activities or activity funded by that targeted rate together with matters and factors of the targeted rates.

Notes: Differential with regard to River, Drainage & Coastal protection activity scheme rates means that there may be several different classes of land with the Separate Rating Area, e.g. Classes A, B, C, D etc. These different classes reflect the different degrees of benefit that the different classes of land receive from the protection works.

Copies of maps setting out the boundaries of the various separate rating areas may be accessed on Council website www.wcrc.govt.nz

Council does not invite nor will it accept lump sum contributions in lieu of any targeted rate.

Activity Group	Types of Rates	Types of land	Different categories
River, drainage and coastal protection	Scheme maintenance rate	Land within the boundaries of the Vine Creek Separate Rating area	Differential Land Value
River, drainage and coastal protection	Scheme maintenance rate	Land within the boundaries of the Wanganui Separate Rating area	Differential Land Value
River, drainage and coastal protection	Scheme maintenance rate	Land within the boundaries of the Kowhitirangi Separate Rating area	Differential Capital Value
River, drainage and coastal protection	Scheme maintenance rate	Land within the boundaries of the Coal Creek Separate Rating area	Capital Value
River, drainage and coastal protection	Scheme maintenance rate	Land within the boundaries of the Karamea Separate Rating area	Differential Capital Value
River, drainage and coastal protection	Scheme maintenance rate	Land within the boundaries of the Inchbonnie Separate Rating area	Differential Capital Value
River, drainage and coastal protection	Scheme maintenance rate	Land within the boundaries of the Greymouth Floodwalls Separate Rating area	Capital Value
River, drainage and coastal protection	Scheme loan repayment rate	Land within the boundaries of the Greymouth Floodwalls Separate Rating area	Capital Value
River, drainage and coastal protection	Scheme maintenance rate	Land within the boundaries of the Okuru Separate Rating area	Capital Value
River, drainage and coastal protection	Scheme maintenance rate	Land within the boundaries of the Redjacks Separate Rating area	Differential Land Area
River, drainage and coastal protection	Scheme maintenance rate	Land within the boundaries of the Raft Creek Separate Rating area	Land Area
River, drainage and coastal protection	Scheme maintenance rate	Land within the boundaries of the Nelson Creek Separate Rating area	Differential Land Area
River, drainage and coastal protection	Scheme maintenance rate	Land within the boundaries of the Taramakau Separate Rating area	Differential Land Area
River, drainage and coastal protection	Scheme maintenance rate	Land within the boundaries of the Kongahu Separate Rating area	Differential Land Area
River, drainage and coastal protection	Scheme maintenance rate	Land within the boundaries of the Waitangitona Separate Rating area	Differential Land Area
River, drainage and coastal protection	Scheme maintenance rate	Land within the boundaries of the Punakaiki Separate Rating area	Capital Value
River, drainage and coastal protection	Scheme loan repayment rate	Land within the boundaries of the Punakaiki Separate Rating area	Differential Capital Value
River, drainage and coastal protection	Scheme maintenance rate	Land within the boundaries of the Hokitika River South Bank Separate Rating area	Differential Capital Value
River, drainage and coastal protection	Scheme loan repayment and maintenance rates	Land within the boundaries of the Franz Josef 2020 Separate Rating area	Differential Capital Value
River, drainage and coastal protection	Scheme loan repayment rate	Land within the boundaries of the Lower Waiho Separate Rating area	Capital Value
River, drainage and coastal protection	Scheme loan repayment rate	Land within the boundaries of the Matakau Creek Separate Rating area	Capital Value

Activity Group	Types of Rates	Types of land	Different categories
River, drainage and coastal protection	Scheme maintenance rate	Land within the boundaries of the Mokihinui Separate Rating area	Per rating unit
River, drainage and coastal protection	Scheme maintenance rate	Land within the boundaries of the Whataroa River Separate Rating area	Differential Capital Value
River, drainage and coastal protection	Scheme maintenance rate	Land within the boundaries of the New River/Saltwater Creek catchment Separate Rating area	Differential Capital Value
River, drainage and coastal protection	Scheme loan repayment and maintenance rates	Land within the boundaries of the Hokitika 2021 Separate Rating area	Capital Value
River, drainage and coastal protection	Scheme maintenance rate	Land within the boundaries of the Neil's Beach Separate Rating Area	Capital Value
River, drainage and coastal protection	Scheme maintenance rate	Land within the boundaries of the Rapahoe Separate Rating Area	Per rating unit
Regional Emergency Management	Emergency Management	All rateable land in the region	Capital Value
Warm West Coast	Repayment of insulation / clean heating funding	Only levied on individual properties that have received Council funding to install insulation and/or clean heating appliances.	Amount of Council funding provided * 14.9286% per annum for the term of the funding agreement.
Te Tai o Poutini Plan (combined District Plan)	Plan preparation	All rateable land in the region	Capital value

Projected Number of Rating Units Across the life of the Long-Term Plan

2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
20,250	20,300	20,350	20,400	20,450	20,500	20,550	20,600	20,650	20,700

Rating Impact Ready Reckoner

The following rates will be payable by all properties in the **Buller District** part of the West Coast region.

Rate type	Rate per \$100,000 of Capital value
General Rate on Capital Value	\$48.60 GST inclusive
Emergency Management Targeted Rate	\$11.01 GST inclusive
Te Tai o Poutini Plan (combined District Plan)	\$7.54 GST inclusive

	Per Rating Unit
Uniform Annual General Charge	\$129.38 GST inclusive

Other targeted rates (relating to river, drainage and coastal protection rating districts) may be payable depending on where the property is located, for example:

- Karamea separate rating area rated on differential capital value
- Kongahu separate rating area rated on differential land area
- Mokihinui separate rating area rated as a fixed charge per rating unit
- Punakaiki separate rating area (loan) rated on differential capital value
- Punakaiki separate rating area (Mtce) rated on capital value

The following rates will be payable by all properties in the **Grey District** part of the West Coast region.

Rate type	Rate per \$100,000 of Capital value
General Rate on Capital Value	\$53.04 GST inclusive
Emergency Management Targeted Rate	\$11.01 GST inclusive
Te Tai o Poutini Plan (combined District Plan)	\$7.54 GST inclusive

	Per Rating Unit
Uniform Annual General Charge	\$129.38 GST inclusive

Other targeted rates (relating to river, drainage and coastal protection rating districts) may be payable depending on where the property is located, for example:

- Coal Creek separate rating area rated on capital value
- Inchbonnie separate rating area rated on differential capital value
- Greymouth Floodwall separate rating area rated on capital value
- Saltwater Creek separate rating area rated on differential capital value
- Redjacks separate rating area rated on differential land area
- Nelson Creek separate rating area rated on differential land area
- Taramakau separate rating area rated on differential land area
- Rapahoe separate rating area rated as a fixed charge per rating unit

The following rates will be payable by all properties in the **Westland District** part of the West Coast region.

Rate type	Rate per \$100,000 of Capital value
General Rate on Capital Value	\$41.32 GST inclusive
Emergency Management Targeted Rate	\$11.01 GST inclusive
Te Tai o Poutini Plan (combined District Plan)	\$7.54 GST inclusive

	Per Rating Unit
Uniform Annual General Charge	\$129.38 GST inclusive

Other targeted rates (relating to river, drainage and coastal protection rating districts) may be payable depending on where the property is located, for example:

- Hokitika separate rating area rated on differential capital value
- Vine Creek separate rating area rated on differential land value
- Wanganui River separate rating area rated on differential land value
- Kowhitirangi separate rating area rated on differential capital value
- Okuru separate rating area rated on capital value
- Raft Creek separate rating area rated on land area
- Waitangitaona River separate rating area rated on differential land area
- Hokitika River separate rating area rated on differential capital value
- Franz Josef separate rating areas rated on differential capital value
- Whataroa River separate rating area rated on differential capital value
- Neil’s Beach separate rating area rated on capital value
- Lower Waiho separate rating area (loan) based on capital value
- Matainui Creek separate rating area rated on capital value
- New River separate rating area rated on differential capital value

Rating impact on some typical properties

	Westport dwelling		Buller District farm property	
	\$300,000	\$400,000	\$3,000,000	\$4,000,000
Capital Value				
General rate	\$145.81	\$194.41	\$1,458.10	\$1,944.13
Emergency Management Rate	\$33.03	\$44.04	\$330.27	\$440.36
Te Tai o Poutini Plan (combined District Plan)	\$22.62	\$30.16	226.21	\$301.61
Uniform Annual General Charge	\$129.38	\$129.38	129.38	129.38
Total	\$330.84	\$397.99	\$2,143.96	\$2,815.48

Other targeted rates (relating to river, drainage and coastal protection rating districts may be payable depending on where the property is located).

	Greymouth dwelling		Grey District farm property	
	\$300,000	\$400,000	\$3,000,000	\$4,000,000
Capital Value				
General rate	\$159.12	\$212.16	\$1,591.23	\$2,121.64
Emergency Management Rate	\$33.03	\$44.04	\$330.27	\$440.36
Te Tai o Poutini Plan (combined District Plan)	\$22.62	\$30.16	226.21	\$301.61
Uniform Annual General Charge	\$129.38	\$129.38	129.38	129.38
Total	\$344.15	\$415.74	\$2,277.09	\$2,992.99

Other targeted rates (relating to river, drainage and coastal protection rating districts may be payable depending on where the property is located).

	Hokitika dwelling		Westland District farm property	
	\$300,000	\$400,000	\$3,000,000	\$4,000,000
Capital Value				
General rate	\$123.97	\$165.29	\$1,239.70	\$1,652.94
Emergency Management Rate	\$33.03	\$44.04	\$330.27	\$440.36
Te Tai o Poutini Plan (combined District Plan)	\$22.62	\$30.16	226.21	\$301.61
Uniform Annual General Charge	\$129.38	\$129.38	129.38	129.38
Total	\$309.00	\$368.87	\$1,925.56	\$2,524.29

Other targeted rates (relating to river, drainage and coastal protection rating districts may be payable depending on where the property is located).

Funding Impact Statement – rates for the year ending 30 June 2022

Note: All amounts are stated inclusive of GST.

Rating Instalment Information

First instalment Due date 20 November 2021
 Second instalment Due date 20 April 2022

Penalties

Current year rates:

A 10% instalment penalty for late payment will be applied on any part of a 2021/22 instalment that remains unpaid after the due dates of 20 November 2021 and 20 April 2022 respectively.

Prior year rates:

An additional 10% annual penalty for late payment will be applied on all accumulated rate arrears (excluding the current year rates) as at 30 June 2022, on 1 July 2022.

General Rate

The General Rate is used to fund activities that are of public benefit and where no other source of revenue is identified to cover the cost of the activities. The General Rate will be a differential general rate in the dollar set for all rateable land within the region and calculated on the Capital value of each rating unit.

Differential

Rateable Capital Value in the Buller District Council area to yield 31% of the total general rate.

Rateable Capital Value in the Grey District Council area to yield 39% of the total general rate.

Rateable Capital Value in the Westland District Council area to yield 30% of the total general rate.

	Differential	Estimated Rateable Capital Value	Factor per \$ of Capital Value	Estimated to Yield	GST Exclusive
Rateable Value of Land in the Buller District Local authority Area	31%	\$2,317,098,060	0.00048603	\$1,126,184	\$979,290
Rateable Value of Land in the Grey District Local authority Area	39%	\$2,671,157,500	0.00053041	\$1,416,812	\$1,232,010
Rateable Value of Land in the Westland District Local authority Area	30%	\$2,637,377,700	0.00041323	\$1,089,855	\$947,700
	100%	\$7,625,633,260		\$3,632,850	\$3,159,000

Uniform Annual General Charge

The Uniform Annual General Charge is charged at one (1) full charge per rating unit as per section 15 of the Local Government (Rating) Act 2002. The Council sets a uniform annual general charge to fund activities that are of public benefit and where no other source of revenue is identified to cover the cost of the activities.

Estimated number of rating units	Amount per rating unit	Estimated Yield	GST Exclusive
20,000	\$129.38	\$2,587,500	\$2,250,000

Targeted Rates

a) A targeted rate set differentially in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on all rateable land situated in the Vine Creek Separate Rating Area and calculated on the land value of each rating unit, for maintaining the protection works in the scheme.

Vine Creek Rating District	Estimated Rateable Land Value	Differential Based on Benefits	Factor per \$ of Land Value	Estimated to Yield	GST Exclusive
Class A	\$3,713,500	1.00	0.0025037	\$9,298	\$8,085
Class B	\$4,604,000	0.70	0.0017526	\$8,096	\$7,016
Class C	\$6,038,000	0.50	0.0012519	\$7,559	\$6,573
Class D	\$15,381,900	0.20	0.0005007	\$7,702	\$6,698
Class E	\$13,813,000	0.10	0.0002504	\$3,458	\$3,007
				\$36,086	\$31,379

- b) A targeted rate set differentially in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on all rateable land situated in the Wanganui River Separate Rating Area and calculated on the land value of each rating unit, for maintaining the protection works in the scheme.

Wanganui River Rating District (MTCE)	Estimated Rateable Land Value	Differential Based on Benefits	Factor per \$ of Land Value	Estimated to Yield	GST Exclusive
Class A	\$22,377,200	1.00	0.0029146	\$65,220	\$56,713
Class B	\$19,012,400	0.70	0.0020402	\$38,789	\$33,730
Class C	\$25,681,400	0.45	0.0013116	\$33,683	\$29,289
Class D	\$4,608,100	0.10	0.0002915	\$1,343	\$1,168
Class U1	\$2,949,300	0.50	0.0014573	\$4,298	\$3,737
Class U2	\$1,013,000	0.50	0.0014573	\$1,476	\$1,284
				\$144,808	\$125,921

- c) A targeted rate set differentially in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on all rateable land situated in the Kowhitirangi Separate Rating Area and calculated on the capital value of each rating unit, for maintaining the protection works in the scheme.

Kowhitirangi Flood Control Rating District	Estimated Rateable Capital Value	Differential Based on Benefits	Factor per \$ of Capital Value	Estimated to Yield	GST Exclusive
Class A	\$15,151,200	1.00	0.0004369	\$6,620	\$5,756
Class C	\$32,367,000	0.50	0.0002185	\$7,071	\$6,149
Class E	\$30,635,000	0.29	0.0001275	\$3,904	\$3,395
Class F	\$69,134,800	0.17	0.0000728	\$5,035	\$4,379
				\$22,631	\$19,678

- d) A targeted rate in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on all rateable land situated in the Coal Creek Separate Rating Area and calculated on the capital value of each rating unit, for maintaining the protection works in the scheme.

Coal Creek Rating District	Estimated Rateable Land Value	Factor per \$ of Capital Value	Estimated to Yield	GST Exclusive
	\$6,025,140	0.0017142	\$10,328	\$8,981

- e) A targeted rate set differentially in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on all rateable land situated in the Karamea Separate Rating Area and calculated on the capital value of each rating unit, for maintaining the protection works in the scheme.

Karamea Rating District (MTCE)	Estimated Rateable Capital Value	Differential Based on Benefits	Factor per \$ of Capital Value	Estimated to Yield	GST Exclusive
Class A	\$2,274,600	1.00	0.0018370	\$4,179	\$3,633
Class B	\$31,614,240	0.80	0.0014696	\$46,462	\$40,401
Class C	\$3,785,420	0.60	0.0011022	\$4,172	\$3,628
Class D	\$107,033,420	0.10	0.0001837	\$19,662	\$17,098
Class E	\$51,492,120	0.05	0.0000919	\$4,730	\$4,112
				\$79,204	\$68,873

- f) A targeted rate set differentially in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on all rateable land situated in the Inchbonnie Separate Rating Area and calculated on the capital value of each rating unit, for maintaining the protection works in the scheme.

Inchbonnie Rating District	Estimated Rateable Capital Value	Differential Based on Benefits	Factor per \$ of Capital Value	Estimated to Yield	GST Exclusive
Class A	\$3,526,200	1.00	0.0001687	\$595	\$517
Class B	\$15,693,220	0.75	0.0001266	\$1,986	\$1,727
Class C	\$6,294,000	0.50	0.0000844	\$531	\$462
Class D	\$2,175,000	0.30	0.0000506	\$110	\$96
Class F	\$1,232,500	0.15	0.0000253	\$31	\$27
				\$3,253	\$2,829

- g) A targeted rate in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on all rateable land situated in the Greymouth Floodwall Separate Rating Area and calculated on the capital value of each rating unit, for repayment of loans raised to fund capital works.

Greymouth Floodwall Rating District (Loan)	Estimated Rateable Land Value	Factor per \$ of Capital Value	Estimated to Yield	GST Exclusive
	\$714,918,600	0.0003587	\$256,450	\$223,000

- h) A targeted rate in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on all rateable land situated in the Greymouth Floodwall Separate Rating Area and calculated on the capital value of each rating unit, for maintaining the protection works in the scheme.

Greymouth Floodwall Rating District (MTCE)	Estimated Rateable Land Value	Factor per \$ of Capital Value	Estimated to Yield	GST Exclusive
	\$714,918,600	0.0002876	\$205,642	\$178,819

- i) A targeted rate in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on all rateable land situated in the Okuru Separate Rating Area and calculated on the capital value of each rating unit, for maintaining the protection works in the scheme.

Okuru Rating District (MTCE)	Estimated Rateable Capital Value	Factor per \$ of Capital Value	Estimated to Yield	GST Exclusive
	\$16,702,000	0.0004986	\$8,327	\$7,241

- j) A targeted rate set differentially in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on all rateable land situated in the Redjacks Separate Rating Area and calculated on the land area of each rating unit, for maintaining the protection works in the scheme.

Redjacks Rating District	Estimated Rateable Land Area (ha)	Differential Based on Benefits	Rate per hectare	Estimated to Yield	GST Exclusive
Class A	0.10	6.73%	\$7,926.02	\$793	\$689
Class B	1.11	35.55%	\$3,766.57	\$4,181	\$3,637
Class C	0.12	3.56%	\$3,493.89	\$419	\$365
Class D	2.30	17.54%	\$898.14	\$2,066	\$1,796
Class E	1.49	14.23%	\$1,124.76	\$1,676	\$1,457
Class F	1.85	4.73%	\$301.11	\$557	\$484
Class G	21.97	7.40%	\$39.67	\$872	\$758
Class H	49.18	8.60%	\$20.59	\$1,013	\$881
Class I	77.02	1.71%	\$2.61	\$201	\$175
				\$11,777	\$10,241

- k) A targeted rate in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on all rateable land in the Raft Creek separate rating area calculated on the land area of each rating unit for maintaining the protection works in the scheme.

Raft Creek Rating District	Estimated Rateable Land Area (ha)	Rates per hectare	Estimated to Yield	GST Exclusive
	762.25	\$14.99	\$11,423	\$9,933

- l) A targeted rate set differentially in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on all rateable land situated in the Nelson Creek Separate Rating Area and calculated on the land area of each rating unit, for maintaining the protection works in the scheme.

Nelson Creek Rating District	Estimated Rateable Land Area (ha)	Differential Based on Benefits	Rate per hectare	Estimated to Yield	GST Exclusive
Class A	1.14	8.40%	\$1,074.19	\$1,225	\$1,065
Class B	2.90	13.21%	\$664.09	\$1,926	\$1,675
Class C	10.77	9.99%	\$135.31	\$1,457	\$1,267
Class D	10.30	9.15%	\$129.53	\$1,334	\$1,160
Class E	18.55	13.04%	\$102.51	\$1,902	\$1,653
Class F	63.34	28.14%	\$64.77	\$4,103	\$3,568
Class G	18.11	8.89%	\$71.57	\$1,296	\$1,127
Class H	20.04	9.18%	\$66.80	\$1,339	\$1,164
				\$14,581	\$12,679

- m) A targeted rate set differentially in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on all rateable land situated in the Taramakau Settlement Separate Rating Area and calculated on the land area of each rating unit, for maintaining the protection works in the scheme.

Taramakau Rating District	Estimated Rateable Land Area (ha)	Differential Based on Benefits	Rate per hectare	Estimated to Yield	GST Exclusive
Class A	306.26	33.16%	\$103.44	\$31,681	\$27,550
Class B	130.00	11.54%	\$84.81	\$11,025	\$9,587
Class C	111.98	6.83%	\$58.27	\$6,525	\$5,674
Class D	127.13	6.54%	\$49.15	\$6,248	\$5,433
Class E	191.47	8.63%	\$43.06	\$8,245	\$7,169
Class F	140.29	5.89%	\$40.11	\$5,627	\$4,893
Class G	392.74	13.40%	\$32.60	\$12,802	\$11,132
Class H	429.48	13.77%	\$30.63	\$13,155	\$11,440
Class I	48.66	0.24%	\$4.71	\$229	\$199
				\$95,537	\$83,076

- n) A targeted rate set differentially in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on all rateable land situated in the Kongahu Separate Rating Area and calculated on the land area of each rating unit, for maintaining the works in the scheme.

Kongahu Rating District	Estimated Rateable Land Area (ha)	Differential Based on Benefits	Rate per hectare	Estimated to Yield	GST Exclusive
Class A	733.86	1.00	\$31.76	\$23,311	\$20,270
Class B	68.60	0.52	\$16.66	\$1,143	\$994
				\$24,454	\$21,264

- o) A targeted rate set differentially in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on all rateable land situated in the Waitangitona Separate Rating Area and calculated on the land area of each rating unit, for maintaining the protection works in the scheme.

Waitangitona Rating District	Estimated Rateable Land Area (ha)	Differential Based on Benefits	Rate per hectare	Estimated to Yield	GST Exclusive
Class A	604.30	25.80%	\$8.11	\$4,900	\$4,261
Class B	721.43	23.48%	\$6.18	\$4,459	\$3,878
Class C	1690.44	46.84%	\$5.26	\$8,895	\$7,735
Class D	708.22	3.88%	\$1.04	\$738	\$642
				\$18,993	\$16,514

- p) A targeted rate set in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on all rateable land located between the boundaries of the Pororai River, State Highway 6 and the Tasman Sea at Punakaiki calculated on the capital value of each rating unit for maintenance of the sea wall protection works.

Punakaiki Rating District (MTCE)	Estimated Rateable Land Value	Factor per \$ of Capital Value	Calculated Yield	GST Exclusive
	\$15,185,000	0.0046650	\$70,838	\$61,598

- q) A targeted rate set differentially in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on all rateable land located between the boundaries of the Pororai River, State Highway 6 and the Tasman Sea at Punakaiki calculated on the capital value of each rating unit for repayment of loans raised to fund capital works.

Punakaiki Rating District (Loan)	Estimated Rateable Capital Value	Differential Based on Benefits	Factor per \$ of Capital Value	Calculated Yield	GST Exclusive
Class AA (Camping Ground)	\$720,000	1.00	0.0428785	\$30,873	\$26,846
Class A (Other)	\$4,430,000	1.00	0.0014758	\$6,538	\$5,685
Class B	\$2,475,000	0.65	0.0009593	\$2,374	\$2,065
Class C	\$2,195,000	0.60	0.0008855	\$1,944	\$1,690
Class D	\$5,365,000	0.30	0.0004427	\$2,375	\$2,066
				\$44,104	\$38,351

- r) A targeted rate set differentially in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on properties included in the Hokitika River Southbank separate rating area calculated on the capital value of each rating unit, for maintenance of the protection works.

Hokitika River Southbank (MTCE)	Estimated Rateable Capital Value	Differential Based on Benefits	Factor per \$ of Capital Value	Calculated Yield	GST Exclusive
Class A	\$3,026,500	1.00	0.0011637	\$3,522	\$3,063
Class B	\$3,571,200	0.10	0.0001164	\$416	\$360
				\$3,938	\$3,423

- s) A targeted rate set differentially in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on all rateable land in the Franz Josef separate rating area which includes all rateable land downstream of the State Highway 6 bridge that crosses the Waiho River. This includes all rateable land that was part of the original Lower Waiho, Franz Josef and Canavans Rating Districts. Also included are the additions of Stony Creek and all rateable land north of the Franz Josef township to Lake Mapourika. It is calculated on the capital value of each rating unit for the maintenance of the protection works and for the repayment of a loan raised to fund capital works.

Franz Josef 2020 (MTCE and Loan)	Estimated Rateable Capital Value	Differential Based on Benefits	Factor per \$ of Capital Value	Calculated Yield	GST Exclusive
Area A	\$176,660,000	1.00	0.0010090	\$178,244	\$154,995
Area B	\$20,031,000	0.50	0.0005045	\$10,105	\$8,787
				\$188,349	\$163,783

- t) A targeted rate in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on all rateable land in the Lower Waiho 2010 separate rating area and calculated on the capital value of each rating unit for repayment of the loan raised to fund capital works.

Lower Waiho Rating District	Estimated Rateable Capital Value	Factor per \$ of Capital Value	Calculated Yield	GST Exclusive
	\$20,748,500	0.0016073	\$33,350	\$29,000

- u) A targeted rate in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on all rateable land in the Matainui Creek separate rating area and calculated on the capital value of each rating unit for the maintenance of protection works.

Matainui Rating District	Estimated Rateable Capital Value	Factor per \$ of Capital Value	Calculated Yield	GST Exclusive
	\$7,206,000	0.0008868	\$6,391	\$5,557

- v) A targeted rate in accordance with sections 16, 17 and 18 of the Local Government Rating Act 2002. The Targeted Rate will be a uniform rate in the dollar set for all rateable land within the region and calculated on the Capital Value of each rating unit. The rate will be used to fund Emergency Management activities within the Region.

Regional Emergency Management	Estimated Rateable Capital Value	Factor per \$ of Capital Value	Calculated Yield	GST Exclusive
Rateable Value of Land in the Buller District Local authority area	\$2,317,098,060			
Rateable Value of Land in the Grey District Local authority area	\$2,671,157,500			
Rateable Value of Land in the Westland District Local authority area	\$2,637,377,700			
	\$7,625,633,260	0.0001101	\$839,500	\$730,000

- w) A Targeted rate in accordance with sections 16, 17 and 18 of the Local Government Rating Act 2002. The Targeted Rate will be a uniform rate in the dollar set for all rateable land within the region and calculated on the Capital value of each rating unit. The rate will be used to fund the cost of preparation of Te Tai o Poutini Plan (the combined District Plan) as directed by the Local Government Commission.

Te Tai o Poutini Plan (combined District Plan)	Estimated Rateable Capital Value	Factor per \$ of Capital Value	Calculated Yield	GST Exclusive
Rateable Value of Land in the Buller District Local authority area	\$2,317,098,060			
Rateable Value of Land in the Grey District Local authority area	\$2,671,157,500			
Rateable Value of Land in the Westland District Local authority area	\$2,637,377,700			
	\$7,625,633,260	0.0000754	\$575,000	\$500,000

- x) A targeted rate in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on all rateable land in the Mokihinui separate rating area unit.

Mokihinui Rating District	Estimated number of rating units	Amount per rating unit	Calculated Yield	GST Exclusive
	42	\$485.11	\$20,375	\$17,717

- y) A targeted rate in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on all rateable land in the Rapahoe separate rating area calculated as a fixed charge per rating unit.

Rapahoe Rating District	Estimated number of rating units	Amount per rating unit	Calculated Yield	GST Exclusive
	39	\$25.19	\$982	\$854

- z) A targeted rate set differentially in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on properties included in the Whataroa River separate rating area calculated on the capital value of each rating unit, for maintenance of the protection works.

Whataroa Rating District	Estimated Rateable Capital Value	Differential Based on Benefits	Factor per \$ of Capital Value	Calculated Yield	GST Exclusive
Area A	\$8,001,000	1.00	0.0026891	\$21,517	\$18,710
Area B	\$12,253,000	0.40	0.0010757	\$13,180	\$11,461
Area C	\$29,933,000	0.20	0.0005378	\$16,098	\$13,998
				\$50,794	\$44,169

- aa) A targeted rate set differentially in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on properties included in the New River / Saltwater Creek Catchment separate rating area calculated on the capital value of each rating unit, for management of the river mouth.

New River / Saltwater Creek Catchment	Estimated Rateable Capital Value	Differential Based on Benefits	Factor per \$ of Capital Value	Calculated Yield	GST Exclusive
Area A	\$19,405,500	25.00	0.00002845	\$552	\$480
Area B	\$272,707,500	1.00	0.00000114	\$310	\$270
				\$863	\$750

- ab) A targeted rate set in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on properties included in the Neil's Beach separate rating area calculated on the capital value of each rating unit, for management of the protection works.

Neil's Beach Rating District	Estimated Rateable Capital Value	Factor per \$ of Capital Value	Calculated Yield	GST Exclusive
	\$14,757,000	0.0004091	\$6,038	\$5,250

- ac) A targeted rate in accordance with sections 16, 17 and 18 of the Local Government Rating Act 2002 on properties that have received Council funding to install insulation and/or clean heating appliances. The rate is calculated as a % of the GST inclusive funding provided by Council to the property. Funding provided by Council includes interest at 4.25%. The rate will be used to repay funding that Council has borrowed to fund this work and will be levied over a 10-year term from 1 July 2013 or 1 July 2014, depending on the year that the funding was approved.

Warm West Coast funding received during years to 30 June 2013 and 30 June 2014	Factor as % of Council funding provided	Calculated Yield	GST Exclusive
	0.1492860	\$69,000	\$60,000

- ad) A targeted rate in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on all rateable land within the boundaries of all rateable land located within the following boundaries:
The northern side of the Hokitika river upstream to St Albans Street, Kaniere. Up to Hau Hau Road, including the old racecourse area and Racecourse subdivision, Richards Drive and the Tasman Sea. The boundaries also include Seaview and Hokitika Airport. It is calculated on the capital value of each rating unit for repayment of loans raised by the Council to construct the protection works.

Hokitika 2021 Rating District (Loan repayment)	Estimated Rateable Capital Value	Factor per \$ of Capital Value	Calculated Yield	GST Exclusive
	\$650,211,500	0.0003626	\$235,750	\$205,000

ae) A targeted rate in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on all rateable land within the following boundaries:

The northern side of the Hokitika River upstream to St Albans Street, Kaniere. Up to Hau Hau Road, including the old racecourse area and Racecourse subdivision, Richards Drive and the Tasman Sea. The boundaries also include Seaview and Hokitika Airport. It is calculated on the capital value of each rating unit for maintenance of protection works.

Hokitika 2021 Rating District (MTCE)	Estimated Rateable Capital Value	Factor per \$ of Capital Value	Calculated Yield	GST Exclusive
	\$650,211,500	0.0001569	\$101,990	\$88,687
		Total Rates	\$9,411,104	\$8,183,567

Reserves

Reserve funds are utilised to provide a fund for expenditure on specific purposes. In some circumstances the reserves are a legal requirement. The Council holds the following reserves:

Rating district reserves (River, drainage and coastal protection schemes)

Purpose

These reserves reflect the unspent balances of the targeted rates struck to fund the river, drainage and coastal protection schemes. Activities the reserve funds relate to:

- River, drainage and coastal protection group of activities.

Investment growth reserve

Purpose

In 2003 Council established a separate Equity Reserve Fund called the “Investment Growth Reserve”. The funds relating to this Reserve were originally from the 2000 Crown payment of \$7,000,000 to this Council (Council share of the \$120million compensation payment to the West Coast following the cessation of native logging).

The balance of the fund is calculated by identifying the Investment Portfolio balance, less the amount relating to Rating Districts.

This reserve fund generates income, some of which is used to fund general Council activities. The reserve helps fund the following activities:

- Regional leadership
- Resource management
- Regional transport planning
- Hydrology and flood warning services
- Community resilience
- River, drainage and coastal protection work

Catastrophe Fund

Purpose

As from 1 November 2017, Council insured its Infrastructure (River, drainage and coastal protection assets) through the AON Lloyds scheme which covers a grouping of South Island Councils. For further details review the Significant Forecasting Assumptions. The catastrophe fund is intended to help fund any excess, any uninsurable costs plus also provide cash flow at short notice.

Activities the reserve fund relates to:

- River, drainage and coastal protections group of activities.

Schedule of Reserve Fund Movement

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Rating District Balances										
Opening Balance	2,500,000	2,629,558	2,677,342	2,727,431	2,798,826	2,893,271	3,017,831	3,184,535	3,373,401	3,584,993
Net transfers	129,558	47,784	50,089	71,395	94,445	124,560	166,704	188,866	211,592	409,548
Closing Balance	2,629,558	2,677,342	2,727,431	2,798,826	2,893,271	3,017,831	3,184,535	3,373,401	3,584,993	3,994,541
Investment Growth Reserve										
Opening balance	8,500,000	8,350,000	8,530,000	7,970,000	8,640,000	9,300,000	9,925,000	10,925,000	12,100,000	13,150,000
Net transfers	-150,000	180,000	-560,000	670,000	660,000	625,000	1,000,000	1,175,000	1,050,000	1,370,000
Closing Balance	8,350,000	8,530,000	7,970,000	8,640,000	9,300,000	9,925,000	10,925,000	12,100,000	13,150,000	14,520,000
Catastrophe Fund										
Opening balance	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Net transfers	0	0	0	0	0	0	0	0	0	0
Closing Balance	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total Reserves	11,979,558	12,207,342	11,697,431	12,438,826	13,193,271	13,942,831	15,109,535	16,473,401	17,734,993	19,514,541
Funded by:										
Other Financial Assets	13,860,643	14,093,522	13,581,291	14,324,291	14,072,880	14,826,690	16,086,083	17,351,183	18,622,380	20,399,272
Investment Property	1,785,000	1,820,700	1,857,114	1,894,256	1,932,141	1,970,784	2,010,200	2,050,404	2,091,412	2,133,240
	15,645,643	15,914,222	15,438,405	16,218,547	16,005,021	16,797,474	18,096,283	19,401,587	20,713,792	22,532,512

Significant Forecasting Assumptions

The preparation of a long-term plan requires the adoption of a number of assumptions about events and activities that the Council believes will reasonably occur over the life of the strategy.

The overarching assumptions used in preparing the Long-Term Plan are that:

- The Council will continue to perform its existing functions in accordance with present legislation. That is, there will be no significant changes to the existing statutory functions and duties of the Council, which will significantly impact on expenditure requirements.
- The Council will continue to deliver functions and services in accordance with adopted policies, plans and operational strategies.
- Economic activity and growth within the region will remain at levels consistent with those experienced over the last five years. That is, there will be no significant increase or decrease in the demand for the Council’s services over the life of the Long-Term Plan.

The following significant forecasting assumptions have been addressed due to the potential for them to materially impact upon the Council’s overall revenue; operating expenditure; ability to finance and fund future operating and capital expenditure; strategic assets and ability to deliver intended levels of service.

Forecasting Assumption	Risk	Level of Uncertainty	Reasons and Financial Effect of Uncertainty
Return on investments	Investments do not return sufficient funds and general rates have to increase.	High ▲	<p>Main Investment Fund Returns of 5.00% have been budgeted for across the 10 year term of the LTP, for Council’s main investment fund.</p> <p>Effect of uncertainty: An increase or decrease in returns of 1% would be + / - \$120,000</p> <p>Catastrophe Fund Returns of 4.50% have been budgeted across the 10 year term of the LTP, for this conservative fund.</p> <p>Commercial Property Investment @ Rolleston Council is budgeting on a 7.24% return on original cost of \$1.328 million (Market yield on revalued amount of \$1.706 million@ 30/6/20 = 5.65%)</p> <p>General Comment A significant shortfall in the returns may increase the demand on general rates. Such a shortfall would also reduce the reinvestment into the main fund and catastrophe fund portfolios and that would also impact future investment returns.</p>
Vector Control Services Business Unit	This Council business unit competes on a contestable basis for pest control contracts.	High ▲	<p>It is uncertain what contracts might be won by the VCS business unit during the ten year period. The budget expectations are partly based on historical achievements by the VCS Business Unit. If the VCS business unit cannot meet budgeted profit expectations, there may be a need by Council to increase general rates or cut back services.</p> <p>Effect of uncertainty: An increase or decrease of the core trading surplus of + / - 10% would amount to \$35,000</p>
New Rating Districts for Flood, Drainage and Coastal Protection	Council may receive requests from communities to build new infrastructure or extend existing works. It is not possible to predict if and when these requests will occur.	High ▲	<p>This LTP has been prepared based on maintaining existing Infrastructure and building additional infrastructure as set out in the LTP. It does not try to predict additional infrastructure requirements. Council may and will receive further requests for protection schemes from time to time but cannot predict when they will occur. It is not possible to budget for such requests before we know their exact shape.</p> <p>Such requested new / extended Infrastructure is paid for by the affected community, usually funded by a loan and repaid by a targeted rate.</p> <p>Attention is also drawn to the Council’s Revenue & Financing Policy, Financial Strategy and 30 year Infrastructure Strategy.</p>

Forecasting Assumption	Risk	Level of Uncertainty	Reasons and Financial Effect of Uncertainty																						
Change to Functions	Change to Council functions could significantly increase costs	Medium ▶	The statutory functions of Council under RMA and Transport legislation for example change constantly. The recent trend is increasing functions which are transferred by Central Government with no accompanying funding. No allowance has been made in the budgets for new functions unknown at the time of preparing the LTP.																						
Unforeseen environmental issues or resource management challenges	New environmental issues requiring works that cannot be funded out of normal budgetary provisions.	Medium ▶	The potential effect of any new environmental or resource management issues is dependent upon the scale, type, location and impact upon the environment of the issue. Each issue will be addressed on its merits and any funding requirement addressed in terms of the principles outlined in the Revenue and Financing Policy.																						
Council amalgamation proposals	Council amalgamation within the West Coast region is needed.	Medium ▶	<p>The LTP has been prepared on the assumption that there will be close co-operation and continued investigation of shared service opportunities among the 4 West Coast Councils.</p> <p>In 2018 the Local Government Commission initiated Governor General Order in Council mandated West Coast Regional Council with the responsibility for preparation of “One District Plan” for the Region. This work is included in the LTP.</p>																						
Revaluation of River & Coastal Protection Infrastructure Assets	Movements in the value of the Infrastructure assets might be greater or lesser than the estimates.	Low ▼	Estimated future revaluations have been calculated using the BERL “Local Government Cost Index”. The Infrastructure asset revaluations are a function of contracting rates prevailing at the time of revaluation. Revaluations will occur every year @ 30 June. However, these revaluations have no funding impact.																						
Projected growth change factors	Increased population and economic activity pressures Council to increase its levels of service.	Low ▼	No significant population increases are anticipated. The Statistics NZ “medium series” forecasts only minimal increases in the Regional population over the 10 year term of the LTP.																						
Cost changes	Inflation will increase costs to Council and there will be insufficient revenue.	Low ▼	<p>Cost changes have been included in the financial projections. Cost changes are as per BERL estimates. Revenue estimates have also been adjusted using the same BERL index.</p> <p>Interest and depreciation expenses in this LTP have not had cost change inflation applied.</p> <p>Investment income in this LTP has not had cost change inflation applied.</p> <p>Index adopted</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Local Government Cost Index (published by BERL for SOLGM)</th> </tr> </thead> <tbody> <tr> <td>2021/22</td> <td>Baseline</td> </tr> <tr> <td>2022/23</td> <td>2.3%</td> </tr> <tr> <td>2023/24</td> <td>2.1%</td> </tr> <tr> <td>2024/25</td> <td>2.2%</td> </tr> <tr> <td>2025/26</td> <td>2.3%</td> </tr> <tr> <td>2026/27</td> <td>2.1%</td> </tr> <tr> <td>2027/28</td> <td>2.2%</td> </tr> <tr> <td>2028/29</td> <td>2.2%</td> </tr> <tr> <td>2029/30</td> <td>2.3%</td> </tr> <tr> <td>2030/31</td> <td>2.1%</td> </tr> </tbody> </table>	Year	Local Government Cost Index (published by BERL for SOLGM)	2021/22	Baseline	2022/23	2.3%	2023/24	2.1%	2024/25	2.2%	2025/26	2.3%	2026/27	2.1%	2027/28	2.2%	2028/29	2.2%	2029/30	2.3%	2030/31	2.1%
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Borrowing rates	Borrowing rates could be higher than estimated.	Low ▼	Term borrowing is expected to be through Local Government Funding Agency and other commercial funders. The borrowing terms will be structured with various maturities and / or roll-overs to reduce the risk of interest rate volatility. The borrowing may be a mixture of fixed and floating contracts, as guided by Council’s Investment and Borrowing Policy. Borrowing costs are estimated at 2.00% across the life of the LTP.																						

Forecasting Assumption	Risk	Level of Uncertainty	Reasons and Financial Effect of Uncertainty
Significant natural or other hazard emergencies.	Emergencies require work that cannot be funded out of normal budgetary provision.	Low ▼	<p>The potential effect of a natural disaster on the Council’s financial position is dependent upon the scale, duration and location of the event.</p> <p>Central Government will refund most of the direct welfare costs of major emergency events.</p> <p>Our river, drainage and coastal protection infrastructure assets are insured through a combination of Central Government 60% and commercial insurers 40%.</p> <p>The Central Government excess is 0.002% of rateable capital value across the region.</p> <p>The commercial insurers excess is \$1,000,000 for a flood event and \$500,000 for any other event.</p> <p>Council has rating district prudent reserves and a catastrophe reserve to mitigate the financial impact of an event.</p>
General Rate Increases	The general rate requirement might exceed that forecast in the LTP	High ▲	There is a risk that new government requirements on the Council will add significant additional costs; or that major court appeals could result in additional costs. This could result in a further general rate increase.
Covid-19 (or any other pandemic equivalent) continues to impact upon the national and regional economy	Ongoing, or new pandemics (or equivalent) adversely impact on the ability to deliver works programmes, increase costs and/or decrease revenue stream.	Medium ►	The impact, to date, of the Covid-19 pandemic on the regional economy, and income and expenditure streams has not been as significant as in other areas of the country, except for South Westland. This may change if the current pandemic continues or a new pandemic or equivalent surfaces. There are emergency response plans in place that allow operations to continue in these circumstances. On-going impacts on income and expenditure will need to be addressed as they arise and become understood. Services may need to be reduced or eliminated in a worst-case scenario.
Climate change	Climate Change has an impact on the likelihood and severity of weather events.	Low ▼	<p>Council stopbanks and seawall structures have been designed to allow for raising when appropriate and necessary. Council is cautious to not incur unnecessary cost by overdesign or by prematurely adding mitigation until it is evident that it is required.</p> <p>Council continues to monitor actual events and climate change predictions and will respond accordingly.</p>
Climate Change	Climate change has an impact to raise the sea level.	Low ▼	<p>Sea level rise will be incremental during the period of this strategy and Council will plan and respond as the predictions take effect and begin to impact on our assets.</p> <p>Recent data suggests that the West Coast is experiencing tectonic uplift that is broadly matching the current reported sea level rise.</p>
Capex do-ability	The forecast capital expenditure may not be able to be completed within the predicted timeframes.	Medium ►	<p>The following factors could have an impact on Council’s ability to complete its capital expenditure projects in the set timeframes:</p> <ul style="list-style-type: none"> • Delays in receiving resource consent • Adverse weather event that delays the project or requires the reallocation of resources • Inability to procure the appropriate contracted services <p>Council considers the likelihood of the above factors having a significant impact on the capital expenditure as medium. The financial impact of a significant delay could push the transactions into subsequent accounting periods.</p>
Capex do-ability resourcing	The forecast capital expenditure may not be able to be completed within the predicted timeframes.	Medium ►	We are confident that we have the in-house capacity, and will be able to source the appropriate external capacity, to achieve our capital works programme. To ensure that we can plan ahead in areas that require resource consents we engage professional contractors who are overseen by our project managers. There is always a risk that the people we need are not available when we need them. This can lead to delays in completing projects. We manage this by including timing expectations in our procurement processes and maintaining regular and early communication with our contractors, so that plans can be adjusted and the risk of delays, reduced.

Forecasting Assumption	Risk	Level of Uncertainty	Reasons and Financial Effect of Uncertainty
IRG flood protection work programmes	The funding may not be received.	Low ▼	Council has formal agreements with central government funding agencies and has agreements in principle with other funding agencies. Council expects that the required funding will be received.
IRG flood protection work programmes	Council may not be able to complete the work on time, within budget and / or in accordance with the conditions of the Agreement.	Medium ►	<p>Council generally expects to be able to procure the services required to complete the work on time, within budget and in accordance with the conditions of the Agreements. The budgets and timelines have been set based on Council’s experience and historical knowledge of work of this nature.</p> <p>One area of concern is Council’s ability to meet some of the conditions of the procurement outcomes. This will depend upon the vendors that tender for the work. Council will make best endeavours to achieve the outcomes and will work with the funding agencies to ensure that they are satisfied prior to vendor selection.</p>
LiDAR	Assumption about completion of work	Low ▼	Council has engaged a contractor to deliver the LiDAR work programme. Council has followed the contractor’s guidance regarding the timing of the work. There is some risk that this timing could be affected by adverse weather conditions.
Future for Local Government Review	Possible changes to the structure and function of Local Government		<p>On 24 April the Minister of Local Government announced that she had established a Ministerial Inquiry into the Future for Local Government.</p> <p>The overall purpose of the review is to “identify how our system of local democracy needs to evolve over the next 30 years, to improve the well-being of New Zealand communities and the environment, and actively embody the treaty partnership.”</p> <p>The review includes, but is not limited to, the following:</p> <ul style="list-style-type: none"> • roles, functions, and partnerships • representation and governance and • funding and financing <p>The following are the key steps in the review:</p> <ul style="list-style-type: none"> • April 2021: Inquiry begins • 30 September 2021: an interim report will be presented to the Minister signalling the probable direction of the review and key next steps • 30 September 2022: Draft report and recommendations to be issued for public consultation and • 30 April 2023: Review presents final report to the Minister and Local Government New Zealand. <p>While the review could recommend significant change to what local government is and does, there is no information available on the likely direction for the review at this time.</p> <p>Council considers it unlikely that any recommendations could take effect before 1 July 2024 – particularly for changes to roles or functions. Any changes that are made will be incorporated in the 2024-34 long-term plan.</p> <p>Unless specifically stated otherwise, council has prepared the plan on the assumption its existing role and functions will continue for the life of the plan.”</p>

Key Policies



Statement of Accounting Policies

Reporting Entity

The West Coast Regional Council is domiciled and operates in New Zealand and is a regional local authority governed by the Local Government Act 2002. The Council is a public benefit entity (PBE) for financial reporting purposes.

The primary objective of Council is to provide goods or services for the community or social benefit rather than making a financial return.

The prospective financial statements were authorised for issue by Council on 5 October 2021.

Cautionary Note

Readers of these prospective financial statements should be aware that actual results are likely to vary from the information presented and that variations may be material.

The prospective financial statements are prepared to assist compliance with the purpose of the Long-Term Plan, which is to:

- Describe the activities of the local authority
- Describe the community outcomes of the region
- Provide integrated decision making and coordination of the resources of the local authority
- Provide a long-term focus for the decisions and activities of the local authority
- Provide a basis for accountability of the local authority to the community
- Provide an opportunity for participation by the public in decision-making processes on activities to be undertaken by the local authority.

The information may not be appropriate for purposes other than those described.

Basis of preparation

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

These prospective financial statements of the Council have been prepared in accordance with the requirements of the LGA and the Local Government (Finance Reporting and Prudence) Regulations 2014 (LG(FRP)R), which include the requirements to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

These prospective financial statements also comply with PBE FRS 42.

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

The West Coast Regional Council 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 RDR and 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 or receivable.

Revenue from exchange and non-exchange transactions

Revenue from exchange transactions arises where the Council provides goods or services to another entity and directly receives approximately equal value (primarily in the form of cash in exchange).

Revenue from non-exchange transactions arises from transactions that are not exchange transactions. Revenue from non-exchange transaction arises when the Council receives value from another party without giving approximately equal value directly in exchange for the value received.

Approximately equal value is considered to reflect a fair or market value, which is normally commensurate with an arm's length commercial transaction between a willing buyer and willing seller. Many of the services that the Council provides for a fee are charged at below market value as they are subsidised by rates. Other services operate on a cost recovery or break-even basis and are not considered to reflect a market return. Most of the Council's revenue is therefore categorised as non-exchange. Specific accounting policies for major categories of revenue are outlined below. The Council undertakes various activities as part of its normal operations, some of which generate revenue, but generally at below market rates. The following categories (except where noted) are classified as transfers, which are non-exchange transactions other than taxes.

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 Waka Kotahi 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.

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

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

Sale of Goods

Revenue from the sale of goods is recognised when a product is sold to the customer.

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, Council 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 Council 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

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL). The Council apply the simplified ECL model of recognising lifetime ECL for receivables.

In measuring ECL's, receivables have been grouped into rates receivables, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due. A provision matrix is then established based on the historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Rates are written off:

- When remitted in accordance with Council's Rates Remissions and Postponements Policy; and
- In accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Maori freehold land) of the Local Government (Rating) Act 2002.

Other receivables are written-off when there is no reasonable expectation of recovery.

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

Council has two classifications for its financial assets:

- Financial assets at fair value through surplus or deficit.
- Amortised cost.

Financial assets are initially recognised at fair value.

Transaction costs are included in the carrying value of the financial asset at initial recognition, unless it has been designated at FVTSD, in which case it is recognised in surplus or deficit.

The classification of a financial asset depends on its cash flow characteristics and the Council’s management model for them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are ‘solely payments of principal or interest (SPPI)’ on the principal outstanding, and is held within a management model whose objective is to collect the contractual cash flows of the asset.

Subsequent measurement of financial assets at FVTSD

Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit. Interest revenue and dividends recognised from these financial assets are separately presented within revenue.

Instruments in this category include the Council’s investment fund portfolio (comprising of listed shares, bonds, and units in investment funds) and LGFA borrower notes.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. Council fund manager JBWere 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. JBWere 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.

Subsequent measurement of financial assets at amortised cost

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses. Where applicable, interest accrued is added to the investment balance. Instruments in this category include term deposits, community loans, and loans to subsidiaries and associates.

There are also assets in trade and other receivables that are not financial assets such as the right to receive rock.

Impairment of financial assets**Expected credit loss allowance (ECL)**

The Council recognises an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability-weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to Council in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

ECLs are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council's historical experience and informed credit assessment and including forward-looking information.

The Council considers a financial asset to be in default when the financial asset is more than 90 days past due.

The Council may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full.

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 Council. 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 Council 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 Council 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%
Motor Vehicle	6 – 7 years	15 %
Capitalised Quarry costs	Based on the pattern of benefits from the Quarry	Not applicable

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

Revaluation

Operational assets 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 2018 (Grey District area land), 1 September 2020 (Westland District area land), and 1 September 2019 (Buller District area land).
- *Infrastructural asset classes:* River, Drainage and Coastal Protection Assets: These assets are valued at fair value determined annually on a replacement cost basis by AON Valuation Services. The most recent valuation was prepared by AON Valuation Services as at 30 June 2021.
- *Accounting for revaluations:* Council 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 Council 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 - Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as incurred.

Provisions

Council 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 Council 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 Council. Restricted reserves are those subject to specific conditions accepted as binding by Council and which may not be revised by Council 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 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

Council has derived the cost of service for each significant activity of Council 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 Council 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 estimates and assumptions of fair value of Infrastructure, Quarry Restoration Provision and Capitalised Quarry Development costs that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Council does not recognise community owned protection assets until they are formally inspected for condition and performance. Once appropriate service level decisions are made, the assets will be accepted to vest in Council.

Financial Instruments

In January 2017, the XRB issued PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IFRS 9 is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The main changes under PBE IFRS 9 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management of risks.

PBE IPSAS 41 Financial Instruments will replace both PBE IPSAS 29 and PBE IFRS 9. IPSAS 41 is effective from 1 July 2022.

The Council has early adopted this standard. The Council has assessed that the changes have minimal impact on the prospective statements.

Differences between Cost of Services Shown in the Statement of Comprehensive Revenue & Expense (SCRE) and the Funding Impact Statements (FIS) prepared pursuant to the Local Government (Financial Reporting) regulations 2011

The Statement of Comprehensive Revenue & Expense has been prepared in accordance with Generally Accepted Accounting Practice (GAAP). The Funding Impact Statements, prepared under the Regulations, are not prepared in accordance with GAAP as they do not include non-cash types of expenditure such as depreciation.

The difference in operating expenditure between the costs of activities as shown in the Statement of Comprehensive Revenue & Expense, and the Funding Impact Statements are as follows:

Year	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
SCRE net surplus / (deficit)	10,575,970	4,730,858	776,581	1,144,196	1,694,311	2,072,881	2,399,414	2,723,496	3,223,366	3,347,892
FIS **	11,107,042	5,290,711	1,331,621	1,608,438	2,198,913	2,668,407	3,034,337	3,327,056	3,803,904	3,983,213
	-531,072	-559,854	-555,040	-464,242	-504,602	-595,526	-634,923	-603,560	-580,538	-635,321

** These differences are the amount of the non-cash depreciation expense and investment income

Year	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Depreciation	566,071	596,375	593,092	503,910	546,013	636,607	679,859	650,397	629,338	686,227
Investment property Revaluations	-35,000	-36,521	-38,053	-39,668	-41,408	-41,080	-44,934	-46,838	-48,800	-50,905
	531,071	559,854	555,039	464,242	504,604	595,528	634,925	603,559	580,538	635,322

Revenue and Financing Policy

This policy is required by section 102 of the Local Government Act 2002, and the required content is shown in sections 101 and 103.

The purpose of the revenue and financing policy is to provide and explain the policy of the West Coast Regional Council for the funding of operating and capital expenditure from the following sources:

- General rates, including information regarding choice of valuation system or differential rating, and uniform annual general charges
- Targeted rates
- Fees and charges
- Income from investments
- Borrowing
- Proceeds from asset sales
- Financial contributions under the Resource Management Act 1991
- Grants and subsidies
- Other sources

The following considerations were factors in determining the sources of revenue and finance for each of the Council's activities.

Available Funding Sources/Mechanisms

Investment Income

Council at present has funds under management with its Fund Manager. Council is currently using 100% of this income to offset rates.

Council also has a Catastrophe fund of \$1million invested with its Fund Manager. Interest earned on this fund is retained 100% within the Catastrophe Fund. The Council has in place insurance cover on its infrastructure (River, Drainage & Coastal protection assets) with a grouping of South Island Councils. The catastrophe fund of \$1million will provide easily accessible funding in the event of a catastrophe.

Environment Court appeals for RMA planning, enforcement and resource consent are unpredictable. If significant legal expenses are likely to be incurred, Council may consider allocating an additional unbudgeted funding allocation from the investment fund to cover legal fees.

General Rates and Choice of Rating System for General Rate

All general rates are set and assessed across the region (which includes Buller, Grey and Westland District areas), but that might be on a uniform or a differential basis.

Uniform Annual General Charge

Council will use a Uniform Annual General Charge of \$112.50 + GST as well as a general rate in the \$ of Capital Value. Council sees including the setting and assessing of a Uniform Annual General Charge as being a fairer way of spreading the imposition of the general rate over ratepayers in the Region. This recognises that all ratepayers receive a base level of service regardless of the Capital Value of their property. The Uniform Annual General Charge will be set and assessed on all rating units.

Councils sets its rate on a differential basis and it has decided for the 2021/22 year that the differential relationship for the categories are:

- Buller District Area 31% (same as previous year)
- Grey District Area 39% (same as previous year)
- Westland District Area 30% (same as previous year)

Council checks the validity of these differentials from time to time using a comparison involving district Capital Values, District population and the number of rating units. These comparisons continue to support the above differentials as shown in the following table:

	Buller	Grey	Westland
% based on number of rating units	32%	39%	29%
% based on Capital Value	30%	35%	35%
% based on population	31%	42%	27%
Average	31%	39%	30%

Since its creation in 1989, the Council has set and assessed its general rate using the Capital Value system. The nature of the Council's business has not altered significantly in that time. Council concludes that the system of setting and assessing its General Rate should continue to use the Capital Value system.

General rates are used to fund activities where Council believes there is a general benefit to all ratepayers and it is not possible to identify or charge the cost directly to the beneficiaries.

Targeted Rates

Council may set and assess targeted rates for the purpose of undertaking specific services or work for the benefit of all or part of the Region. Council will be setting and assessing targeted rates to fund the following types of expenditure:

- Various river, drainage and coastal protection schemes. These rates are only set and assessed over properties that have a direct beneficiary or cause/effect relationship with the service being provided.
- A Regional Emergency Management rate will be set and assessed across the region to fund Emergency Management responsibilities.
- Te Tai o Poutini Plan (TPPP) rate is set and assessed across the region to fund the work required in preparing this Plan mandated by the Local Government Commission Order in Council.
- The Warm West Coast targeted rate scheme requires homeowners who borrowed money from Council to improve their home heating and insulation, pay this amount back via regional rates.

Rating District Balances

Various river, drainage and coastal protection rating districts have credit balances carried forward from year to year. At various times these credit balances will be utilised to fund works required in those rating districts.

Fees and Charges

Council may directly charge the beneficiary for a service, where the beneficiary is identifiable and there is a lawful mechanism to enable the Council to collect such fees and charges. Fees and Charges are detailed at the end of this Long-Term Plan document.

Borrowing

The Council's Long-Term Plan only envisages borrowing to fund:

- scheme works where Council has sought the views of the contributing community prior to carrying out the river, drainage or sea protection works; and
- work programmes that have future benefits and where the expenditure is uneven, and borrowing is an effective strategy for smoothing the rating impact.

Council borrows the funds required to carry out the works and normally rates the properties identified as benefiting from the works, to service and repay the loan for up to a 30 year period.

Funding of Operating and Capital Expenditure

Operating Costs

Council policy is to fund Operating expenditure from current revenues and retained credit balances (e.g. rating district targeted rate credit balances).

Capital Expenditure

This is funded by retained depreciation funding or rating district credit balances (for river control works).

Revenue and Financing Sources and Mechanisms for the Council's Activities

Group of Activities	Activity	Funding Source
The cost of Governance; elections and the democratic process yields regional benefits that are appropriately funded from general rates.	<ul style="list-style-type: none"> • Democracy • Community Consultation • Māori Capacity 	<ul style="list-style-type: none"> • 100% General Rate / UAGC
Regional Policies and Plans involve completing the plan process for various plans under the Resource Management Act and the Biosecurity Act. These plans yield region wide benefits and are funded 100% by the General Rate.	<ul style="list-style-type: none"> • Plan changes and reviews • Policy analysis reports • Responses 	<ul style="list-style-type: none"> • 100% General Rate / UAGC
Monitoring the State of the Environment documents trends in environmental quality, and helps indicate effectiveness of policies and plans. This activity is assessed as yielding regional benefits and it is 100% funded by the General Rate.	<ul style="list-style-type: none"> • Water quality monitoring • Hazardous substances sites • Air quality monitoring • Ground water monitoring 	<ul style="list-style-type: none"> • 100% General Rate / UAGC
Resource consents are required under the Resource Management Act to allow activities that otherwise are restricted. Consent processing is generally funded 75% by user charges and 25% by general rates, which represents a fair assessment of private and public benefit. Consent Appeals and Enquiries costs are not recoverable from any particular applicant and are therefore funded 100% by the General rate.	<ul style="list-style-type: none"> • Consent Processing • Consent Support • Consent Enquiries • Consent Appeals 	<ul style="list-style-type: none"> • 55% - 65% User charges • 35% - 45% General Rate / UAGC
The monitoring of resource consents and mining licences ensures compliance with resource consent and mining licence conditions and is a duty of the Council under section 35 of the RMA. Compliance Enquiries, Complaints and Enforcement Appeals costs are not recoverable from any specific persons and are therefore General Rate funded. Oil Spill Response planning and capability is funded 100% by User Charges from Maritime NZ	<ul style="list-style-type: none"> • Compliance monitoring • Dairy Sheds • Compliance enquiries • Compliance Support • Incident complaints • Enforcement • Oil spill response capability and planning 	<ul style="list-style-type: none"> • 75% - 85% User charges • 15% - 25% General Rate / UAGC • 100% User Charges (MNZ)
Civil defence and emergency management response activities include Civil Defence Plan review and implementation activities funded by targeted rate. Hazard research is funded by general rate.	<ul style="list-style-type: none"> • Civil Defence Response • Hazards Research 	<ul style="list-style-type: none"> • 60% - 70% Targeted Rate • 30%-40% General Rate / UAGC
Transport activities involve various transport related responsibilities which the Council receives approximately various subsidies from NZTA.	<ul style="list-style-type: none"> • Total Mobility • Wheelchair Hoist • Regional Transport Planning 	<ul style="list-style-type: none"> • 50% Subsidy • 100% Subsidy • 64% Subsidy • The balance of costs are covered by General Rates and UAGC
The Council administers 25 special rating districts under the Soil Conservation and Rivers Control Act. Expenditure on works directly attributable to a specific rating district is funded on a user pays basis by way of targeted rates onto those communities that benefit. Other expenditure is funded by the General rate recognising indirect benefits to the wider community. River cross-sections work is paid 50-50.	<ul style="list-style-type: none"> • Rating Districts • Rating District Management • River Cross section Studies 	<ul style="list-style-type: none"> • 100% Targeted Rates • 100% General Rate / UAGC • 50% Targeted Rate • 50% General Rate / UAGC
Council operates a number of hard rock quarries throughout the region for the purpose of supplying good quality durable rock for river protection works. The quarries are operated on a fully cost recoverable basis from rock users.	<ul style="list-style-type: none"> • Quarry Operations 	<ul style="list-style-type: none"> • 100% User Charges (rock sales)

Significance and Engagement Policy

The purpose of this Significance and Engagement Policy is to enable Council to identify the degree of significance attached to particular issues, proposals, assets, decisions and activities. This will determine the level of assessment and information to be provided, and the nature and extent of public input that may be appropriate in the circumstances.

The Policy will provide clarity about how and when communities can expect to be engaged in decisions made by Council. It will inform Council from the beginning of a decision making process about the extent, form and type of engagement required.

The Policy

Engaging with the community enables the Council to understand the views and preferences of people likely to be affected by or interested in a proposal or decision. The Council wishes to apply a consistent and transparent approach to engagement.

An assessment of the degree of significance of proposals and decisions, and the appropriate level of engagement, will therefore be considered in the early stages of a proposal before decision making occurs and, if necessary, reconsidered as a proposal develops.

The Council will take into account all of the following matters when assessing the degree of significance of proposals and decisions and the appropriate level of engagement:

- whether there is a legal requirement to engage with the community
- whether community interest is high or the likely consequences are controversial
- whether the proposal affects the level of service of a significant activity, and if so, to what extent
- the level of financial consequences of the proposal or decision
- whether the proposal or decision will affect a large portion of the community
- any likely impact Māori cultural values and their relationship to land and water
- the form of engagement used in the past for similar proposals and decisions
- whether community views are already known, including preferences on the form of engagement.

If a proposal or decision is affected by a number of the above considerations, it is more likely to have a higher degree of significance. In general, the more significant an issue, the greater the need for community engagement.

Council is required to undertake a special consultative procedure as set out in Section 83 of the Local Government Act 2002 or to carry out consultation in accordance with or giving effect to Section 82 of that Act on certain matters (regardless of whether they are considered significant as part of this policy).

For all other issues requiring a decision, Council will determine the appropriate level of engagement on a case by case basis.

Note that this policy applies to Local Government Act processes only, not those undertaken under the Resource Management Act, the Biosecurity Act or other legislation.

When Council will engage

The Council will use the Special Consultative Procedure (in section 83 of the Local Government Act) where required to do so by law, including for the following issues requiring decisions:

- the adoption or amendment of a Long Term-Plan (in accordance with Section 93 A)
- the adoption, amendment, or revocation of bylaws if required under Section 156(1)(a)

Unless already explicitly provided for in the Long-Term Plan, the Council will seek to amend its Long-Term Plan, and therefore use the Special Consultative Procedure, when it proposes to:

- alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of Council, including commencing or ceasing such an activity; or
- transfer the ownership or control of strategic assets, as listed in Schedule 1.

The Council will consult in accordance with, or using a process or a manner that gives effect to the requirements of Section 82, where required to do so by law, including for the following specific issues requiring decisions:

- adopting or amending the Annual Plan if required under Section 95
- transferring responsibilities to another local authority under Section 17
- establishing or becoming a shareholder in a Council-controlled organisation
- adopting or amending a revenue and financing policy, rates remission policy, rates postponement policy, or a policy on the remission or postponement of rate on Māori freehold land.

For such consultation, Council will make available information fulfilling the requirements of Section 82A; allow written submissions; and consider all submissions before making decisions.

When the Council may not engage

There are times when it is not necessary, appropriate or practical to engage the community on a matter or decision. The Council may also choose not to consult on a matter and, if so, will make this determination in accordance with the criteria below and notwithstanding any legislative requirements.

The Council will not engage when:

- the matter is not of a nature or significance that requires consultation
- the Council already has a sound understanding of the views and preferences of the persons likely to be affected by or interested in the matter
- there is a need for confidentiality or commercial sensitivity
- the costs of consultation outweigh the benefits
- the matter has already been addressed by the Council's policies or plans, which have previously been consulted on
- an immediate or quick response or decision is needed or it is not reasonably practicable to engage, or
- works are required unexpectedly, urgently, or following further investigations on projects already approved by the Council
- works required are related to the operation and maintenance of an existing Council asset and responsible management requires the works to take place
- when Council has consulted on the issue in the last 24 months.

Where any of the above listed circumstances apply and consultation is not to be undertaken, the Council is still required to give consideration to the views and preferences of persons likely to be affected by, or to have an interest in, the matter (Section 78 (1)). The Act requires that this consideration be in proportion to the significance of the matters affected by the decision (Section 79 (1)).

Principles of engagement

Council will:

- be genuine in our consultation and engagement
- provide good information for feedback and, wherever possible, enable the community to consider options relating to the decision
- give a timely opportunity to have a say
- have an open mind to community feedback before making decisions.

When seeking your feedback or input Council will let you know:

- what is being proposed
- why it is being proposed
- what options Council has
- what the impacts are (if any)
- how you can provide feedback to have your say
- the timeframes for responding.

Engagement tools and techniques

Council may use a variety of engagement techniques on any issue or proposal based on a range of other factors, including history and public awareness of the issue, stakeholder involvement, and timing related to other events and budgets. Should an identifiable resident or group of residents be affected by any action proposed to be taken, such residents will be consulted specifically in addition to the formal consultation undertaken with the general public.

Council will also take into consideration that the community can feel ‘over consulted’. Each situation will be assessed on a case-by-case basis.

Definitions

Community	A group of people living in the same place or having a particular characteristic in common. Includes interested parties, affected people and key stakeholders
Engagement	Is a term used to describe the process of seeking information from the community to inform and assist decision making.
Significance	As defined in Section 5 of the Local Government Act (LGA) 2002 “in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for,— the region; any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter; or the capacity of the local authority to perform its role and the financial and other costs of doing so.
Strategic asset	As defined in Section 5 of the LGA 2002 “in relation to the assets held by a local authority, means an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority’s capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community; and includes any asset or group of assets listed in accordance with section 76AA(3) by the local authority (see following page).

Schedule 1: West Coast Regional Council Strategic Assets

The following is a list of assets or group of assets that the Council needs to retain if it is to maintain its capacity to achieve or promote any outcome that it determines to be important to the current or future well-being of the community:

- Okuru seawall
- Matainui Creek rating district protection works
- Whataroa River rating district protection works
- Kowhitirangi rating district protection works
- Raft Creek rating district drainage works
- Hokitika Southside rating district protection works
- Taramakau rating district protection works
- Greymouth floodwall protection works
- Red Jacks rating district protection works
- Punakaiki seawall
- Kongahu rating district drainage works
- Franz Josef rating district protection works
- Waitangitoana River rating district protection works
- Wanganui River rating district protection works
- Vine Creek rating district protection works
- Kaniere rating district protection works
- Hokitika seawall and groynes
- Inchbonnie rating district protection works
- Coal Creek rating district protection works
- Nelson Creek rating district protection works
- Mokihinui rating district protection works
- Karamea rating district protection works

Addendum

Schedule 1 is Council’s list of Strategic Assets as of 30 June 2021. It is likely that it will change over the life of this Long-Term Plan as a result of:

- the construction of the Infrastructure Resilience Group projects;
- the construction of extensive floodwalls and stopbanks for the Westport Rating District; and
- whether Council decides to proceed with the Wanganui Rating District infrastructure upgrade following further consultation in the 2022/23 Annual Plan.

Supporting Information



Summary of Consultation

2021-2031 Long-Term Plan Process and Decisions Overview

The following are the details of Council's processes used for consulting with the community and considering submissions to the Consultation Document and the Long-Term Plan supporting information, and of the resulting decisions and changes to the final 2021-2031 Long-Term Plan.

The decision making process

Action	Date
Notify Long-Term Plan Consultation Document	11 August 2021
Public submissions	Opened 11 August 2021 and closed 8 September 2021 with last submissions accepted until 9.00am 15 September 2021
Council heard and considered submissions	Hearing – 15 September 2021 Deliberations – 16 September 2021
Adoption of the 2018-2028 Long-Term Plan	5 October 2021

Results of the consultation process

Council received 621 submissions from individuals and organisations and Council is grateful for the time and thought that went into each one of them. As a result of consideration of these submissions, Council made changes to the final Long-Term Plan.

Addressing the Significant Issues

Council heard and decided on the submissions that related to the significant issues that were raised through the Consultation Document and retained them in the Long-Term Plan as follows:

Consultation document	Comment
Topic 1 – Changing our rating instalments	Council decided to retain the status quo. While approximately 50% of ratepayers that made submissions wanted to see a change in the instalments, general feedback indicated that more flexibility was what was sought. Changing from two to three was not going to provide the benefits sought and so Council wanted to retain the twice a year instalment but requested that Staff provide more information to ratepayers on the options available to make weekly, fortnightly, monthly payments to suit their circumstances.
Topic 2 – Infrastructure insurance cover	Council decided to proceed with Option 2 which has 70% of the Insurance cost funded through the rating districts with 30% funded from the general rate. Retaining a portion to be paid from the general rate recognises that those outside of a rating district receive indirect benefits from this infrastructure. Option 2 also aligns more closely with the user pays approach than how it had previously been funded. (The Kongahu Rating District was removed from the insurance policy as it is a drainage scheme).
Topic 3 – Engineer, and other rating district, cost recovery	Council decided to proceed with Option 2 (70% to be paid by the rating districts and 30% from the general rate). With similar reasoning as to Topic 2, Councillors also recognised the importance of having in-house expertise available for the region. (Changes have been made to the Option 2 fixed fees allocated: <ul style="list-style-type: none"> • Waitangi-toana Rating District now \$3,750 • Nelson Creek Rating District now \$3,750 • Westport allocation removed for the 2021-22 year

Consultation document	Comment
Topic 4 – Wanganui Rating District infrastructure upgrade	Council decided not accept either Option 1 or Option 2 but engage in further consultation on the Topic during the Annual Plan 2022-23 process. Council acknowledged the feedback received through Submissions that the Topic was not clearly understood by the ratepayers in the rating district. The impact of the COVID-19 lockdown had resulted in the cancellation of the planned drop-in session in the community. There has also been delays in receiving copies of the Consultation Document via post.
Topic 5 – Wanganui Rating District classification review	Council decided to progress with Option 1 and undertake a review of the classifications of the rating district during the Annual Plan 2022-23 process, in line with Topic 4.
Topic 6 – Hokitika Rating District boundary extension	Council decided to progress with Option 1 and extend the boundary of the rating district.
Topic 7 – Hokitika Southside Rating District boundary extension	Council decided to progress with Option 2 and retain the status quo. Hokitika Southside has a complicated funding arrangement, and feedback from ratepayers in this area reinforced the decision to retain the status quo.
Topic 8 – Greymouth Rating District boundary extension	Council decided to progress with Option 2, the smaller of the two boundary extensions.
Topic 9 – Westport Rating District flood protection works	Council decided to progress with Option 2. There was overwhelming support from submitters for the construction of extensive floodwalls and stopbanks and to get this underway now. Council recognised that there was significant additional information that came in for consideration and that the work did not stop here. Council requested that consideration be given to the potential adverse impacts on the ratepayers upstream from the construction of the planned infrastructure. This is one tool in the tool-box for the further resilience, and future-proofing, of Westport.

Prudent reserves

Council decided to defer the rating for prudent reserve targets until a review of the Asset Management Plans could be undertaken. The Asset Management Plans will provide the analysis to sit behind the decisions that are made for these assets.

Supporting documents

Schedule of User Fees and Charges

No changes were made to the User Fees and Charges Schedule.

Ongoing collaboration with local government and others

How Council works with others will vary depending on the specific outcomes and the activities involved. In areas where it has a primary role, it will act as the lead agency, being largely responsible for action in a particular area.

The Council will work with other local and regional organisations, Poutini Ngāi Tahu, central government and non-government organisations, and the private sector in furthering the well-beings of our community. The range of organisations and stakeholders Council will be working with is shown in Figure 3.

A key group of which the Regional Council is part of is the West Coast Mayors Chairs and Iwi Forum. The West Coast Regional Council Chair and Mayors of the three District Councils meet quarterly. Originally formed under the Triennial Agreement (Local Government Act 2002 requirement), membership has since been extended to include the Chairs of Development West Coast, Te Rūnanga o Ngāti Waewae, and Te Rūnanga o Makaawhio. Chairs are supported by their Chief Executives as well as the West Coast Regional Council Strategy and Communications Manager.

The forum has a strong commitment to cooperating on matters that benefit the West Coast and the economy as a whole. Working together, the forum presents a united front and collective voice on regional matters.

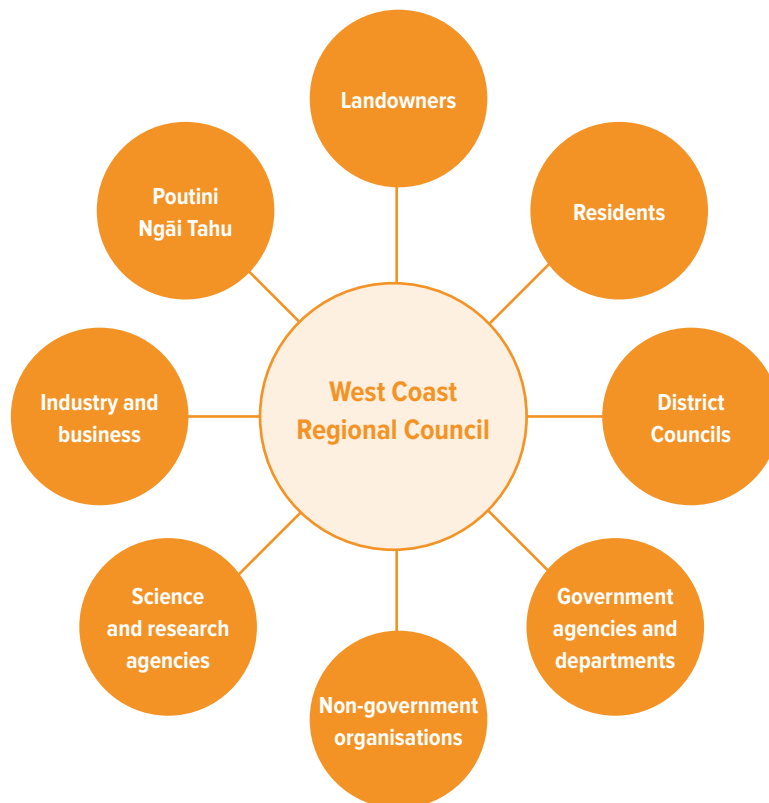


Figure 3: The stakeholders Council will be working with

Investment and Borrowing Policy

Introduction

This Policy (“the policy”) outlines the objectives and approach that West Coast Regional Council (“the Council”) shall adopt to manage its treasury exposures.

The policy is developed pursuant to the Local Government Act 2002 (“LGA”). For all borrowing activities it seeks compliance with Section 102 and Section 104 of the LGA. It discloses the Council’s principles of prudent financial management and risk mitigation strategies as they relate to the management of external debt.

For all financial market investing activities the policy seeks compliance with Section 102 and Section 105 of the LGA. It discloses the Council’s principles of prudent financial management and risk mitigation strategies as they relate to financial market investments.

The purpose of the policy is to establish a framework and guidelines within which the Council manages its treasury risks. While the Council does not seek to speculatively profit from its treasury activities, it recognises that active and prudent management of its treasury risks, within defined management parameters, will assist the council in achieving its overall objectives.

It is recognised that the policy is an evolving document which can be amended and expanded to take account of changes in the Council’s operational activities and operating structure. The policy must be regularly monitored for compliance and appropriateness and, where necessary, the document updated with any changes to be approved by the full Council. Notwithstanding this, a formal review of the policy must be completed at least every three years, or more frequently if required.

It is also recognised the Council does not have a dedicated treasury function and the Corporate Services Manager (“CSM”) will effectively be responsible for treasury risk management as well as other duties. Hence it is essential that the policy reflects this structure and the other internal resources available to assist in this area.

Treasury objectives

The objectives of the treasury function should be consistent with the Council’s overall objectives, in particular recognising that the Council is a risk averse organisation which does not seek to profit from any speculative treasury activity. The primary objectives of the treasury function are to:

- Minimise the cost of the Council’s borrowing through monitoring and implementation of the most cost effective financing techniques giving consideration to balance sheet and other strategic limitations
- Mitigate the impact of interest rate volatility
- Ensure the Council’s continued ability to meet its financial obligations in an orderly manner, as and when they fall due in both the short and long term, through active liquidity and funding risk management
- Maintain dialogue and information flows to the Council’s funding providers to enhance the commercial relationship between the parties
- Ensure compliance with the Council’s financing and borrowing covenants and ratios specified in this document
- Safeguard the Council’s financial market assets by establishing and regularly reviewing financial market investment parameters and treasury credit limits and then managing financial market exposures within these limits
- Evaluate on an ongoing basis, the appropriateness of the current risk management processes
- Maintain adequate internal controls to minimise operational risk while recognising the limited number of personnel who participate in the Council’s treasury activities
- Control cash in an effective and efficient manner
- Produce accurate and timely information that can be relied on by the elected members and management of the Council that ensures policy compliance and maintains appropriate exposure monitoring procedures.

Organisational and responsibility structure

An effective policy requires a clear understanding and definition of the structure of the treasury function and the responsibilities of all personnel involved in treasury management. The following personnel are primarily responsible for the management of the treasury activities of the Council:

- Full Council (of elected members)
- Chief Executive (“CE”)
- Corporate Services Manager
- Management Accountant (“MA”) (“CSM”)

In addition to the above, the Council may retain on an ongoing or consultancy basis the services of an Independent Treasury Advisor.

The respective responsibilities of those personnel involved in the treasury function are detailed below.

Full Council:

- Approves the policy document
- Approves any risk management strategies outside the delegated authorities outlined in this policy document
- Approves any amendments to the policy as recommended by the CE
- Approves new borrowing facilities from the banking sector and capital markets upon the recommendation of the CE
- Monitors and reviews the ongoing treasury risk management performance of the Council to ensure that the treasury function is operating in such a way as to ensure that the Council’s strategic objectives are being met.

Chief Executive:

- Approves all debt related interest rate risk management strategies submitted by the CSM
- Determines in consultation with the CSM the level of future core debt to be used for interest rate risk management purposes
- Submits to the full council new or amended borrowing facilities which have been negotiated by the CSM
- Approves any amendments to this Policy recommended by the CSM, prior to submission to the full council for approval
- Checks external counterparty advice on treasury transactions to records generated internally by other staff
- In the absence of the CSM undertakes the following treasury transactions or delegates to the MA where permissible under his/her permissions
 - › funding from bank facilities and the capital markets including the Local Government Funding Agency (“LGFA”).
 - › interest rate derivative transactions relating to the hedging of the Council’s debt.
 - › placing of deposits in the short term money market or fixed interest market.
 - › investing in bonds in the fixed interest market.

Corporate Services Manager:

- Organises all new or amended borrowing facilities which shall then be submitted to the CE for approval and then to the full Council for final approval
- Reviews this Policy every three years or more regularly if required which shall then be submitted to the CE for approval and then to the full Council for final approval
- Develops all interest rate risk management strategies for approval by the CE
- Determines in conjunction with the CE the level of future core debt is to be used for interest rate risk management purposes
- Reports to the full Council and CE on overall treasury risk management issues on a regular basis
- Manages the funding and liquidity activities of the Council
- Maintains lender relationships with the banks and the capital markets including the LGFA
- Undertakes all treasury transactions which will include but not be limited to the following:
 - › Funding from bank facilities and the capital markets including the LGFA
 - › Interest rate derivative transactions relating to the hedging of the Council’s debt
 - › Placing of deposits in the short term money market
 - › Investing in bonds in the fixed interest market
- Monitors and reviews the ongoing treasury risk management performance of the Council to ensure compliance with the policy parameters
- Prepares quarterly treasury reports
- Checks external counterparty advice on treasury transactions to records generated internally by other staff.

Management Accountant:

- Checks external counterparty advice on treasury transactions to records generated internally by other staff.
- Assists the CSM with the preparation of treasury reports.

Interest rate and borrowing risk management

Interest Rate Risk Management

Interest rate risk management has the objective of containing the Council’s interest rate exposures in order to:

- Give a sufficient level of certainty to the Council’s funding costs while, at the same time, allowing the Council to participate if interest rates and credit spreads move favourably
- Control variations in interest expense for the debt portfolio from year to year, taking into consideration any relevant budgetary assumptions
- Recognise the Council’s exposure to the local and international economies and maintain sufficient flexibility in its interest rate risk management profile to enable the Council to respond when considered appropriate.

For the purposes of interest rate hedging, core debt projections should be supported by budgetary analysis contained in the Annual Plan and the Long-Term Plan. Core debt is defined as the level of current and projected future debt as determined by the CSM in consultation with the CE.

Fixed Rate Cover Percentages		
Period	Minimum	Maximum
0 to 2 years	40%	100%
2 to 4 years	20%	80%
4 to 7 years	0%	60%

The Council will maintain fixed interest rate cover of its core debt within the control limits detailed in the table above. Fixed rate debt is defined as all debt that has at least one more rate reset outstanding (typically quarterly) or has more than three months to maturity in the case of a fixed rate term loan. Compliance with these parameters is not necessary if debt is less than \$3.0 million.

The CSM is primarily responsible for the monitoring and managing the interest rate hedging profile of the Council. If the fixed rate cover is below or above the Fixed Rate Cover Percentages, the reasons for the non-compliance with the policy must be documented in an exception report.

Approved Derivative Interest Rate Risk Management Instruments

The approved derivative interest rate risk management instruments are as follows with definitions and examples of these instruments contained in Appendix II.

- Fixed interest rate swaps, including forward starting swaps.
- Forward Rate Agreements (“FRA”).
- Interest rate options – includes caps, swaptions and collars. For a collar the amount of the sold option must match the amount of the purchased option.

Options on hedging floating rate debt with an exercise rate greater than 2.00% above the equivalent period interest rate at the time of inception cannot be counted as part of the fixed rate cover percentage calculation. For example a two year cap at 5.00% would only count as a fixed rate hedge if the underlying swap rate at the time of inception was greater than 3.00%.

In addition to the above derivative instruments, Fixed Rate Term Loans may also be used to manage the Council’s interest rate risks.

Funding Risk Management

Funding risk is defined as an inability to secure access to external lines of credit sufficient to enable the Council to achieve its strategic short term and long term objectives where the financial requirements to achieve those goals exceed the funds being generated from operating activities. Funding risk covers both working capital requirements and core debt.

- The Council must approve all new debt funding facilities and/or revision to the parameters of existing debt funding facilities.
- To ensure that all of the Council's debt is not exposed to excessive refinancing risk at any one time, no more than 40% of all debt facilities should mature within a rolling twelve month period. Compliance with this provision is not required if total external debt is less than \$3.0 million.
- The CSM must renegotiate/replace maturing bank funding facilities on a timely basis. Specifically, the CSM must obtain an indicative letter of offer no later than two months before the maturity of any bank facility.

Liquidity Risk Management

Liquidity risk management has the objective of ensuring that adequate liquid assets and funding sources are available at all times to meet the short term commitments of the Council as they arise in an orderly manner. Appropriate cash flow reporting mechanisms will be maintained to monitor the Council's estimated liquidity position over the next twelve months.

To manage liquidity risk the Council must maintain committed funding facilities at a minimum of 110% of the projected peak debt level over the ensuing twelve month period.

Counterparty Risk Management for Borrowing and Interest Rate Risk Management

The management of counterparty credit risk in relation to the Council's borrowing and interest rate risk management activities has the objective of minimising financial loss through the default of a financial counterparty, usually a financial institution, due to the financial insolvency of the counterparty, the inability of the counterparty to perform due to country decree, or any other circumstance such as an adverse market event. The purpose of counterparty credit limits is to limit the loss that the Council may incur if a counterparty was to default or be unable to meet its obligations.

The Council's exposure to counterparty credit risk will be managed by entering into financial market transactions and funding arrangements with only approved counterparties. Approved counterparties are defined as follows:

- an approved counterparty must be a New Zealand Registered Bank or financial institution with a long term credit rating of 'A-' or above by Standard & Poor's ("S&P"), or the Moody's Investors Service ("Moody's") or Fitch Ratings ("Fitch") equivalents.

Local Government Funding Agency

The Council may borrow from the New Zealand LGFA and, in connection with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:

- Contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA
- Provide guarantees of the indebtedness of the LGFA
- Commit to contributing additional equity (or subordinated debt) to the LGFA if required
- Subscribe for shares and uncalled capital in the LGFA
- Secure its borrowing from the LGFA, and the performance of other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue.

Borrowing Limits

Council will borrow to fund its total funding needs in accordance with the Annual Plan and Long-Term Plan. Borrowing includes funding of short term working capital and long term capital investment. In general terms, Council approves borrowing through the Annual and Long-Term Planning process with public disclosure by way of resolution.

Ratios based on revenue and debt servicing are used for measuring a prudent borrowing level. The Council borrowing limits are based on the following LGFA ratios:

- Net interest will not exceed 20% of total revenue.
- Net debt will not exceed 175% of total revenue.
- Net interest will not exceed 25% of annual rates.

Financial market investments

Introduction

The Council may invest surplus funds in financial market instruments, generally on a short term basis, and these funds are to be managed according to the parameters contained in Appendix I. These funds are separate from the 'Main Portfolio' and the 'Catastrophe Fund' both of which are managed externally.

Restrictions on Investments

In addition to the parameters contained in Appendix I, the following restrictions apply to investments in financial market instruments:

- No investment shall have a maturity date exceeding one year from the date of inception of the investment
- No investments shall be made in Council Controlled Organisations
- If a short term security is downgraded below 'A1' then that security must be sold within one month of the date of the downgrade. The exceptions to this are Term Deposits due to the inability in some cases to effect early repayment
- If a long term security is downgraded below 'BBB' that security must be sold within three months of the date of the downgrade
- All financial market investment transactions must be carried out with one of the following:
 - › A New Zealand Registered Bank or financial institution with a minimum S&P Global Ratings ("S&P") long term rating of 'A-' or the Moody's or Fitch equivalent
 - › A full trading member or an advising member of the NZX.

Local Government Funding Agency

Council may invest in shares and other financial instruments of the New Zealand Local Government Funding Agency Limited (LGFA), and may borrow to fund that investment. The Council's objective in making any such investment will be to:

- Obtain a return on the investment; and
- Ensure that the LGFA has sufficient capital to become and remain viable, meaning that it continues as a source of debt funding for the Council.

Because of this dual objective, the Council may invest in LGFA shares in circumstances in which the return on that investment is potentially higher than the return it could achieve with alternative investments. If required in connection with the investment, the Council may also subscribe for uncalled capital in the LGFA.

Operations and procedures

Introduction

Arranging and agreeing transactions with external counterparties must occur within a framework of control and accuracy. It is vital to the internal control of the Council that all transactions are captured, recorded, reconciled and reported in a timely manner within a process that has the necessary checks and balances so that unintentional errors and/or fraud are identified early and clearly. Movements in financial market variables can be rapid and exposures to such movements that are not known due to inadequate transaction recording and reporting systems should not be allowed to occur.

Transaction origination

The following authorities shall apply in respect of the execution of treasury transactions on behalf of the Council that may commit it to all the related contractual obligations under these transactions. All such transactions are generally originated and agreed either verbally via the telephone or by email. Therefore, it is important that procedures are in place to control the activity.

Funding from Banks, the LGFA and the Capital Markets and Entering into Financial Market Investment Transactions

- Funding from bank facilities, the capital markets and the LGFA or entering into financial market investment transactions with an approved counterparty entails the personnel of the Council, who are authorised to undertake these activities, verbally or by email agreeing with the counterparty the amount, type of debt or investment instrument, term selection and rate accepted
- Once the deal is agreed details of the transaction shall be entered on the relevant internal system
- Once the confirmation of the transaction is received the details should then be checked by someone other than the person who entered into the transaction in the first place to ensure that the external confirmation is in accordance with the details on the Council's internal system.

Any discrepancies in the above procedures should be immediately communicated to the counterparty so that the correct details of the deal can be agreed. A report on the error shall be prepared by the person who transacted the deal in the first place and submitted to the CE for sign-off. Where the CE has transacted the deal, the report shall be submitted to the CSM. In this way there, is a clear division of responsibility and a self-checking system.

Interest Rate Derivative Products

Transacting interest rate derivative products with an approved counterparty entails the personnel of the Council who are authorised to undertake these activities, verbally or by email agreeing with the counterparty the amount, term selection and rate accepted. Once the deal is agreed details of the transaction shall be entered on the relevant internal system. Once the bank confirmation of the transaction is received, the details should be checked by someone other than the person who entered into the transaction in the first place to ensure that the bank confirmation is in accordance with the details on the internal system.

Any discrepancies in the above procedures should be immediately communicated to the counterparty so that the correct details of the deal can be agreed. A report on the error shall be prepared by the person who transacted the deal in the first place and submitted to the CE for sign-off. Where the CE has transacted the deal, the report shall be submitted to the CSM. In this way there, is a clear division of responsibility and a self-checking system.

Settlement procedures

All transactions are to be confirmed and reconciled to external confirmations and internal documentation before settlement. All transactions processed through the company bank accounts must conform to the Council's internal procedures and controls, and be reconciled to internal documentation and external confirmation(s).

Cash management

The CSM and the MA are responsible for day to day cash and short term debt management activities. Specifically this will include the following:

- Ensure that appropriate cashflow projections are maintained, with the objective of managing an optimal cash position within approved parameters
- Undertake short term borrowing functions as required, thus minimising overdraft costs
- Ensure efficient cash management through improvements to the accuracy of forecasting
- Minimise fees and bank charges by optimising bank accounts, facility structures and merchant service agreements
- When operating as a net borrower, surplus funds will normally only be permitted only to be invested on a short term basis, usually until the next opportunity to repay debt. However exceptions to this may occur where it is prudent to do so, for example, the pre-funding of debt which is placed on term deposit until the funds are required.

Reporting

Quarterly Funding and Debt Profile Report

This report forms the basis for the reporting of the Council's funding and associated interest rate risk management activity and provides the elected members and management with details about the Council's borrowing activities. The report shall contain the following:

- Total debt facility utilisation, including any debt sourced from a bank, the capital markets and the LGFA
- Interest rate maturity profile against percentage hedging limits
- New hedging transactions completed - interest rate risk management
- Weighted average cost of funds
- Funding profile against the policy limits
- Liquidity profile against the policy limits
- Exception reporting as required
- Summary of any unresolved exception reports
- Statement of policy compliance
- Commentary on economic conditions and the debt markets

Quarterly Investment Report

This report forms the basis for the reporting of the Council's financial market investment activities provides the elected members and management with details about the Council's financial market investment activities. The report shall contain the following:

- Total nominal value of the investment portfolio
- Details of individual investments
- Asset class percentages
- Credit rating profile
- Maturity profile
- Weighted average yield of the portfolio
- Statement of policy compliance
- Commentary on economic conditions and the financial markets.

Appendix I: Authorised Investment Criteria for short term funds

Authorised Asset Classes	Maximum limit as a Percentage of the Total Portfolio	Approved Financial Market Investment Instruments (must be denominated in NZ dollars)	Credit Rating Criteria – S&P (or Moody's or Fitch equivalents)**	Limit for each issuer subject to overall portfolio limit for issuer class
New Zealand Government or Government Guaranteed	100%	Government Stock Treasury Bills	Not Applicable	Unlimited
Rated Local Authorities	50%	Commercial Paper Bonds/MTNs/FRNs	S&P ST rating of 'A-1' or LT 'BBB' or 'BBB+' S&P ST rating of 'A-1+' or LT 'A-' or better	\$1 million \$2 million
Unrated local authorities where rates are used as security	25%	Bonds/MTNs/FRNs	Not applicable	\$1 million
New Zealand Registered banks	100%	Call/Term Deposits Bonds/MTNs/FRNs	S&P ST rating of 'A-1' or LT 'BBB' or 'BBB+' S&P ST rating of 'A-1+' or LT 'A-' or better	\$1 million \$3 million
State Owned Enterprises	33%	Commercial Paper Bonds/MTNs/FRNs	S&P ST rating of 'A-1' or LT 'BBB' or 'BBB+' S&P ST rating of 'A-1+' or LT 'A-' or better	\$1 million \$2 million
Corporates	25%	Commercial Paper Bonds/MTNs/FRNs	S&P ST rating of 'A-1' or LT 'BBB' or 'BBB+' S&P ST rating of 'A-1+' or LT 'A-' or better	\$1 million \$2 million
Financials	25%	Commercial Paper Bonds/MTNs/FRNs	S&P ST rating of 'A-1' or LT 'BBB' or 'BBB+' S&P ST rating of 'A-1+' or LT 'A-' or better	\$1 million \$2 million

Appendix II: Approved derivative interest rate risk management instruments

The following is a list of approved interest rate risk management instruments:

- Forward rate agreements (“FRA”).
- Interest rate swaps (“IRS”).
- Option on a swap (“Swaption”).
- Interest rate options.
- Interest rate collar.

Products which create a contingent risk on the Council, for example, ratio options, are expressly prohibited.

Examples of the use of Derivative Risk Management Instruments

Forward Rate Agreement

An agreement between the Council and a bank counterparty protecting the Council against a future adverse interest rate movement. The Council and the counterparty agree to a notional future principal amount, the future interest rate, the date and the benchmark rate.

Objective

To provide the Council with certainty as to its interest rate cost on an agreed principal amount for an agreed period. A FRA typically applies to a three month period, usually starting at some point within the next 12 months.

Example

The Council wishes to provide certainty on a portion of its floating rate borrowings over the event risk posed by an expected change in monetary policy at a point in the future. A borrower’s FRA is purchased in say, December, at 2.50% for protection through the December to March period. It is described as a 3X6 FRA, i.e. the rate applies to a borrowing for three months starting in three months’ time.

Outcome

If, on the rate set date in December, the three-month interest rate has climbed to, say, 3.00%, the Council receives the difference between this and the FRA rate of 2.50%. The Council then borrows at 3.00% with the payment received making the effective base borrowing rate 2.50%.

If, on the rate set date in December, the three-month interest rate has dropped to, say, 2.00%, the Council pays the difference between this and the FRA rate of 2.50%. The Council then borrows at 2.00% with the payment made making the effective base borrowing rate 2.50%.

Interest Rate Swap

An interest rate swap is an agreement between the Council and a bank counterparty protecting the Council against a future adverse interest rate movement. The Council pays (or receives) a fixed interest rate and receives (or pays) a floating interest rate. The parties agree to a notional principal amount, the future interest rate, the settlement dates and the benchmark floating rate.

Objective

To provide The Council with certainty as to its interest rate cost on an agreed principal amount for an agreed period. Floating rate sets are typically every one or three months over the life of the swap.

Example

The Council fixes its interest rate on a quarterly basis on a portion of its planned borrowings by entering into a three-year fixed rate swap at 2.75%. The floating rate reference is three-month BKBM FRA rate.

Outcome

On a swap reset date, the three-month BKBM FRA rate is at, say, 3.25%. The Council borrows from its bank the principal, for three months at 3.25% plus the Council’s margin. At the same time the bank pays the Council 3.25% on the principal amount for a three-month period. The Council then pays the bank 2.75% on the principal amount for a three-month period. This process is repeated at each reset date over the life of the interest rate swap. This means that The Council’s effective interest rate is 2.75% plus its margin over the life of the interest rate swap. In practice, cashflows would be netted off if the swap and the underlying borrowing facility were with the same bank.

Forward Start Interest Rate Swap

Objective

To provide the Council with certainty as to its interest rate cost on an agreed principal amount for an agreed period which commences at a future point in time. All other conditions are as with an interest rate swap.

Example

The Council's strategic plan necessitates an increase in debt levels, the funding for which will be obtained from the LGFA. The debt is planned to be obtained from the LGFA in six months' time and the Council wishes to secure its borrowing costs and thus enters into a five-year swap with a six month forward start date at a rate of 3.00%. The Council would enter into a five-year fixed rate swap with a commencement date six months hence.

Outcome

Regardless of where interest rates are in six months' time the Council has locked in its effective base borrowing rate at 3.00%.

Options on a Swap - Swaption

Objective

To provide the Council with the right but not the obligation to enter into a fixed rate swap at a future point in time, on an agreed principal amount and for an agreed period. A swaption is an option on a swap and requires a premium to be paid.

Example

The Council wishes to secure a worst case rate for borrowings for a five year period in six months' time. There is a view however that interest rates will not move sharply higher and a decision is taken not to lock into a swap. A swaption is purchased at 3.25% for a cost equivalent to 5.5 basis points or \$2,500 per million.

Outcome

If, at the time the borrowings commence, the five-year swap rate has moved above 3.25%, The Council exercises the swaption and borrows at 3.25%. (All up cost is effectively 3.305%, the worst case rate). If, at the time the borrowings commence, the five-year swap rate has fallen to 2.75%, the Council abandons the swaption and borrows at 2.75%. (All up cost is effectively 2.805%). Swaptions can also be cash settled, for example the purchaser would receive payment if at maturity it was in the money and then physically borrow at the market rate. Whether it is exercisable or cash settled is usually determined at commencement.

Interest Rate Options

The purchase of an interest rate option gives the holder (in return for the payment of a premium) the right but not the obligation to borrow (described as a cap) or invest (described as a floor) at a future date. The Council and the counterparty agree to a notional future principal amount, the future interest rate, the benchmark dates and the benchmark floating rate (usually BKBM FRA rate).

Objective

To provide the Council with worst case cover on its interest rate cost on an agreed principal amount for an agreed period. Rate sets are typically at three monthly intervals. A premium is payable for entering into an interest rate option.

Example

The Council wishes to secure a worst case rate over the event risk posed by a change in monetary policy. There is a view however that interest rates will not move sharply higher as a result of the event risk and a decision is taken not to lock into a forward start swap. An option is purchased at 3.25% for a cost equivalent to 35 basis points or \$14,560 per million. It is for 5 years and is priced at three monthly intervals.

Outcome

If, on any of the rate set dates the 90-day bank bill rate has moved above 3.25% the Council exercises the option and borrows at 3.25%. If on any of the rate set dates interest rates have fallen below 3.25% the Council walks away from the option and borrows at the prevailing three-month bank bill rate. This exercise will be repeated every three months over the life of the option.

Interest Rate Collar

The combined purchase (or sale) of a cap or a floor with the sale (or purchase) of another floor or cap.

Objective

To provide the Council with certainty as to its interest rate cost on an agreed principal amount for an agreed period, but at the same time, avoids the need to pay an up-front premium.

Example

The Council wishes to secure a worst case base borrowing rate of 3.25% for the next five years, but wishes to avoid paying a premium. In exchange for the worst case protection at 3.25%, the Council accepts a best case outcome of 2.50%. In this structure the Council has bought and sold options, with the respective option premiums offsetting each other. On each quarterly rate set date the Council will have a rate between 3.25% and 2.50%, these being the parameters of the collar.

Outcome

If, on any rate set date the three-month interest rate is in excess of 3.25%, the Council exercises its option and pays a base rate of 3.25%, for that three-month period, its worst case rate. If on any rate set date the three-month interest rate is below 2.50%, the bank exercises its option on the Council and forces the Council to pay 2.50%. If on any rate set date the three-month interest rate is between 3.25% and 2.50%, the Council borrows at the prevailing market rate.

Rates Remissions and Postponements Policy

Statutory framework

This Policy is prepared under sections 102 (3), 109 and 110 of the Local Government Act 2002 (the Act).

This Policy covers both the remissions of rates under section 109 of the Act and the postponement of rates under section 110 of the Act.

This Policy is also prepared in accordance with the Local Government (Rating) Act 2002, where all land is rateable unless specified in that Act, or another Act states that land is non-rateable (refer Appendix 1).

For the purposes of this Policy, the West Coast Regional Council is referred to as 'the Council'.

Applications for remissions or postponement

All applications for remission or postponement must be in writing and must include the relevant information required for each type of remission or postponement. Applications should be:

- Mailed to: The West Coast Regional Council, P.O. Box 66, Greymouth, 7840; or
- Emailed to: rates@wcrc.govt.nz

Applications will be considered on a case-by-case basis.

Remissions or postponements are only available to ratepayers identified in the Council's rating information database.

Remissions or postponements are limited to the rates set and assessed by the Council.

The approval of any remission or postponement is at the absolute discretion of the Council or its delegated officer as detailed in Council's Delegations Manual.

The categories in this Remissions and Postponements Policy are:

1. Remissions for Land 50% non-rateable
2. Remission of penalties on rates
3. Remission of rates on land protected for natural, historic, or cultural conservation purposes
4. Remission of rates on land subject to natural calamity
5. Postponement due to financial hardship
6. Remission and postponement for business and economic development

Where a rating unit for which Council has granted a rates remission is sold, leased, or otherwise disposed of, the rates remission shall be terminated at the time of disposal. If the new ratepayer qualifies for a rates remission under this policy, it is up to that ratepayer to apply for a rates remission.

Reporting

Staff will maintain a register of approved applications and report this to Council's Risk and Assurance Committee quarterly.

Category 1 Remissions for Land 50% non-rateable

Commentary

Council has historically allowed a discretionary remission up to 50% in addition to the mandatory 50% remission. Land 50% non-rateable applies to:

- Land owned or used by a society incorporated under the Agricultural and Pastoral Societies Act 1908 as a showground or place of meeting.
- Land owned or used by a society or association of persons (whether incorporated or not) for games or sports, except galloping races, harness races, or greyhound races.
- Land owned or used by a society or association of persons (whether incorporated or not) for the purpose of any branch of the arts.

Policy Objective

To facilitate the ongoing provision of community services and recreational opportunities for the residents of the West Coast.

The purpose of granting rates remission to an organisation is to:

- Assist the organisation's survival; and
- Make membership of the organisation more accessible to the public, particularly disadvantaged groups. These include children, youth, young families, aged people and those who may be economically disadvantaged.

Conditions and Criteria

This part of the policy will apply to an applicant, who is the ratepayer, for land which is exclusively or principally used for the purposes as defined by Schedule 1 Categories of non-rateable land, Part 2 of the Local Government Act 2002. The application may be for up to 100% of rates installment on the land.

The policy does not apply to:

- Land used by organisations operated for private pecuniary profit.
- Land which holds a licence under the Sale and Supply of Alcohol Act 2012.

Procedure

The application for rate remission must be made to the Council prior to the commencement of the rating year (1 July to 30 June). Successful applications received during a rating year will be applicable from the commencement of the following rating year. Remissions will not be backdated. From time to time Council may request the documents outlined below from organisations wishing to receive a continuing remission. Failure to provide documents requested may result in the Council ending the entitlement to remission.

Remissions will cease if the criteria in the policy are no longer met.

Organisations making an application should include the following documents in support of their application:

- proof of organisation structure;
- land owned or used by the applicant;
- details of the use of the land;
- statement of objectives and how it aligns with this policy;
- financial statements;
- information on activities and programmes;
- details of membership or clients.

Category 2: Remission of Penalties on Rates

Policy Objective

The objective of this part of the remission policy is to enable the Council to act fairly and reasonably in its consideration of rates which have not been received by the Council by the penalty date because of circumstances outside the ratepayer's control.

Conditions and Criteria

Penalties are added to unpaid rates installments on the last working day of the month in which the installment was due.

Remission of penalties will be considered where payment has been late due to circumstances outside the ratepayers control. Remission will be considered in the case of death, illness, or accident of a family member, at the due date.

Remission of the penalty will also be considered if the payment received after the penalty date subsequently clears all outstanding rates at the date the penalty was applied.

Remission of penalties may be granted:

- Where payment is made within 14 days of the penalty date provided the ratepayer has made no late payment for rates within the previous three years; or
- Where the late payment has resulted from matters outside of the ratepayers control.

Procedure

Each application will be considered on its merits and a full or partial remission will be granted where it is considered just and equitable to do so.

The Delegations Manual sets out the delegated authority to consider applications for the remission of any rates in terms of this Policy, and if appropriate, to approve or decline them.

Category 3: Remission of Rates on Land Protected for Natural, Historic, or Cultural conservation purposes.

Policy Objective

To provide rates remission for private landowners who:

- enter into land protection covenants or similar protective agreements'
- have a wetland classification imposition; or
- have a Significant Natural Area (SNA) classifications imposition.

Conditions and Criteria

A remission of 100% of rates may be granted on those portions of land which are subject to:

- an open space covenant under Section 22 of the Queen Elizabeth the Second National Trust Act 1977;
- a heritage covenant under Sections 39 to 41 of the Heritage New Zealand Pouhere Taonga Act 2014;
- a conservation covenant under Section 77 of the Reserves Act 1977;
- a covenant for conservation purposes under Section 27 of the Conservation Act 1987;
- Land identified for protection as a Significant Natural Area, Outstanding Natural Feature or Landscape through the Regional Policy Statement, Regional Plans or District Plan(s);
- Nga Whenua Rahui kawenata under Section 77A of the Reserves Act 1977;
- a declaration of protected private land under Section 76 of the Reserves Act 1977;
- a management agreement for conservation purposes under Section 38 of the Reserves Act 1977;
- Nga Whenua Rahui kawenata under Section 27A of the Conservation Act 1987;
- a management agreement for conservation purposes under Section 29 of the Conservation Act 1987;
- a Māori reservation for cultural purposes under Sections 338 to 341 of the Te Ture Whenua Māori Act 1993 (Māori Land Act 1993) (1993 No 4); or
- Land identified for protection as a natural inland wetland as defined by clause 3.21 of the National Policy Statement Freshwater Management; or
- Land identified for protection as a significant natural wetland as outlined in Schedule 1 or 2 of the West Coast Regional Land and Water Plan.

Procedure

The Applicant must obtain from a Registered Valuer the proportion of a rating unit that qualifies for remission either through adjusting the rateable capital value, land value, or land area of a property as is appropriate.

In determining the proportion the Registered Valuer shall consider the following factors:

1. the proportion of the property protected;
2. the components of value making up the overall value of the property;
3. the management of the protected property;
4. the way the property is occupied whether residential or non-residential.

Applications must be received prior to the commencement of the rating year (1 July to 30 June). Successful applications received during a rating year will be applicable from the commencement of the following rating year. No remissions will be backdated.

The Delegations Manual sets out the delegated authority to consider applications for the remission of any rates in terms of this Policy, and if appropriate, to approve or decline them.

Category 4: Remission for Land Subject to Natural Calamity

Policy Objective

To assist property owners with rates relief, for a period, where the use of the rating unit has been detrimentally affected by erosion, subsidence, submersion, fire or other natural calamity.

Conditions and Criteria

A rates remission may be granted to rating units that are:

- Used principally for residential purposes by the owner occupier and are subject to one of the following:
 - › Erosion;
 - › Subsidence;
 - › Submersion;
 - › Fire; or,
 - › Other natural calamity that had the effect of rendering the residence uninhabitable or unusable, such as earthquake related.
- Uninhabitable or unusable for a period of greater than one month.

Procedure

The application must be received in writing within 12 months of the event. The application must include the following support information:

- Details of the property;
- The description of the natural calamity;
- Steps taken, or that will be taken, to return the rating unit to an inhabitable or usable state; and
- An estimate of the time the rating unit is expected to be affected.

Up to 100% of all rates may be remitted for the period during which the building(s) is uninhabitable or unusable.

Category 5: Postponement Due to Financial Hardship

Policy Objective

The objective of this part of the policy is to assist ratepayers experiencing financial hardship, which may affect their ability to pay rates.

Conditions and Criteria

Residential ratepayers

Rating units used solely for residential purposes (as defined by Council) will be eligible for consideration for rates postponement due to financial hardship.

Only the person entered as the ratepayer, or their authorised agent, may make an application for rates postponement for financial hardship. The applicant must not own any other rating units or investment properties (whether on the West Coast or in another region).

When considering whether financial hardship exists, the Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision for maintenance of their home and chattels at an adequate standard as well as making provision for normal day to day living expenses.

Any postponed rates will be postponed until:

- The rate payer pays the rates; or
- The death of the ratepayer(s); or
- Until the ratepayer(s) ceases to be the owner or occupier of the rating unit; or
- Until the ratepayer(s) ceases to use the property as his/her residence; or
- Until a date specified by the Council.

Businesses

The business sector is defined as rating units in the following Buller, Grey and Westland District Councils' rating categories:

- Business (Category 13);
- Motels (Category 15); and
- Shopping Plazas (Category 16).

Businesses making an application must include the following documents in support of their application:

- proof of business ownership;
- land owned or used by the applicant;
- details of the use of the land;
- financial statements;
- reason for making an application;

Any rates postponed due to financial hardship will not be subject to penalties and will be removed from the rates penalties regime.

Procedure

The policy will apply from the beginning of the rating year in which the application is made although the Council may consider backdating past the rating year in which the application is made depending on the circumstances.

The Council will consider, on a case-by-case basis, all applications received that meet the Conditions and Criteria described in this category, Category 5. The Delegations Manual sets out the delegated authority to approve applications for rates postponement.

The postponed rates or any part thereof may be paid at any time.

Postponed rates will be registered as a statutory land charge on the rating unit title. This means that the Council will have first call on the proceeds of any revenue from the sale or lease of the rating unit.

Category 6: Remission and Postponement for Business and Economic Development

Policy Objective

To offer rates remission and / or postponement to promote economic development and new business. The intent is that this will:

- encourage developments that assist new business to become established in the region; and
- encourage developments that assist existing business in the region to expand and grow.

Conditions and Criteria

To be eligible for rates remission and / or postponement for business and economic development purposes, applications must meet all of the criteria in Part 1(a) and Part 1(b):

Part 1 (a)

- New commercial and/or industrial developments that involve the construction of any new building; or
- Existing commercial and/or industrial developments that involve substantial alterations or renovations to the existing building.

Part 1 (b)

- The new investment must increase the rateable value of the rating unit (units) on which the development takes place by more than 25% of the capital value of the rateable unit.

Any rates postponed for business and economic development will not be subject to penalties and will be removed from the rates penalties regime.

Procedure

Any rates remission and / or postponement is subject to:

- A maximum of three consecutive years.
- The Council's determination of the size and length of the remission and / or postponement. Generally, it will not be of a size that results in a full remission of the rates derived by the Council from the rating unit.
- Meeting the agreed conditions which the Council considers appropriate in relation to the approval of a remission or postponement. Failure to comply with such conditions may lead either to the suspension of the remission or postponement for a period to be determined by the Council, or termination of the remission or postponement, at the Corporate Service Manager's discretion.

Applications must be received prior to the commencement of the rating year (1 July to 30 June). Successful applications received during a rating year will be applicable from the commencement of the following rating year. Remissions and postponements will not be backdated.

Businesses making an application should include the following documents in support of their application:

- proof of organisation structure;
- land owned or used by the applicant;
- details of the use of the land;
- statement of objectives and how it aligns with this policy;
- financial statements;
- proof of capital value prior to development;
- proof of capital value after development.

APPENDIX 1

Extract from the Local Government (Rating) Act 2002

Schedule 1

Categories of non-rateable land

Part 1

Land fully non-rateable

1. Land forming part of—
 - a. a National Park under the National Parks Act 1980;
 - b. a reserve under the Reserves Act 1977;
 - c. a conservation area under the Conservation Act 1987;
 - d. a wildlife management reserve, wildlife refuge, or wildlife sanctuary under the Wildlife Act 1953.

2. Land vested in the Crown and forming part of—
 - a. a flood ponding area;
 - b. the bed of any navigable lake or navigable river.

3. Land that is—
 - a. owned by a society or association of persons (whether incorporated or not); and
 - b. used for conservation or preservation purposes; and
 - c. not used for private pecuniary profit; and
 - d. able to be accessed by the general public.

4. Land used by a local authority—
 - a. for a public garden, reserve, or children’s playground;
 - b. for games and sports (except galloping races, harness races, or greyhound races);
 - c. for a public hall, library, athenaeum, museum, art gallery, or other similar institution;
 - d. for public baths, swimming baths, bathhouses, or sanitary conveniences;
 - e. for soil conservation and rivers control purposes, being land for which no revenue is received.

5. Land owned or used by, and for the purposes of,—
 - a. Heritage New Zealand Pouhere Taonga;
 - b. the Queen Elizabeth the Second National Trust;
 - c. the Museum of New Zealand Te Papa Tongarewa Board;
 - d. the charitable trust known as Children’s Health Camps—The New Zealand Foundation for Child and Family Health and Development;
 - e. the Royal New Zealand Foundation of the Blind, except as an endowment.

6. Land owned or used by, and for the purposes of,—
 - a. a special school established under section 98(1) of the Education Act 1964;
 - b. an educational establishment defined as—
 - i. a state school under section 2(1) of the Education Act 1989;
 - ii. an integrated school under section 2(1) of the Private Schools Conditional Integration Act 1975;
 - iii. a special institution under section 92(1) of the Education Act 1989;
 - iv. an early childhood education and care centre under section 309 of the Education Act 1989, excluding any early childhood centres that operate for profit;
 - v. a school under section 35A of the Education Act 1989, excluding any registered schools that operate for profit;
 - vi. an institution under section 159(1) of the Education Act 1989.

7. Land owned or used by, and for the purposes of, an institution for the instruction and training of students in theology and associated subjects, being land that does not exceed 1.5 hectares for any one institution.

8. Land owned or used by a district health board and used to provide health or related services (including living accommodation for hospital purposes and child welfare homes).
9. Land used solely or principally—
 - a. as a place of religious worship;
 - b. for a Sunday or Sabbath school or other form of religious education and not used for private pecuniary profit.
10. Land that does not exceed 2 hectares and that is used as—
 - a. a cemetery, crematorium, or burial ground, within the meaning of section 2(1) of the Burial and Cremation Act 1964 (except a burial ground or crematorium that is owned and conducted for private pecuniary profit);
 - b. a Māori burial ground.
11. Māori customary land.
12. Land that is set apart under section 338 of Te Ture Whenua Māori Act 1993 or any corresponding former provision of that Act and—
 - a. (a) that is used for the purposes of a marae or meeting place and that does not exceed 2 hectares; or
 - b. (b) that is a Māori reservation under section 340 of that Act.
13. Māori freehold land that does not exceed 2 hectares and on which a Māori meeting house is erected.
14. Māori freehold land that is, for the time being, non-rateable by virtue of an Order in Council made under section 116 of this Act, to the extent specified in the order.
15. Machinery, whether fixed to the soil or not, but excluding, in the case of a hydro-electric power station, everything other than the turbines, generator, and associated equipment through which the electricity produced by the generator passes.
16. Land that is specifically exempt from rates under the provisions of any other enactment, to the extent specified in the enactment.
17. Land vested in the Crown or a local authority that is formed and used for a road, limited access road, access way, or service lane.
18. Land vested in and occupied by the Crown, or by any airport authority, that is—
 - a. within the operational area of an aerodrome; and
 - b. used solely or principally—
 - i. for the landing, departure, or movement of aircraft; or
 - ii. for the loading of goods and passengers on to or from aircraft.
19. Land occupied by the New Zealand Railways Corporation, or by a railway operator, that is—
 - a. part of the permanent way of the railway, being land on which is sited any railway line together with contiguous areas of land that are occupied incidentally and not otherwise used; or
 - b. used, solely or principally, for the loading or unloading of goods or passengers on to or from trains situated on the railway line.
20. Land used as a wharf.
21. Land used or occupied by, or for the purposes of, an institution that is carried on for the free maintenance or relief of persons in need, being land that does not exceed 1.5 hectares for any one institution.
22. Land on which any vice-regal residence or Parliament building is situated.

23. The common marine and coastal area, including any customary marine title area, within the meaning of the Marine and Coastal Area (Takutai Moana) Act 2011.
24. The bed of Te Whaanga Lagoon in the Chatham Islands.
25. Structures that are—
- fixed to, or under, or over any part of the common marine and coastal area; and
 - owned, or deemed to be owned, by the Crown under section 18 or 19 of the Marine and Coastal Area (Takutai Moana) Act 2011; or
 - owned by the Crown, Te Urewera Board, or the trustees of Tūhoe Te Uru Taumatua under the Te Urewera Act 2014, but subject to note 2.

Notes:

- For the purposes of this Part, unless the context otherwise requires,—
 - **aerodrome** has the same meaning as in section 2 of the Civil Aviation Act 1990
 - **airport authority** has the same meaning as in section 2 of the Airport Authorities Act 1966
 - **persons in need** means persons in New Zealand who need care, support, or assistance because they are orphaned, aged, infirm, disabled, sick, or needy
 - **railway line** has the same meaning as in section 4(1) of the Railways Act 2005
 - **railway operator** has the same meaning as in section 2(1) of the New Zealand Railways Corporation Restructuring Act 1990
- wharf—
- means any quay, pier, jetty, or other land or premises in, on, or from which passengers or goods are taken on board or landed from vessels; but
 - does not include land that is used primarily or exclusively for private recreational or personal transport purposes.
- For the purposes of clauses 1 and 2, **land does not include land that is used primarily or exclusively for private or commercial purposes under a lease**, licence, or other agreement.
 - For the purposes of clauses 3, 9, and 10, land must not be treated as being used for private pecuniary profit solely because charges are made for the admission to, or use of, that land if the net proceeds of the charges are applied,—
 - in the case of a local authority, as part of the local authority's revenues:
 - solely for the purposes of the society, organisation, association, or administering body of a reserve that makes those charges, and no part of the charges is distributed as profit to any individual.
 - For the purposes of clause 6, land must be treated as being used for the purposes of a school, institution, or centre described in that clause if—
 - it is used solely or predominantly as residential accommodation for any principal, teacher, or caretaker; and
 - it is let at a discounted or subsidised rent.
 - For the purposes of clauses 18 to 20, **land does not include land that is used—**
 - for administrative purposes; or
 - for the purposes of parking, the storage of freight or machinery, maintenance, cleaning, freight consolidation, passenger waiting areas, and the buying and selling of tickets.
 - For the purposes of clause 21, an institution must be treated as being carried on for the free maintenance and relief of the persons to whom that clause applies if—
 - those persons are admitted to the institution regardless of their ability to pay for the maintenance or relief; and
 - no charge is made to those persons or any other persons if payment of the charge would cause those persons to suffer hardship.

Part 2

Land 50% non-rateable

1. Land owned or used by a society incorporated under the Agricultural and Pastoral Societies Act 1908 as a showground or place of meeting.
2. Land owned or used by a society or association of persons (whether incorporated or not) for games or sports, except galloping races, harness races, or greyhound races.
3. Land owned or used by a society or association of persons (whether incorporated or not) for the purpose of any branch of the arts.

Notes:

For the purposes of this Part, unless the context otherwise requires,—

- land does not include land used for the private pecuniary profit of any members of the society or association
- land, in clause 2, excludes land in respect of which a club licence under the Sale and Supply of Alcohol Act 2012 is for the time being in force.

Rates Remissions and Postponement Policy for Māori Freehold Land

Māori freehold land is defined by the Local Government (Rating) Act 2002 as “Land whose beneficial ownership has been determined by the Māori Land Court by Freehold Order”.

The Local Government Act 2002 requires Council to adopt a policy on the “Remission and Postponement of Rates on Māori Freehold Land”.

Council adopted a General Remissions and Postponements Policy in 2003, which has the objective of “facilitating the ongoing provision of community services and recreational opportunities for the residents of the West Coast Region”.

The general policy applies to land owned and occupied by charitable organisations, which is used exclusively or principally for sporting, recreation, or community purposes, and the organisation wishes to receive a discretionary 50% remission in addition to any mandatory 50% remission allowed by statute (i.e. zero rates).

Existing organisations receiving a discretionary 50% remission as at 30 June 2003 continued to receive this remission provided their circumstances continue to come within the criteria of the general policy.

It is considered appropriate for the existing general remissions and postponements policy to include Māori Freehold Land.

Policy

The Council’s policy with regard to Rates Remissions and Postponement also applies to Māori Freehold Land.

Council Controlled Organisations

A council-controlled organisation (CCO) can be a company, partnership, trust, arrangement for the sharing of profits, union of interest, co-operation, joint venture or other similar arrangement in which one or more local authorities, directly or indirectly, controls the organisation.

Regional Software Holdings Ltd – owner of Integrated Regional Information Software – (IRIS)

Council is part owner of a CCO with five other regional councils for the purposes of collaboratively developing and maintaining a software application suite for use by regional councils. Regional Software Holdings Ltd (RSHL) is the name of the company.

The CCO is a limited liability company. The shareholders are the six regional councils that have developed the IRIS suite of software. The West Coast Regional Council's Director is one of the seven Directors of RSHL, being one per shareholding council and one independent.

Council Organisations

The West Coast Regional Council has interests in an organisation that meets the definition of a Council Organisation.

The West Coast Development Trust (Trading as Development West Coast) was established “for the benefit of the community of the present and future inhabitants of the West Coast Region.” One Trustee is jointly appointed by the four West Coast Councils: Westland District Council, Grey District Council, Buller District Council and West Coast Regional Council.

Policy on Appointments and Remuneration of Directors for Council Organisations and Council Controlled Organisations

This policy details the skills sought from potential appointees and the appointment process to be followed by Council.

The Local Government Act 2002 requires that the Council may appoint a person to directorship of Council Organisations (CO's) or Council Controlled Organisations (CCO's) only if the Council considers the person has the skills, knowledge and experience to:

- Guide the organisation given the nature and scope of its activities
- Contribute to the achievement of the objectives of the organisation.

The Council is required to adopt a policy setting out the objectives and transparent process for identifying and considering the skills required and appointing the Directors of COs and CCO's.

Skills

The Council considers that any person that it appoints to be a Director of a CO or CCO should as a minimum have the following skills:

- intellectual ability and an understanding of the region's community
- appropriate business acumen and experience in the activities of the organisation
- sound judgement and ability to work with others
- a high standard of personal integrity.

Appointment Process

When vacancies arise in any CO or CCO the Council will identify and follow the appropriate process for appointing the representative(s).

Final Appointment

An elected member who is under consideration to fill a particular vacancy may not take part in the discussion or vote on the appointment.

Conflicts of Interest

The West Coast Regional Council expects that Directors of COs and CCO's will avoid situations where their actions could give rise to a conflict of interest. To minimise these situations the Council requires the Directors to follow the provisions of the good practice guide by the Office of the Auditor General "*Managing Conflicts of Interest: Guidelines for Public Entities*".

All Directors are appointed "at the pleasure of the Council".

Remuneration

Remuneration of directors of CO's and CCO's is a matter of public interest.

Where the Council is the sole shareholder in a particular organisation the Council will set Directors remuneration either by resolution at the Annual General Meeting, or will review salaries on an annual basis (for those organisations that do not have such a meeting). In reaching a view on the appropriate level of remuneration for Directors of CO's or CCO's Council will consider the following factors:

- the need to attract and retain appropriately qualified people
- the levels and movements of salaries in comparable organisations (Council will retain professional advice on salary levels and movements)
- the objectives of the CO or CCO (in particular whether or not the CO or CCO operates on a charitable basis)
- the past performance of the organisation
- the financial situation of the organisation.

In cases where Council cannot exercise direct control, such as in an organisation where it is one shareholder among many, it will conduct its own monitoring of salaries against the above factors.

As well as having this policy on appointments and remuneration, Council must monitor performance of its CO. Should Council form a CCO in future, the Local Government Act 2002 contains more rigorous additional requirements.

Financial Contributions Policy

The Local Government Act 2002 requires Council to adopt a policy on financial contributions.

"Financial Contributions" has the meaning given to it by section 108(9) of the Resource Management Act 1991.

The Council does not intend to fund any capital expenditure identified in this Long-Term Plan from Financial Contributions. However, during the period of this plan, it is possible that in granting a resource consent, a financial contribution may be imposed, according to the Policy set in the relevant Regional Plan.

Copies of Regional Plans are available for inspection at the Regional Council and are available on the Council website www.wcrc.govt.nz



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THE WEST COAST
REGIONAL COUNCIL