

West Coast Regional Council

Long Term Plan
July 2012 to June 2022



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Chairperson's Foreword

The Council's Long Term Plan is revised every third year. Recent changes to the Local Government Act have meant Council has now reduce the number of community outcomes in this Plan from six down to three (page 20). This means the Plan can now focus solely on the services Council delivers to the community, rather than also mentioning government services such as education or health.

Council has also significantly restructured the way we measure and report on our core activities. Council has developed new environmental results-based levels of service and performance targets. Our Resource Management Act (RMA) teams will now use these environmental results (eg water quality in our rivers) as the target against which we will now measure our performance against annually (pages 32 - 37). The RMA functions of Council are now all grouped together, in order to promote a more integrated approach.

Council will continue its 'user-pays' approach to meeting the cost of our RMA and other functions. This approach helps to ease the burden on the general rate payer. We will also use part of the interest earned from our investment fund, together with any surplus provided by our business unit, to help offset the costs of delivering our core programmes and services.

The most costly projects in terms of capital spend are normally flood protection upgrades, which are funded entirely by special rating district ratepayers. Council is likely to be asked by one or more communities during the coming years, to assist them to protect themselves against sea or river flooding, or erosion. The Council approach is to support these communities, provided the community is largely unified in its intentions. All costs are fully met by that community – usually by setting up a new special rating district scheme.

In 2011 ratepayers in the New River/Saltwater Creek catchment were asked to complete an opinion survey on the options for managing flooding near the mouth of New River/Saltwater Creek. This Plan includes a new special rating district be formed to manage the river mouth thereby minimising the risk of serious flood impacts (pages 50 - 51). A new Whataroa Rating District was formed in 2011 to maintain river works near the state highway bridge, to manage the risk of river flooding and bank erosion for this community.

The four West Coast Councils have prepared an IT Strategy that seeks to provide for the future IT needs of all four councils in a cost effective manner, as a shared service. The Councils have jointly tendered for replacement of their financial software and are exploring further sharing in the future. This helps to minimise cost increases to ratepayers while still ensuring services to ratepayers and resource users are world class.

Finally a new voluntary rates system has been introduced, whereby qualifying ratepayers can choose to 'borrow' money to upgrade their home insulation and home heating appliance, paying the amount back over a ten year period via their regional council rates (page 24 - 25). The loan tops up the EECA insulation and home heating grants and is intended to assist homeowners to make their homes warmer and healthier during winter and also to improve air quality in winter, particularly in Reefton.

Ross Scarlett
Chairman
West Coast Regional Council

Highlights at a glance...

This Plan sets out the Council's strategic direction, funding intentions and work programmes for the next ten years. The following is a quick summary of the key issues likely to be of public interest from 2012-2022, and the coming year in particular.

Long Term Intentions of Council

The Council intends staying strongly focused on high quality delivery of its core activities, which we consider contribute strongly to the community outcomes: in particular the environmental outcome but also community safety and economic outcomes for the West Coast.

The core activities we intend to continue to deliver are:

- a) Protecting our rivers and lakes and coastal waters from pollution;
- b) Monitoring the state of our rivers and lakes, and contact recreation waters;
- c) Ensuring a simple but comprehensive set of policy documents reflect community needs, and a sustainable development ethic;
- d) Managing our RMA consenting processes efficiently and effectively;
- e) Undertaking compliance monitoring to ensure high risk activities are well managed;
- f) Responding to community requests for flood or sea protection and ensuring all protection works are well managed and well maintained;
- g) Continuing to provide flood monitoring services on the five key rivers;
- h) Delivering Council's regional civil defence co-ordination role effectively; and
- i) Managing regional transport functions efficiently and continuing to provide subsidies for the transport disadvantaged in our three main towns; and
- j) Managing the control of pest plants where the community signals a regulatory input is needed.

Minimising Cost Increases to ratepayers

The Council focus is on fiscal prudence and we try very hard to avoid placing additional costs on ratepayers. We recognise that our region has a small number of ratepayers, and we remain firmly focused on cost effective delivery of the core tasks above. Council philosophy is 'user pays where possible' and cost recovery is a high priority. However, many costs can only be met from general funds such as the general rate.

For 12/13 we have budgeted for a small total general rate take increase of 2%. This will generally result in a nil rate increase to existing ratepayers, but increases the total rate taken due to new rateable properties being created in the region (new subdivisions). This approach, while keeping the cost to each ratepayer approximately the same as last year, ensures Council funding keeps up with growth in the region.

General rate estimates across years 2 to 10 of the LTP have been adjusted by the BERL estimated cost index ("other" index) but in practice Council will also take into account the increase in the number of rateable properties in the region and intends using that to guide annual increases in the general rate.

Council intends to continue using 40% - 60% of the income from its investment fund, plus forecasted surpluses from the VCS business unit, to help to minimise general rate increases. If these income sources are not able to deliver as predicted the general rate may need to be increased to compensate. The risks associated with this are covered in more detail under "Significant Forecasting Assumptions" on page 58. Council has budgeted for returns of 7% from its \$11 million and \$1.050 million Investment portfolios and 6% from its Catastrophe Fund Investment portfolio over the next 10 years. The consequences of a reduction in Investment income returns of 1% (\$120,000) would amount to an increase in general rate of not more than \$60,000 or \$1.68 per annum on a \$200,000 capital value property (Only 50% of investment income is used to fund Council activities). Reductions in VCS Business Unit income would have a similar proportionate impact.

Affordability of Council Services

A key premise underpinning this Plan is Council's desire to deliver affordable services to ratepayers and residents of the Region. Council focuses on maintaining rates at levels affordable for the community and seeks other income sources wherever possible. Council actively seeks grants from various agencies to fund particular projects and has also lobbied government with regard to returning coal levies and royalties to the region to assist with environmental monitoring of mining. As mentioned above, Council investment income and returns from its VCS business unit are important parts of this strategy.

Highlights at a glance...

Maintaining or Improving the West Coast's water quality

Council has set itself a number of new performance targets in the new Long Term Plan which measure and report on the achievement of water quality improvement in our lakes and rivers. Council has been monitoring over 40 river sites since the mid 1990s. A combination of RMA planning, consenting, compliance and enforcement work will contribute to the achievement of this target, together with the non regulatory work we do with farm planning and working with resource users to use best practice land management techniques. Also helpful is the work that Westland Milk products is doing with its suppliers to improve environmental best practice on farm; and the work some miners are doing to improve their practices. Efforts have so far resulted in significant water quality enhancement in many of our monitored rivers. The plan development work in Lake Brunner is expected to result in water quality also improving in the lake, within the timeframe of this ten year plan.

Regional Policy Statement and other RMA Plan Reviews

The Regional Policy Statement is under review and once the national biodiversity policy statement is complete Council will be in a position to prepare a new proposed Regional Policy Statement for public submissions. The Regional Coastal Plan is also under review and the Air Plan review is imminent. The Land and Water Plan process is coming close to concluding the council decision-making process.

Generally, the Council will be looking to further streamline and simplify our planning documents so that the documents are brief and easy to read. They will be formatted to make it simple to apply for resource consents and for users to understand what is required of them under the RMA.

Council Controlled Organisations for IT and other Information Systems

The four West Coast Councils have jointly prepared a shared services Information Systems Strategic Plan and are progressing this to find efficiencies to share common technology solutions wherever possible. The Council proposes to form a Council Controlled Organisation with the other three West Coast Councils to oversee the progressive implementation of the Information Systems Strategic Plan for the 4 Councils.

River and Coastal Protection Works

The Council has over 20 special rating districts for managing river and flood protection works. Ratepayers within those rating districts often request Council to investigate and prepare proposals for capital and maintenance works. The implementation of those additional works is a direct cost to the ratepayers of the relevant rating districts and is not subsidised from general funds.

The works constructed by these schemes become an asset owned by the Council, on behalf of the ratepayers of that rating district. Those ratepayers pay for all maintenance works via a targeted rate, on an ongoing basis. Annual rating district meetings are held to discuss the annual works inspections undertaken by Council engineering staff, and any maintenance recommended, and the level of rating required to fund that maintenance. New capital works are also sometimes requested. These are usually funded through short term loans, and repaid by the rating district over the subsequent 2-5 years.

Predicting when and where such work may occur is not possible. However, there is no cost impact on the general rate from this activity so variations within the ten year period will be managed in the annual plan process. For information on levels of service and expected upgrades over the period of the plan for each individual rating district please refer to pages 44 - 52.

National Pest Management Strategy Funding

The Regional Council intends continuing to fund the regional share of the National Bovine Tb Strategy. The Regional Council share of this is generally around 8% of the cost of the work in the region, each year. 75% of this cost falls on those with properties of 2 hectares or over. The general ratepayer contributes the remaining 25% in recognition of the benefits to the region as a whole. The number of TB infected herds continues to fall steadily which is very pleasing to see as it demonstrates the effectiveness of the programme and justifies Council's continued support. Although there is a slight cost increase in the 2012/13 year, the cost of the strategy returns to normal the following year, and is not expected to increase, or decrease, over the rest of the ten year period.

Introduction to the Long Term Plan (LTP)

At least once every three years, Council is required under the Local Government Act 2002, to produce a Long Term Plan. The Plan covers a period of 10 years. It details the activities of Council, sets the performance targets for each of those activities for the first three years of the Plan, and then outlines what may be done in the following seven years. It also provides financial estimates for the ten-year period and shows how those costs will be funded.

This is Council's 4th Long Term Plan (LTP).

This Plan is in six parts:

Part 1 - Financial Strategy

This part includes the financial strategy Councils are required to prepare pursuant to the Local Government Amendment Act 2010.

Part 2 – The West Coast Regional Council.

This part provides information on who your Councillors are and what this Council does, including an overview of the community outcomes the West Coast Regional Council aims to achieve. This includes how these outcomes were identified and how Council intends to contribute to furthering these outcomes.

It also includes an introduction to the new West Coast Clean Air and Warmer Homes scheme.

Part 3 – Groups of Activities Contributing to the Community Outcomes

Activities with similar outcomes have been grouped together and details of their service levels and performance targets have been stated. Financial information relating to each activity is also provided for the ten-year period.

Part 4 – Ten Year Financial Projections

This part provides details of the overall financial impact of our activities and it explains the various funding sources and how they are calculated.

Part 5 – Funding Impact Statement in Accordance with the Local Government (Financial Reporting) Regulations 2011

Policies required by the Local Government Act 2002 to be included in this LTP are included in this part.

Part 6 – Council Policies

Statement of Compliance

The West Coast Regional Council and its officers confirm that all the relevant statutory requirements of Part 6 of the Local Government Act 2002 (relating to planning, decision making and accountability) have been complied with.

The Council and its officers accept responsibility for 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 ten years commencing 1 July 2012 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 activities of the West Coast Regional Council.



AR Scarlett
CHAIRMAN



C. Ingle
Chief Executive Officer

Independent Auditor's Report
To the readers of
West Coast Regional Council's
Long-Term Plan
for the ten years commencing 1 July 2012

The Auditor-General is the auditor of West Coast Regional Council (the Regional Council). The Auditor-General has appointed me, John Mackey, using the staff and resources of Audit New Zealand, to report on the Long Term Plan (LTP), on her behalf. We have audited the Regional Council's LTP dated 21 June 2012 for the ten years commencing 1 July 2012.

The Auditor-General is required by section 94(1) of the Local Government Act 2002 (the Act) to report on:

- the extent to which the LTP complies with the requirements of the Act; and
- the quality of information and assumptions underlying the forecast information provided in the LTP.

Opinion

Overall Opinion

In our opinion the Regional Council's LTP dated 21 June 2012 provides a reasonable basis for long term integrated decision-making by the Regional Council and for participation in decision-making by the public and subsequent accountability to the community about the activities of the Regional Council.

In forming our overall opinion, we considered the specific matters outlined in section 94(1) of the Act which we report on as follows.

Opinion on Specific Matters Required by the Act

In our view:

- **the Regional Council has complied with the requirements of the Act in all material respects demonstrating good practice for a council of its size and scale within the context of its environment; and**
- **the underlying information and assumptions used to prepare the LTP provide a reasonable and supportable basis for the preparation of the forecast information.**

Actual results are likely to be different from the forecast information since anticipated events frequently do not occur as expected and the variation may be material. Accordingly, we express no opinion as to whether the forecasts will be achieved.

Our report was completed on 21 June 2012. This is the date at which our opinion is expressed.

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

Basis of Opinion

We carried out the audit in accordance with the International Standard on Assurance Engagements (New Zealand) 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). We have examined the forecast financial information in accordance with the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information.

Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain all the information and explanations we considered necessary to obtain reasonable assurance that the LTP does not contain material misstatements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

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

Our audit procedures also include assessing whether:

- the LTP provides the community with sufficient and balanced information about the strategic and other key issues, and implications it faces and provides for participation by the public in decision making processes;
- the Regional Council's financial strategy, supported by financial policies is financially prudent, and has been clearly communicated to the community in the LTP;
- the presentation of the LTP complies with the legislative requirements of the Act;
- the decision-making and consultation processes underlying the development of the LTP are compliant with the decision-making and consultation requirements of the Act;
- the information in the LTP is based on materially complete and reliable asset or activity information;
- the agreed levels of service are fairly reflected throughout the LTP;
- the Regional Council's key plans and policies have been consistently applied in the development of the forecast information;
- the assumptions set out within the LTP are based on best information currently available to the Regional Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast information has been properly prepared on the basis of the underlying information and the assumptions adopted and the financial information complies with generally accepted accounting practice in New Zealand;
- the rationale for the activities is clearly presented;
- the levels of service and performance measures are reasonable estimates and reflect the key aspects of the Regional Council's service delivery and performance; and
- the relationship of the levels of service, performance measures and forecast financial information has been adequately explained within the LTP.

We do not guarantee complete accuracy of the information in the LTP. Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the LTP and determining compliance with the requirements of the Act. We evaluated the overall adequacy of the presentation of information. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Council

The Council is responsible for preparing a LTP under the Act, by applying the Council's assumptions and presenting the financial information in accordance with generally accepted accounting practice in New Zealand. The Council is also responsible for such internal control as it determines is necessary to enable the preparation of a LTP that is free from material misstatement

The Council's responsibilities arise from Section 93 of the Act.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the LTP and reporting that opinion to you based on our audit. This responsibility arises from section 15 of the Public Audit Act 2001 and section 94(1) of the Act.

It is not our responsibility to express an opinion on the merits of any policy content within the LTP.

Independence

When reporting on the LTP we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than this report and in conducting the audit of the LTP Statement of Proposal and the annual audit, we have no relationship with or interests in the Regional Council.



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

Matters Relating to the Electronic Presentation of the Report to readers of the Long-Term Plan

This audit report relates to the Long-Term Plan of West Coast Regional Council for the ten years commencing 1 July 2012 included on the Council's website. West Coast Regional Council is responsible for the maintenance and integrity of its website. We have not been engaged to report on the integrity of West Coast Regional Council's website. We accept no responsibility for any changes that may have occurred to the Long-Term Plan since they were initially presented on the website.

The audit report refers only to the Long-Term Plan named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the Long-Term Plan. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited Long-Term Plan as well as the related audit report dated 21 June 2012 to confirm the information included in the audited Long-Term Plan presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

PART 1 – FINANCIAL STRATEGY

West Coast Regional Council Financial strategy

Introduction

The local Government Amendment Act 2010 introduced a requirement for each local authority to prepare and adopt a Financial Strategy as part of its Long Term Plan.

The purpose of the Strategy is to facilitate:

- a) Prudent financial management by providing a guide for Council to consider proposals for funding and expenditure against.
- b) Consultation on the Council's proposals for funding and expenditure by making transparent the overall effects of those proposals on services, rates, debt and investments.

The Financial Strategy must include:

- Expected changes in population and land use and the impact of these changes on operating costs.
- Expected capital expenditure that is required to maintain existing levels of service.
- Other significant factors affecting the ability to maintain existing levels of service and to meet additional demands for services.
- Quantified limits on rates and rate increases.
- Quantified limits on borrowing.
- Policy on giving of security for its borrowings.
- Objectives for holding and managing financial and equity investments and quantified targets for returns on those investments.

The four main obligations on Council to ensure that financial prudence is achieved are:

1. To manage finances prudently in a way that promotes the current and future interests of the community
2. To adopt a financial strategy that informs and guides the assessment of funding and expenditure proposals.
3. To adopt a set of funding and financial policies that offer predictability and certainty about sources and levels of funding.
4. To maintain operating revenues at levels sufficient to meet operating expenses.

Council's Core Drivers

- Council wishes to minimise costs to ratepayers.
- Council wishes to have a strong focus on water quality issues in the Region.

Council's Key assumptions

- Investment returns will continue to deliver 7% per annum (except for Catastrophe Fund Conservative portfolio which is budgeted to return 6% per annum).
- VCS Business Unit returns will at least equal \$500,000 per annum.
- General rate income is maintained in real terms.

Population Growth Projections

The Statistics New Zealand "medium series" population estimates for the Region show no population growth over the ten year period (from 32,900 people in 2011 to 32,600 people in 2022).

Council therefore is not expecting increased operating or capital expenditures resulting from population changes in the Region.

Land Use Changes

There are at present approximately 380 dairy farms in the Region. Continued growth in the number of dairy farms, or the total hectares of land used for dairy farming is expected. This is not expected to have a significant impact on Council operating or capital expenditure requirements.

Mining (Coal and Gold) is expected to continue its growth in the Region. This could impact on demand for Council services (especially consent processing and compliance monitoring). Council has budgeted to meet this increased demand.

Council's Forecasted Funding Sources

	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
General rates	25%	25%	25%	25%	25%	25%	24%	24%	24%	24%
Targeted rates	21%	20%	20%	20%	20%	20%	20%	20%	20%	21%
User Charges	17%	16%	16%	17%	17%	17%	17%	17%	17%	17%
Business Unit income	25%	27%	26%	26%	26%	26%	26%	26%	26%	25%
Investment Income	11%	11%	11%	11%	11%	11%	11%	11%	11%	12%
Other	1%	1%	2%	1%	1%	1%	2%	2%	2%	1%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The Council funding sources remain very consistent over the 10 year timeline of the LTP.

Caps:

General Rates 30%

Targeted Rates 25%

Total Rates / Total Revenue

	44%	44%	44%	44%	44%	44%	45%	45%	45%	45%
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This demonstrates that Council dependence on rates revenue is not increasing over the 10 year timeline of the LTP.

General Rates / Total Rates

	55%	56%	56%	56%	56%	55%	55%	54%	54%	54%
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This demonstrates that Council dependence on the general rates is not increasing over the 10 year timeline of the LTP.

Interest Cost + Loan Principal Repayments / Total Revenue

Interest	2.1%	2.2%	2.1%	2.1%	2.2%	2.2%	2.1%	2.0%	2.0%	1.9%
Loan Principal	2.0%	2.1%	2.4%	2.1%	2.1%	2.3%	2.6%	2.9%	3.1%	3.4%
Total	4.1%	4.3%	4.5%	4.2%	4.3%	4.5%	4.7%	4.9%	5.1%	5.3%

This shows that Council debt repayments compared to total revenue are not onerous and are comfortably within manageable levels.

The increase in total % from 4.1% to 5.3% reflects the external debt incurred to fund the proposed "Warm West Coast" Scheme.

Cap:

Loan interest + Loan Principal repayments not to exceed 7.5% of Total Revenues.

Term Liabilities / Total Assets

	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
	3.4%	3.5%	3.5%	3.3%	3.5%	3.5%	3.3%	3.2%	3.2%	2.8%

This shows that total Council is not highly indebted.

Cap:

Term Liabilities not to exceed 7.5% of Total Assets.

Term Liabilities per head of population

Population (,000s)	33	33	33	33	33	33	33	33	33	33
\$ per head	\$75	\$77	\$78	\$81	\$86	\$87	\$88	\$86	\$88	\$87

This shows a small increase in debt / head of population which reflects the external debt to be incurred to fund the "Warm West Coast" scheme.

Cap:

Term Liabilities not to exceed \$125 per head of regional population.

Caps (Restrictions)

Debt (Term Liabilities)

- (i) Interest and Principal expense / total revenue will not exceed 7.50%
- (ii) Term Liabilities not to exceed 7.50% of total assets.
- (iii) Term Liabilities / per capita will not exceed \$125 / per head of population.

Caps on Rates

- (i) General rates will not exceed 30% of total revenue.
- (ii) Targeted rates will not exceed 25% of total revenue (except where provided for under (v) below: where a community supports a level of rates that then exceed the cap, then the community wishes will prevail).
- (iii) General rate increases will not exceed the estimated BERL "other" inflation cost indexes (below).
- (iv) Tb Pest Management rate increases will not exceed BERL "other" inflation cost increases + 5% (30 June 2012 baseline \$650,000 + GST).
- (v) River, Drainage & Coastal protection scheme rates will not exceed the sustainable level of annual maintenance expenditure identified in the relevant asset management plan + 33.3%. (This is to enable sufficient flexibility to react to requests by these protection scheme communities for protection works). The exception to this is where a community supports a level of rates that then exceed the cap, then the community wishes will prevail.

BERL forecast of price level changes are a specific set of price level adjusters which forecast expected price level changes specific to the local government sector (not the same as Statistics NZ CPI index).

Year	% per annum change-staff	% per annum change-other
2012/13	baseline	baseline
2013/14	2.4%	3.2%
2014/15	2.4%	3.2%
2015/16	2.6%	3.4%
2016/17	2.6%	3.5%
2017/18	2.4%	3.4%
2018/19	2.3%	3.3%
2019/20	2.6%	3.3%
2020/21	2.7%	3.6%
2021/22	2.7%	3.5%

Council's Investment Assets

As at 30 June 2012 it is estimated that Council Investments will amount to;

- \$11,000,000 managed in a diversified "balanced" portfolio by a Fund Manager.
- \$1,050,000 in a "moderate risk" portfolio with its bankers.
- \$575,000 in a "conservative risk" portfolio with its bankers. This is a fund established by Council as a Catastrophe Fund.

Total \$12,625,000

Council objectives for holding and managing these investments

The objectives of the \$11,000,000 and \$1,050,000 portfolio are;

- Generation of capital gains in order to protect the real value of the portfolio.
- Creation of income to be able to be used for Council activities and to be able to be reinvested to ensure further growth in the portfolio over and above the growth mentioned above.

The objectives of the \$575,000 Catastrophe Fund portfolio are to;

- Help manage risks to Council Infrastructure (Rating District protection works) and to help ensure access to central government 60% assistance in terms of the 1991 National Disaster Recovery Plan. Council withdrew from the NZ Local authority Protection Programme (NZ LAPP) on 1 July 2011 as the proposed levies following the 2010 and 2011 Canterbury earthquakes had become unaffordable. (The premium was going to increase from \$29,000 to \$120,000 per annum.)

Targeted level of returns

- The target levels of return for the \$11 million and \$1.050 million portfolios are 7.00% per annum across the 10 year life of the LTP.
- The target levels of return for the \$575,000 Catastrophe Fund Portfolio is 6.00% per annum across the 10 year life of the LTP.

Intergenerational Equity

Council prefers to fund significant new Infrastructure (for example river protection works) by borrowing. This ensures that there is intergenerational equity, ie the present generation of ratepayers does not have to fund the entire cost of the new Infrastructure investment. Future generations will also contribute to repayment of the borrowing.

Council Borrowing

As at 30 June 2012 Council borrowings will total:

Rating District protection schemes repaid by targeted rates	\$2,225,250
Leased Assets	\$21,669
Total	\$2,246,919

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

- Deed of Acknowledgement of Debt.
- Negative Pledge.
- Specific charge over particular targeted rates (s115 Local Government Act 2002)
- Specific charge over general rate (s115 Local Government Act 2002)

Westpac bank holds a general first ranking Deed of Charge over rates (targeted and general). This Deed of Charge secures:

Overdraft Facility	\$250,000
Term Loan	\$167,564
Bond	\$30,000
Multi option credit line	\$3,000,000*
Risk management products dealing line	\$200,000
Total	\$3,647,564

* \$2,200,000 utilised @ 30/6/12 (balance owing now \$2,057,686)

Maintenance of Existing Levels of Service

Council has identified the following capital expenditure over the 10 year life of the LTP.

Replacements (to maintain existing levels of service)	\$3,097,000
Improved Levels of Service	\$261,000
Meet additional demand	\$0
Total	\$3,358,000

Other significant factors affecting Council's ability to maintain existing levels of service

As referred to above, Council relies on the following income sources across the 10 year life of the LTP:

General rates	25%
Targeted rates	20%
User charges	17%
Business Unit income	25%
Investment income	11%
Other	2%
Total	100%

General Rates

It will be important for Council to maintain the value of its general rate income in "real terms", ie after adjusting for projected future cost increases (inflation).

The estimated general rate income over the LTP has been adjusted to take into account these estimated future cost increases.

If the general rate income was not to keep pace with these cost increases, then this could affect the ability of Council to maintain existing levels of service.

Business Unit Income

The earnings from the Business Unit is a key part of Council funding requirements. If Business Unit income does not meet expectations this could also affect the ability of Council to maintain existing levels of service.

Investment Income

This is another key part of Council funding requirements. If Investment returns are lower than expected this could also affect the ability of Council to maintain existing levels of service.

Meeting Additional Demands for Services

Council has not identified any capital expenditure requirements in the LTP which would be necessary to meet additional demands for services.

As referred to above, the Statistics NZ population estimates for the Region do not anticipate any material population growth in the region which would result in any additional demands for services.

Dairy farming and mining activity is expected to continue to grow, but Council has already included provision in its operating budgeted to be able to meet any increase in demand from those activities over the life of the LTP.

Sample Rates Liabilities

\$200,000 Capital Value Property in the Buller District	<ul style="list-style-type: none"> • \$66.29 General Rate • \$1.62 Emergency Management Rate • + any targeted rates as referred to on page 95
\$200,000 Capital Value Property in the Grey District	<ul style="list-style-type: none"> • \$68.85 General Rate • \$1.62 Emergency Management Rate • + any targeted rates as referred to on page 95
\$200,000 Capital Value Property in the Westland District	<ul style="list-style-type: none"> • \$59.78 General Rate • \$1.62 Emergency Management Rate • + any targeted rates as referred to on page 95

Projected Rate Increases over 10 Year LTP

	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
General Rate	2,020,000	2,085,000	2,146,000	2,193,000	2,265,000	2,328,000	2,403,000	2,476,000	2,549,000	2,638,000
Emergency Mgmt	50,000	52,000	53,000	55,000	57,000	59,000	61,000	63,000	65,000	67,000
	2,070,000	2,137,000	2,199,000	2,248,000	2,322,000	2,387,000	2,464,000	2,539,000	2,614,000	2,705,000
% increase		3.2%	2.9%	2.2%	3.3%	2.8%	3.2%	3.0%	3.0%	3.5%
% Cap		3.2%	3.2%	3.4%	3.5%	3.4%	3.3%	3.3%	3.6%	3.5%
Tb Pest										
Management	650,000	675,000	675,000	685,000	715,000	745,000	775,000	806,000	841,000	877,000
% increase		3.8%	0.0%	1.5%	4.4%	4.2%	4.0%	4.0%	4.3%	4.3%
% Cap		8.2%	8.2%	8.4%	8.5%	8.4%	8.3%	8.3%	8.6%	8.5%
River, Drainage										
Coastal protection	981,061	918,144	934,394	903,136	902,508	927,858	949,008	972,158	997,508	1,022,958
% increase		-6.4%	1.8%	-3.3%	-0.1%	2.8%	2.3%	2.4%	2.6%	2.6%
% Cap		33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%

PART 2 – THE WEST COAST REGIONAL COUNCIL

The West Coast Regional Council

The Council has seven Councillors, representing the following constituencies:

Buller Constituency

Ross Scarlett – Council Chairman

Terry Archer (MBE)

Grey Constituency

Ian Cummings

Andrew Robb

Allan Birchfield

Westland Constituency

Bryan Chinn – Deputy Chairman

Duncan Davidson



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

West Coast Regional Council Mission Statement

“To work with the people of the West Coast to sustainably manage the environment for the social, cultural and economic well being of present and future generations.”

Regional Council Functions and Responsibilities

The West Coast Regional Council is an organisation complementary to the District Councils within the West Coast. It does not compete with or duplicate the functions of these Councils.

- **Regional Councils**

Regional Councils promote the sustainable management of our natural and physical resources for the benefit of present and future generations. As caretakers of our land, air and water, Regional Councils monitor our environment and where appropriate, limit or control the use of our resources. Regional Councils liaise with our community to develop resource management plans and pest management strategies, construct and maintain sea and catchment protection works, and carry out environmental monitoring, flood warning and pollution protection work as well as transport and civil defence co-ordination.

- **District Councils**

District Councils manage local roads, civil defence, provide reticulated water and public amenities, manage waste and sewerage, control land use and subdivisions and building development. District Councils also provide community facilities such as libraries, and recreation/sports grounds.

West Coast Regional Council Core Activities

- **Resource Management Policymaking**

Establishing and implementing objectives, policies and methods to achieve the integrated management of the natural and physical resources of the West Coast, under the Resource Management Act 1991.

- **Water Quality Management**

Managing and preserving our water by monitoring discharges and other activities where they might affect water quality in streams, rivers, lakes, groundwater and the coastal marine area.

- **Pollution Control**

Operating a 24-hour pollution hotline throughout the entire West Coast region to respond to any illegal or accidental discharges of contaminants to our land, air and water.

- **Air Quality Management**

Monitoring ambient air quality, in Reefton, with the aim of enhancing winter air quality.

- **Floodwarning services and maintaining Flood Protection Works**

Minimising the damage due to flooding by maintaining our rating district works, where communities request our assistance; and managing a responsive flood-warning system for our five key rivers.

- **Pest Management**

Implementing and reviewing the West Coast Pest Plant Management Strategy.

Assisting the Tb Vector Management strategy, by collecting the regional funding share, and by maintaining a competent & professional pest management contracting unit to deliver vector control operations.

- **Regional Land Transport**

Co-ordinating safe, efficient, responsive and sustainable transport systems through the Regional Land Transport Strategy.

- **Civil Defence and Emergency Management**

Administering the West Coast Civil Defence Emergency Management Group, providing regional co-ordination during civil defence emergencies and exercises and periodically reviewing the Group Plan.

Council's Approach to Sustainable Development

Council is committed to furthering our Community Outcomes for the betterment of the West Coast, and S14 (h) of the Local Government Act requires us to adopt a sustainable development approach, taking into account both socio-economic well being, environmental quality and the needs of future generations.

Therefore much effort is spent on decision-making that achieves the right balance between:

- making sure the quality of our environment is not unduly compromised; and
- enabling economic development to occur relatively unconstrained by regulatory processes.

The approach Council has taken is to develop permitted activities in our Regional Plans that allow activities to proceed without needing a resource consent, provided they meet certain conditions. The policy framework in our Regional Plans is enabling of new activities that will benefit the regional economy, provided any environmental effects are managed appropriately through the consenting process. Meeting the region's future energy needs is considered very important as is the need for our primary industries to continue to grow and prosper and provide valuable employment. Also important is enabling transport links and other engineering lifelines to establish and operate without undue constraint from RMA processes.

Our compliance team carries out inspections of higher risk activities to check those conditions are being adhered to. For more significant activities where a consent process is necessary, our approach is to process these consents within a four week timeframe (assuming the applicant has provided sufficient information) and thereby we do not unduly hold up economic development projects.

The Council's approach to sustainability as a corporate body covers several aspects:

Environmental sustainability

Management has a focus on energy efficiency, environmental procurement considerations and waste management (eg recycling office waste products).

Financial sustainability

Council focuses on maintaining rates at levels affordable for the community and seeks other income sources where possible to enhance our delivery of services.

Organisational sustainability

Staff retention is achieved by providing a healthy workplace where staff are valued and providing staff with advancement opportunities where possible. Maintaining critical mass is also a focus.

Council and Committee Structure

The West Coast Regional Council sets overall policy direction and oversees the financial policy and performance of the Council. The full Council also considers any matters that fall outside the day-to-day activities, which require policy development or specific resolution. All Matters relating to the development of the LTP and Annual Plan, Finances and Assets, Funding Policy and Investment Strategy, are managed by the Full Council. It manages through policy direction, the council's operations, river, drainage, and coastal protection works; and management of Council quarries. The Council has established a Committee structure to assist with the effective functioning of the Council. The Resource Management Committee is a standing Committee of Council that meets monthly. Its functions are set out below:

- Resource Management Committee

All Councillors are members of this Committee plus two Tangata Whenua representatives, one representing Te Runaka o Ngati Waewae and one representing Te Runanga o Makaawhio.

The Committee analyses, develops and facilitates consultation on all policies, plans and strategies on RMA, environmental management, biosecurity matters, transport matters, and civil defence. The Committee oversees and directs the Council's flood warning, and state of the environment monitoring functions. The Committee also oversees and directs the Council's consents and compliance monitoring functions.

- Regional Transport Committee

The Regional Transport Committee oversees the development, implementation and review of the Regional Land Transport Strategy. This Committee has two appointees from the Council, plus representatives

appointed from District Councils, and other agencies involved with land transport as required by transport legislation.

- Greymouth Floodwalls Joint Committee

Council also has three members appointed to the Joint Greymouth Floodwalls Committee, together with three members of the Grey District Council. This is a joint committee of both councils.

- West Coast Civil Defence Emergency Management Group

Council also has a member on the West Coast Civil Defence Emergency Management Group, together with a member from each of the three district councils. This Group is a requirement of the Civil Defence Emergency Management Act.

Management Structure

Chief Executive Officer Chris Ingle

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

West Coast Regional Council's Community Outcomes

Under the old Local Government Act, community outcomes were developed that were not always related to Regional Council functions. The new Local Government Act defines community outcomes as *the outcomes that the Council aims to achieve, in order to promote the social, economic, environmental and cultural wellbeing the region, in the present and for the future*. Given this new paradigm, Council has developed the following three high-level community outcomes for the West Coast region:

- 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.

How the Council will contribute to furthering the Community Outcomes

The Council's RMA functions make it a lead agency for furthering the Environment Outcome in particular. The Levels of service in the Resource Management group of activities reflect the Council's efforts to contribute to the Community Outcomes for Environment.

The contribution to community outcomes are addressed in more detail in each Activity Management Plan. The six groups of Council activities relate to the achievement of the above outcomes as follows:

Activity Area	Community Outcome (s)
Governance	Economy, Safety and Environment
Resource Management	Environment, Economy and Safety
Transport Planning	Environment, Economy and Safety
Hydrology and Flood Warning Services	Environment and Safety
Civil Defence Emergency Management	Safety and Economy
River, Drainage & Coastal Protection Works	Economy and Safety
Vector Control Services Business Unit	Economy and Environment

Each Community Outcome is contributed to by different Council Activities

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

- Regional Plans assist economic development by ensuring an 'enabling' planning framework is in place. Permitted activities in regional plans allow for much development to occur without the need for consent processes. Where consents are needed the activity classification is normally controlled or discretionary which tends to enable activities to proceed without undue delay, with appropriate conditions applied to protect the environment.
- Consent processing within statutory timeframes is one of Council's highest priorities. This ensures that when a consent is needed the applicant should have their consent processed without delay (provided sufficient information is provided). Council also makes full use of non-notified and limited-notified processes to ensure delays in consent processing are minimised as far as is practicable.
- Flood warning services and flood protection works help the economy by ensuring business confidence in investing in flood protected areas. Protection works also increase property values in affected areas.
- Tb control assists our agricultural sector gaining access to lucrative export markets, while the VCS business unit assists ratepayers by keeping rates at a lower level.
- Transport planning enables us to advocate for national road funding on strategic freight or tourism routes, which can result in major transport upgrades (eg Arahura Bridge).

Environment: *The high quality and distinctive character of our environment is retained*

- Our State of the Environment monitoring established environmental baselines so we can measure progress with maintaining or improving our environment. This monitoring information informs reviews of the Regional Plans and Policy Statement. Regional Plans establish the balance between enabling economic development and requiring environmental protection. They have all been through a public consultation process and reflect West Coast community desires.
- Resource Consent processes help to ensure environmental matters are given due consideration by setting appropriate conditions on specific resource uses, in accordance with the policies set by council Plans. Compliance monitoring work ensures the conditions set are adhered to.
- Spill response teams help to ensure accidental spills are cleaned up promptly before major environmental damage occurs.
- Control of pest plants also contributes to the environmental outcome.

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

- The Council’s flood warning service and the flood protection works assist with community safety in areas covered by those services, during flood events.
- Civil defence work is primarily concerned with community safety in a major emergency event.
- The summer contact recreation water sampling assists by ensuring swimmers know of sites that are of higher risk of bacterial contamination.
- Regional Transport road safety work assists with community road safety.
- Resource consents often include conditions set for public safety and spill response work and consent compliance also partially addresses safety issues.

How the Council will Work with Others

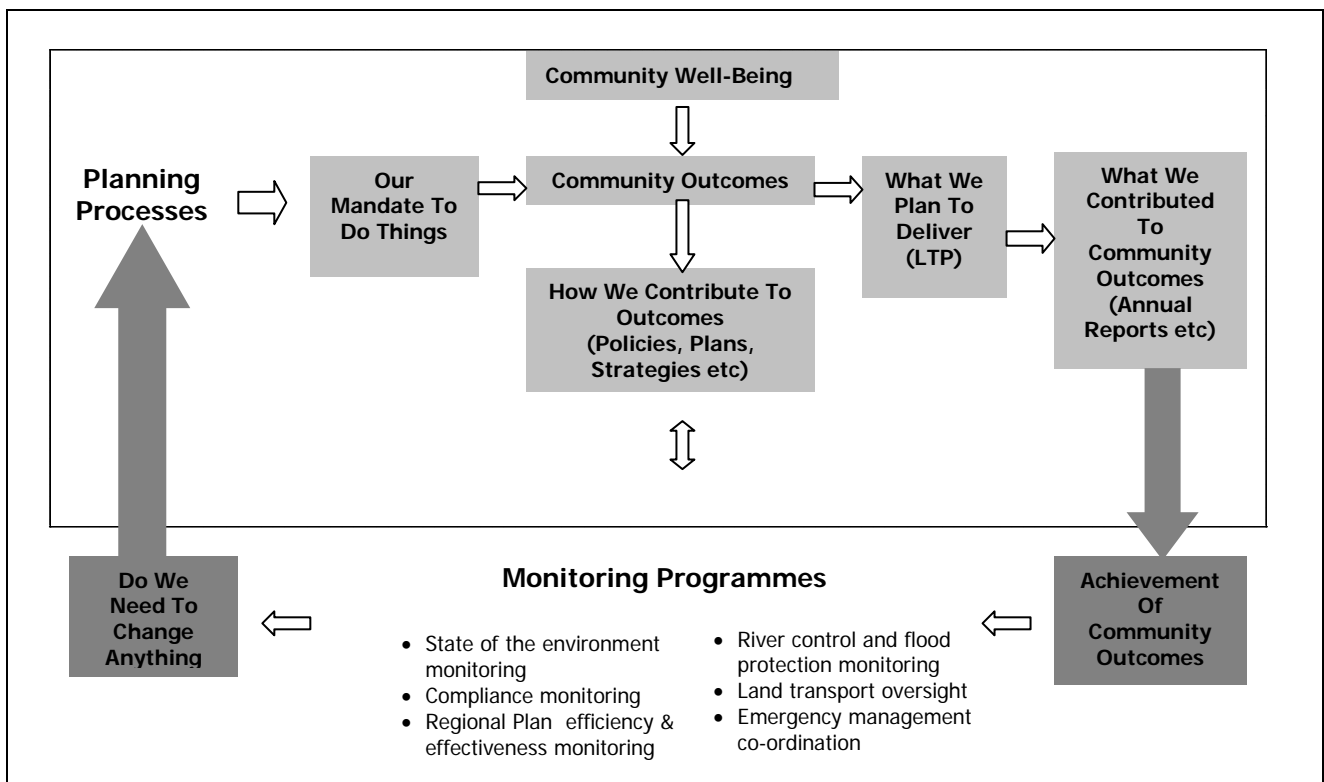
Council will continue to use the following methods to work with others:

- Processes prescribed under legislation, for example, the Resource Management, Biosecurity, and Transport Acts for consultation on Plan development, and good practice procedures;
- Public submission and hearing processes;
- Liaison, for example, on consent processing and compliance work;
- Participation in joint working groups and committees;
- Encourage participation by Iwi in Committee meetings and other processes e.g. resource consents;
- Responding to enquiries, environmental incidents and complaints;
- Field days, site visits, workshops, networks, training and seminars.

In consulting and working with the community the Council will apply the consultation, planning and decision-making provisions of the Local Government Act 2002 and other statutes that it works under.

Working together to achieve community outcomes

This diagram depicts how the Council depends on community feedback (on the lefthand side) to let us know if things need changing in order to better achieve the outcomes the community wish to see delivered. The monitoring programmes listed at the bottom represent some of the information that can be used by the public to assess whether existing programmes are enough, or whether more work is needed.



How can the Public Monitor our Outputs and Outcomes?

Council undertakes monitoring of water quality, groundwater, river levels and air quality, at key locations. The Council prepares 'State of the Environment' reports which are all available on the Council website. These reports aim to identify trends in environmental quality, which can be an indicator of how well the environmental programmes of the Council are delivering on the environmental outcome. This information will also now be used in our annual reports to measure against Resource Management performance targets.

Council follows RMA consultative processes for our Regional Plans and the Biosecurity Act process for the Pest Plant Strategy. For these policy documents there are regular effectiveness and efficiency reviews and the reports on those reviews are presented in public meeting and are made available on our website. Every 10 years, each RMA policy document is publicly notified and any person may make a submission suggesting amendments to the document (5 yearly for the pest plant strategy). This is another avenue for public input.

The Council measures its own performance against the targets set in this LTP on a 4 monthly basis and the results are reported in public at a Council meeting and reported on Council's website. Any member of the public is welcome to attend the Council meetings where elected members monitor the programmes staff deliver. These 4-monthly reports on progress in achieving the LTP targets are the main way members of the public can keep track of the commitments made by Council to fund and deliver on the targets in this LTP.

The Council also produces an annual report that includes a summary of all targets and their achievement and this report is audited by Audit NZ on behalf of the Office of the Auditor General and made available on the Council website. The public can therefore keep track of progress on LTP targets during the year, via the 4 and 8 month reports, attend the relevant council meeting where these reports are presented, or wait for the audited 12 month report which can also be viewed on the website (www.wcrc.govt.nz).

Finally, members of the public are encouraged to make submissions on this LTP and make suggestions about programmes they feel Council should (or should not) be funding in order to meet our community outcomes.

Key Strategic Planning Documents and Processes

The Council has a number of key strategic documents in place that govern many of its activities. These relate to and will assist in working towards the achievement of Community Outcomes. All of the documents can be found on the Council website at www.wcrc.govt.nz. The documents include:

- West Coast Regional Policy Statement 2000 (under review)
- Regional Coastal Plan for the West Coast 2001 (under review)
- Regional Air Quality Plan 2002 (under review)
- Regional Plan for Discharges to Land 2002 (being merged into the Land and Water Plan)
- Proposed Land and Riverbed Management Plan 2007 (being merged into the Land and Water Plan)
- Proposed Water Management Plan 2007 (being merged into the Land and Water Plan)
- Proposed Land and Water Plan 2010 (incorporating the above three regional plans)
- Regional Pest Plant Management Strategy for the West Coast 2010
- Civil Defence Emergency Management Plan 2010
- West Coast Regional Land Transport Strategy 2011
- State of the Environment reports for, Water Quality (2011), the recent Flood Report (2010), Groundwater (2005), River levels and flows (2005), and Air quality (2004).
- Asset Management Plans for each Rating District flood protection or drainage scheme.

West Coast Clean Air and Warmer Homes

Background

The Energy Efficiency and Conservation Authority (EECA) has asked that Council support the Government's "Warm Up New Zealand: Heat Smart" scheme for insulation and clean heating. The EECA scheme provides grants of up to \$1300 for insulation and up to \$1200 for clean heating.

EECA has suggested that Council establish a voluntary targeted rate to foster the uptake of insulation and clean heating. Under this scheme, Council would fund costs in excess of the EECA grant, and the ratepayer would repay Council by way of a targeted rate over a 10 year period.

Enabling homeowners to install insulation and clean heating units will contribute to improved health and enhanced air quality. This will contribute towards achievement of Council's community outcomes.

The EECA Warm Up NZ scheme is only funded by government to 30 June 2013. At this stage Council's funding scheme will only operate in conjunction with the EECA scheme. Council will continue its scheme only while EECA grant funding continues.

The Funding Process

EECA Process

1. The ratepayer makes an enquiry with EECA who would contract a service provider to assess the house, provide retrofit options and costs (only EECA approved products and providers can be used).
2. Contract is signed by the ratepayer with EECA.
3. The EECA service provider will install the insulation/clean heating.
4. The service provider will then receive the grant from EECA and invoice the homeowner for the balance or the Council will pay the balance pending the process below being followed.

West Coast Regional Council Process

1. The ratepayer must have already been approved under the EECA scheme (step 2 above).
2. The approved service provider advises Council/EECA of the homeowner details and cost.
3. Council checks its rating information database to ensure the property has no rates arrears.
4. A contract is signed between the ratepayer and the Council, prior to installation commencing.
5. The EECA service provider provides copy of invoice to Council for the amount to be funded by Council, after deducting the EECA grant.
6. Council confirms with the ratepayer the amount to be funded.
7. Council charges interest on the funding provided on a daily basis from date of payment till the following 30 June.
8. Council borrows funds from its bankers to fund the amount required (the interest rate will be reviewable and subject to change from time to time.)
9. A targeted rate is then levied on the property for the year following to repay the funding together with interest over a 10 year period.
10. The District Councils will include details of this targeted rate on their Land Information Memorandums (LIM's). This would alert potential purchasers to the existence of the targeted rate.
11. If the property is sold within the ten year period, the rate will continue to be levied on the property and be repaid by the new owner. The seller of the property will be required to advise the purchaser.

A Worked Example:

Amount of funding (incl. GST)	\$5,000
Less GST input tax claimed by Council	\$652.17
Net amount funded	\$4,347.83
Plus interest accrued (say 6 months)	\$152.17
Total funded to repay over 10 years	\$4,500
Annual targeted rate	\$633.25 + GST
Total rate paid over 10 years	\$6,332.50 + GST
Total funding repaid	\$4,500
Total interest repaid	\$1,832.50

The targeted rating factor, assuming a 10 year voluntary rate, a funding cost of 7%, and six monthly repayments would be 14.0722% per annum + GST per annum of amount funded.

Example:

Amount funded \$4,500 multiplied by 14.0722% = Annual rate of \$633.25 + GST.

Loan Repayment Table example

End of Year →		1	2	3	4	5	6	7	8	9	10
Balance		\$4,500	\$4,176	\$3,829	\$3,458	\$3,059	\$2,633	\$2,176	\$1,687	\$1,163	\$60
Advanced	\$4,348										
Interest	\$152	\$309	\$286	\$262	\$235	\$207	\$176	\$144	\$109	\$72	\$32
Principal		\$324	\$347	\$372	\$398	\$426	\$457	\$489	\$524	\$561	\$601
	\$4,500	\$4,176	\$3,829	\$3,458	\$3,060	\$2,633	\$2,176	\$1,687	\$1,163	\$601	\$0
		\$633	\$633	\$633	\$633	\$633	\$633	\$633	\$633	\$633	\$633

7% Interest
 10 Years
 \$4,348 Principal
 \$ 152 First year accrued interest (6 months, estimated)
 \$4,500

GST exclusive		GST inclusive
\$317 6 Monthly		\$364
\$633 Annually		\$728 weekly \$14.00
\$6,332 10 year total		\$ 7,282
14.0722% GST excl. factor		16.1830% GST inclusive

Funding by Council

Each year Council will accumulate amounts funded during the year and will fund the total amount required “in bulk” from its bankers at the end of each financial year.

A different interest rate may apply to each funding year, depending on the cost of funds to be charged by our bankers.

Council will enter into fixed term interest rate arrangements with its bankers to give as much certainty as possible to these funding arrangements with the new targeted rate payers.

Cost to Other Ratepayers

There will be no impact on general ratepayers.

The funding to the property is fully repaid with interest by the targeted rate levied on the property.

PART 3 – GROUPS OF ACTIVITIES CONTRIBUTING TO THE COMMUNITY OUTCOMES

Groups of Activities

For the purpose of this LTP the Council has arranged its business into groups of activities as follows:

- Governance
- Resource Management
- Regional Transport Planning
- Hydrology and Flood Warning Services
- Civil Defence Emergency Management
- River, Drainage and Coastal Protection Work
- Vector Control Services Business Unit

For each group of activities information is presented to:

- Describe why the Council carries out these activities
- Outline any significant negative effects that any activity may have on the social, economic, environmental, or cultural well-being of the local community
- Identify any significant assets that the group of activities needs to carry out its work
- Explain the levels of service and performance measures

With respect to asset management, only flood warning services and river, drainage and coastal protection work have significant assets requiring comment. Schedule 10 of the Local Government Act specifies what information needs to be provided about these assets.

Asset Management

For each group of activities, the Council is required to identify the assets or groups of assets required by the group of activities and identify, in relation to those assets or groups of assets:

- How the local authority will assess and manage the asset management implications of changes to:
 - a) Demand for, or consumption of, relevant services.
 - b) Service provision levels and standards.
- What additional asset capacity is estimated to be required.
- How the provision of additional asset capacity will be undertaken.
- The estimated costs of the provision of additional asset capacity.
- How the costs of the provision of additional asset capacity will be met.
- How the maintenance, renewal, and replacement of assets will be undertaken.
- How the costs of the maintenance, renewal, and replacement of assets will be met.

All groups of activities utilise the day-to-day operational assets of the Council (buildings, motor vehicles, plant and equipment, office furniture and computer equipment). Other than for flood and coastal protection, no assets of significance (as defined in the Significance Policy) or infrastructure assets are used.

The Council maintains sufficient operational assets to undertake its activities. The operational assets are maintained to sufficient service levels to enable staff to complete their duties efficiently and effectively. All maintenance budgets are included in the operational expenses of the Council.

All operational assets are depreciated over their useful life. Replacement and new operational assets are funded from depreciation. Any significant increase in operational assets that could not be funded from retained earnings would be funded by application of the Council's Revenue and Financing Policy (no such expenditure is planned or provided for in this Plan).

Asset Management Plans have been prepared and are regularly reviewed and updated for all of Council's significant river, drainage and coastal protection infrastructure assets.

Climate Change

The Ministry for the Environment's report: "Preparing for Climate Change: A guide for local government in New Zealand" (2008) predicts that changes in temperature and rainfall, along with other climate changes, are likely to lead to positive and negative impacts across the country over the next 30-80 years. It is uncertain exactly what climate change will mean for the West Coast. Scientific modeling suggests that it could potentially mean, amongst other things, more severe and frequent rainfall events, floods, and landslides.

There is considerable uncertainty about the actual effects of climate change over the life of this ten year LTP. The effects are likely to be over a longer time frame. At this stage we consider there is insufficient justification to allocate large amounts of funds to climate change adaptation or mitigation projects in this LTP. Council will take a watching brief on climate change information and any trends and impacts that are identified. We will also take a flexible approach if any assessment of climate change effects shows that action needs to be taken in response to changes over time. Section 7 of the Resource Management Act 1991 requires local authorities to have particular regard to the effects of climate change. This will be considered, along with other matters, in policy and plan development and review, when planning, or preparing mitigation for flood hazards and also when processing resource consents. Council has the view that coastline changes due to climate change are a national issue rather than a region by region issue as the sea level rise occurs uniformly across all of NZ.

The question of what trigger level causes us to begin to address adaptation to sea level rise is an issue that should properly be addressed by the Government in a National Guideline document.

Governance

Activities within this group

Governance covers the costs of operating the democratic function of the Council. Elected Councillors determine policies, and monitor the achievement of these. Council operates in an open, public manner and ensures all relevant information is available to interested members of the public via regular newsletters; and reports and documents posted on the Council's web site.

Governance contributes to all three Community Outcomes.

No significant adverse effects of these activities on the community have been identified.

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

Rationale for Governance Activities

Governance activities of the Council are carried out under the Local Government Act 2002, the Resource Management Act, and the Land Transport Act, 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 and working group meetings as representatives of the whole Council, such as the Land Transport Committee, the Civil Defence Emergency Management Group, the Regional Animal Health Committee and the Waste Management Working Group. Councillors also act as commissioners from time to time on resource consent and Regional Plan hearings.

Under the Local Government Act the Council must consider ways in which it may foster the development of Maori capacity to contribute to the decision-making processes of the Council. Council has invited appointment of a member of each of the two local Runanga to attend the Resource Management Committee. The two Runanga have also assisted with developing Iwi sections of some regional plans, and have also participated in making submissions on consent applications and proposed plans. Council forwards new resource consent application information to the Runanga regularly, and have also assisted both Runanga in developing Iwi management plans.

The consultation process of this draft LTP is one way that other Maori not affiliated to the Ngati Waewae or Makaawhio Runanga can communicate their views to the Council.

Performance targets

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

Levels of Service	Measure	Performance Target
Maintain a Council of elected representatives in accordance with statutory requirements and in a manner that promotes effective decision-making, transparency, and accountability to the West Coast regional community	Number of public meetings held and individual Councillor attendance	Conduct eleven monthly meetings of Council and the Resource Management Committee, plus other scheduled meetings and scheduled workshops during the year with at least 80% attendance by all Councillors. <i>In 2010/11 all Councillors attended more than 80% of meetings</i>
	Compliance with statutory timeframes	Prepare and notify the Council's Annual Plan or LTP Statement of Proposal by 31 May each year, and the Annual Report by 31 October, in accordance with the procedures outlined in the Local Government Act 2002. <i>These targets were both met in the 2010/11 year.</i>
	Timing and number of newsletters, and internet website based information related to public consultation processes.	Publish an informative Council newsletter twice a year to be circulated to all ratepayers, with their rate demand, in March and September and ensure required information is posted on the Council website when Council invites submissions on a new or revised policy document. <i>These targets were all met in the 2010/11 year.</i>
Continue to support the contribution our two West Coast Runanga make to Council's decision-making processes; and continue to seek contributions from other Maori	Attendance of Iwi appointees at Resource Management Committee meetings	Continue to invite attendance of Makaawhio and Ngati Waewae representatives as appointees to the Council's resource management committee, to enable Maori participation in resource management decision-making. <i>In 2010/11 both runanga were invited to attended committee meetings</i>

Indicative Costs & Sources of Funds

Annual Plan 2011/12		LTP 2012/13	LTP 2013/14	LTP 2014/15	LTP 2015/16	LTP 2016/17	LTP 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22
352,055	Governance	348,903	388,054	372,765	386,148	430,440	413,899	428,094	476,298	459,752	476,437
33,488	Community Consultation	34,608	35,749	37,169	38,620	39,972	41,502	43,013	44,464	46,456	48,239
385,543	Total Operating Expenditure	383,511	423,803	409,34	424,768	470,412	455,401	471,107	520,762	506,208	524,676
Funding											
385,543	General Funds	383,511	423,803	409,934	424,768	470,412	455,401	471,107	520,762	506,208	524,676
385,543	Total Funding	383,511	423,803	409,934	424,768	470,412	455,401	471,107	520,762	506,208	524,676

Resource Management Activities

Activities within this group

- Planning, Policies and Strategies.
- Monitoring the State of the Environment
- Resource Consent Enquiries and Processing
- Compliance Monitoring and Enforcement
- Hazardous substance Spill Response

Resource Management activities contribute to all three Community Outcomes.

No significant adverse effects of these activities have been identified.

This group of activities does not utilise significant assets in the delivery of services.

Rationale for Resource Management

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

The plans enable activities with no more than minor adverse effects to be carried out without needing resource consent, and also provide policy guidance on assessing activities with greater potential effects. The Council also has a Pest Plant Strategy to take a strategic and prioritised approach to managing pest plants in the region.

All Plans are required to be reviewed within the ten year period by law, by inviting public submissions.

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

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

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

Compliance monitoring and enforcement involves monitoring the exercise of resource consents, permitted activity dairy shed discharges and

mining permits. Where non-compliance is detected the Council's Enforcement Policy guides decisions around enforcement actions. This is a critical element of resource management that underpins the integrity of the regional plans and consents issued under them.

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

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

Performance targets

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

Levels of Service	Measure	Performance Target
To maintain or enhance water quality in the West Coast's rivers	State of the Environment Monitoring: Ammoniacal nitrogen, periphyton, clarity, turbidity and faecal coliforms are measured quarterly at 38 river sites. These parameters characterise the water quality of West Coast rivers and have been measured since 1996.	Improvement of these parameters, when compared with a baseline of 1996 data on water quality. <i>Latest monitoring results show significantly improving trends for clarity, turbidity, periphyton, faecal coliforms and ammoniacal nitrogen.</i>
	Compliance Monitoring for Discharges: The number of compliant or non-compliant point source discharges to water, or discharges likely to enter water; and council's response to any non-compliance.	All significant consented discharges ¹ are monitored at least annually, and all dairy sheds at least bi-annually depending on each individual compliance record. All non-compliances publicly reported to the Resource Management Committee and responded to using Council's Enforcement Policy. <i>In 2010/11 140 mining inspection visits occurred on a total of 44 operating mine sites in the region; 262 dairy farms were inspected, of a total of 386 farms in the region. All District Council landfills and sewage schemes were monitored. Appropriate enforcement actions were taken when necessary in accordance with the Council's Enforcement Policy.</i>
	Farm Plans: Environmental farm plans are produced for each participating farmer in priority catchments. One new catchment is intended to be initiated each year. The costs are shared with our industry partner, Westland Milk Products. The Lake Brunner, Orowaiti and Harris Creek catchments have already had farm plan programmes delivered.	A comprehensive environmental farm plan is completed for each participant, within the priority catchment identified for that year. <i>The priority catchments for 2012 – 15 are Lake Haupiri in Grey District, Baker Creek in Buller District, and La Fontaine stream in Westland.</i>
To maintain or enhance the water quality in Lake Brunner	The trophic state of Lake Brunner is measured by the Trophic Level Index (TLI) which combines clarity, nutrient and algal measures. The rolling 5-year mean is compared with a 2002-2006 baseline mean.	The annual (rolling 5-year mean) TLI of Lake Brunner is less than the 2002-2006 TLI baseline mean of 2.79. <i>In March 2011 (from 31 March 2006 to 31 March 2011) the mean TLI of Lake Brunner was 2.9 which is slightly worse than the 2.79 baseline.</i>

¹ Significant Consented Discharge includes: any consented discharge from a municipal sewage scheme or landfill, any consented discharge from a working mine site, any consented discharge of dairy effluent to water, and any large scale industrial discharge (WMP, Kokiri).

Levels of Service	Measure	Performance Target
To maintain or enhance the life supporting capacity and amenity value of the West Coast's rivers	<p>Stream ecosystem health: Instream macroinvertebrate community health (SQMCI) scores are measured at 29 river sites. The values for each site are calculated using five year rolling means and comparing them to baseline means calculated from data from 2005-2009.</p>	<p>Macroinvertebrate health index² (SQMCI) mean is higher, or no more than 20% lower, than the baseline mean. <i>In 2010/11 SQMCI site scores at all sites were either higher than, or no more than 20% lower than, their baseline scores.</i></p>
	<p>Bathing beach sampling: 16 swimming sites are sampled, ten times per summer season (fortnightly) for E coli (moderate-high risk > 550) or Enterococci (moderate-high risk > 280).</p>	<p>Scheduled swimming sites do not exceed the moderate-high risk threshold more than once during the summer sampling season. <i>In 2010/11 only one swimming site (Buller River @ Marrs Beach) had more than one moderate to high risk sampling event in the season.</i></p>
To protect human health from adverse impacts of poor groundwater quality.	<p>28 Wells are monitored at least twice annually, 24 of which are used for human consumption. The guideline of 11.3mg/L of nitrate is used to protect human health, particularly for babies. The data from the year is averaged before comparing against the 11.3mg guideline.</p>	<p>In wells used for human consumption, nitrate levels remain below the health guideline of 11.3 mg/L. <i>In 2010/11 (annual data mean) the nitrate levels in 22 of the 24 wells used for human consumption were below 11.3 mg/L.</i></p>
To protect human health from any adverse impacts of poor air quality in Reefton.	<p>Reefton's air is monitored in accordance with the National Environmental Standard (NES) for air quality by measuring PM₁₀ (airborne particles smaller than ten micrometers, which affect human respiration). The threshold is a 24hr mean PM₁₀ of 50 micrograms/m³.</p>	<p>NES Requirement: 24hr PM₁₀ values do not exceed the NES threshold more than three times in one year, between 2016 & 2020; whereas after 2020 only 1 exceedance per year is allowed. <i>In winter 2011 PM₁₀ in Reefton exceeded the NES threshold 7 times.</i></p>
Respond to all genuine incident complaints received by the Council and take enforcement action where needed.	Number of complaints received and number of enforcement actions resulting from these.	<p>Operate a 24-hour complaints service, assess and respond to all genuine complaints within 24 hours where necessary. <i>All 223 complaints were responded to in the 10/11 year. Enforcement action was taken where necessary.</i></p>

² 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.

Levels of Service	Measure	Performance Target
Compliance with the consent processing timeframes in the RMA and mining legislation.	Compliance with discounting regulations and mining timeframes	<p>Process all resource consent applications without incurring any cost to Council due to the RMA discounting regulations; and process at least 95% of mining work programmes³ within 20 working days of receipt.</p> <p><i>Council incurred no costs due to the RMA discounting regulations in 2010/11 and 98% of mining work programmes were completed on time in the 2010/11 year.</i></p>
Complete current regional plans to operative stage, and review them to maintain their community acceptability.	Statutory requirements for review	<p>Compliance with statutory requirements for the review of Council's plans and strategies.</p> <p><i>The proposed Land and Water Plan decisions will be released this year. The operative RPS and Coastal Plans are under review and the Air Plan will commence its review this year. The Pest Plant Strategy review was completed last year. All procedures met Statutory requirements.</i></p>
Advocate for the West Coast interests when external environmental policymaking may affect the West Coast.	Number of submissions made and number of successful advocacy outcomes.	<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><i>Council has successfully advocated for change to the NPS for Freshwater and is now advocating for changes to the Biodiversity NPS</i></p>
Respond to marine oil spills in coastal waters in accordance with the Tier 2 Oil Spill Response Plan and maintain readiness for spill response.	Timing of responses & number of trained staff	<p>Respond within 4 hours to all spills, using Council or MNZ spill equipment to contain spills; plus ensure at least 25 staff are trained responders.</p> <p><i>Council staff attended no spills in 10/11. 27 staff are trained as responders.</i></p>

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

Other Resource Management Activities planned for 2012 – 22 years

Plan & Strategy preparation & review, and Environmental farm planning:

1. Resolve appeals on Variation 1 and 2 (Wetlands) and transfer the resulting changes to the Land and Water Plan.
2. Hold hearings, release decisions, and resolve any appeals on the Proposed Land and Water Plan (notified 2010).
3. Complete the review of the Regional Policy Statement (operative 2000) following the outcome of biodiversity NPS process, and notify for public submissions.
4. Notify the Regional Coastal Plan (operative 2001) for public submissions in 2012.
5. Commence the Air Quality Plan (operative 2002) review in 2012, and discuss with the Reefton community options for meeting the National Air Quality Standard.
6. Notify the Pest Plant Strategy's second review in 2015 (Operative 2005, first review completed 2010).
7. Ensure policy implications of Council's science reports are formally assessed, within 6 months of the science report being released.
8. Offer farm owners in the Lake Brunner catchment the option of follow-up farm plans where they have completed all initial farm plan activities.

Consents Processing, Compliance Monitoring:

9. Work with consent applicants to reduce the need for formal S92 requests.
10. Ensure S42A reports for notified applications are with the applicant within ten working days of receipt of all required information.
11. Respond to all written enquiries regarding consents or compliance matters within 10 working days, or 20 working days for LGOIMA requests.
12. Release all bonds within 4 months of the surrender, forfeiture or expiry of the mining licence or permit, provided rehabilitation is complete.
13. Inspect all consents for whitebait stands on the Little Wanganui, Taramakau, Hokitika, Wanganui, Paringa, and Waiatoto Rivers annually and on other rivers at least every third year.
14. Assess farm compliance in the Lake Brunner catchment at least annually, to ensure full compliance in this sensitive catchment.
15. Inspect new consents that involve major construction works; and monitor any other major consented activity, when necessary, based on their environmental risk.

Resource Science activities:

16. Complete the Lake Brunner monitoring programme and report the cumulative results annually on the Council website by December each year.
17. Report the monthly contact recreation sampling results from swimming rivers to the media, and complete follow up studies of incongruous results.
18. Prepare state of the environment reports for surface water quality and groundwater, every third year.
19. Provide monthly reports during wintertime on Reefton PM₁₀ monitoring, posted on Council's website.
20. Maintain the Sites Associated with Hazardous Substances database ensuring District Councils have up to date information on affected land for LIMs.

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

Annual Plan 2011/12		LTP 2012/13	LTP 2013/14	LTP 2014/15	LTP 2015/16	LTP 2016/17	LTP 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22
	Resource Management										
876647	Resource Consents	908,859	923,034	968,854	1001,204	1031,517	1066,836	1105,868	1128,511	1180,271	1221,123
16,356	Building Act – Dams	14,851	15,337	15,839	16,385	16,944	17,521	18,099	18,687	19,377	20,056
545,601	Compliance Monitoring	591,478	613,369	635,063	655,807	675,385	698,385	717,820	737,390	767,577	794,598
86,919	Dairy farm Monitoring	88,032	91,191	94,513	97,983	100,924	104,390	107,817	111,047	115,644	119,715
133,674	Complaints	138,555	143,480	148,652	153,544	158,219	163,648	169,023	174,132	181,257	187,634
70,358	Enforcement	73,045	75,609	78,296	81,129	83,644	86,511	89,354	92,085	95,797	99,166
82,323	Hazardous Substance Spill Response	30,679	31,730	32,827	33,995	35,087	36,286	37,480	38,651	40,163	41,574
355,668	Regional Plans	398,342	382,689	358,987	383,400	381,984	395,127	426,707	432,556	438,743	470,606
113,986	Plan Implementation	57,952	59,923	62,125	64,339	66,360	68,635	70,894	73,192	76,105	78,779
8,622	Biological Controls	0	0	0	0	0	0	0	0	0	0
347,184	Surface & Groundwater Monitoring	342,391	355,281	378,144	372,629	381,460	406,178	406,226	419,037	435,823	451,027
27,012	Air Quality Monitoring	15,530	14,792	15,295	15,794	16,222	16,745	17,268	17,801	18,520	19,157
15,549	Sites Associated with Hazardous Substances	15,182	15,712	16,323	16,916	17,421	18,020	18,613	19,211	20,008	20,712
2679,899	Total Operating Expenditure	2674,896	2722,147	2804,918	2893,125	2965,167	3078,282	3185,169	3262,300	3389,285	3524,147
	Funding										
1033,727	User Charges	1073,500	1107,500	1144,000	1182,500	1222,000	1264,500	1308,000	1351,000	1397,500	1447,000
	Subsidies										
1646,172	General Funds	1601,396	1614,647	1660,918	1710,625	1743,167	1813,782	1877,169	1911,300	1991,785	2077,147
2679,899	Total Funding	2674,896	2722,147	2804,918	2893,125	2965,167	3078,282	3185,169	3262,300	3389,285	3524,147
34,500	New Equipment	10,000									
34,500		10,000	0	0	0	0	0	0	0	0	0
	Funding										
34,500	Depreciation Funds	10,000									
34,500		10,000	0	0	0	0	0	0	0	0	0

Regional Transport Planning

Transport activities contribute to all three community outcomes.

No significant adverse effects of these activities on the community have been identified.

This activity does not utilise significant assets in the delivery of services.

Rationale for Regional Transport Planning

The Council primarily has a co-ordinator and administrator role in relation to transport issues

so that funding can be effectively accessed from the New Zealand Transport Agency. In order to obtain that funding the Council must adhere to the Land Transport Act 1998 and the Land Transport Management Act 2003.

Council must appoint a Regional Transport Committee, with membership to include local authorities, funding agencies and other transport stakeholders who then prepare a Regional Land Transport Strategy (RLTS). The Committee also prepare a Land Transport Programme to implement the RLTS.

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

Performance targets

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

Levels of Service	Measure	Performance Target
Maintain a Regional Land Transport Strategy that delivers Council's transport functions in compliance with relevant legislation and is acceptable to our West Coast community.	An Operative Regional Land Transport Strategy	Compliance with statutory requirements for the preparation, review and implementation of the Regional Transport Strategy and Programme. <i>Strategy review completed in 2011, Programme review completed early 2012.</i>
Continue to fund the Total Mobility Programme according to New Zealand Transport Agency (NZTA) requirements	User satisfaction, by 2 yearly survey	Implement the total mobility programme where taxi services exist, ensuring at least 90% of users rate the overall service and value for money as good, very good or excellent. <i>All users rated the overall service as good, very good or excellent in the most recent survey</i>

Indicative Costs & Sources of Funds

Budget 2011/12		LTP 2012/13	LTP 2013/14	LTP 2014/15	LTP 2015/16	LTP 2016/17	LTP 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22
	Regional Transport Planning										
13,136	Total Mobility Admin.	13,795	14,279	14,841	15,383	15,836	16,382	16,920	17,463	18,194	18,835
68,750	Total Mobility	76,000	78,432	80,942	83,693	86,623	89,568	92,524	95,578	99,018	102,484
36,845	Regional Land Transport Admin.	26,668	43,034	44,726	29,738	47,726	49,369	32,711	52,628	54,832	36,412
7,354	Passenger Transport Admin.	7,087	7,336	7,625	7,903	8,136	8,416	8,693	8,972	9,348	9,677
123,796	Safety Programme	27,304	28,216	30,277	31,891	32,931	34,293	35,423	36,829	38,247	39,723
249,881	Total Operating Expenditure	150,854	171,297	178,411	168,608	191,252	198,028	186,271	211,470	219,639	207,131
	Funding										
	User Charges										
204,650	Subsidies	87,500	99,300	104,600	96,900	111,200	114,500	107,000	123,300	127,700	118,000
45,231	General Funds	63,354	71,997	73,811	71,708	80,052	83,528	79,271	88,170	91,939	89,131
249,881	Total Funding	150,854	171,297	178,411	168,608	191,252	198,028	186,271	211,470	219,639	207,131

Hydrology and Flood Warning Services

Hydrology and Flood warning activities contribute to the Environment and Safety community outcomes.

No significant adverse effects of these activities have been identified.

Assets for Activities

12 hydrometric sites are owned by the Council. A further 7 sites are jointly owned by Council and NIWA. They are located in-river with equipment to record and send river level data to the Council office. The on-site equipment is attached to concrete piles secured on the riverbanks.

Four repeaters and 4 link radios are located on hill or mountain tops to transmit the hydrometric information to the server at the Council office.

Rationale for Hydrology and Flood warning

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 demand such 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?

The December 2010 flood event triggered a re-assessment on the need for a flood warning system for the Mokihinui River due to the impact of the flood at Seddonville. If a decision is made to go ahead, investment in new assets for the Mokihinui will be funded out of existing budgets; by deferring other less urgent hydrology work.

Performance targets

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

Level of Service	Measure	Performance Targets
Continue to provide flood warning to assist communities to assess risk of impending floods, for the five rivers (Karamea, Buller, Grey, Hokitika, and Waiho).	Availability of information about high flow events and the staff response to those.	Provide a continuous flood monitoring service for the five rivers monitored and respond in accordance with the flood-warning manual, ensuring real time data on river levels is available on the Council website (updated 12 hourly; or 3 hourly during floods). <i>Real time data was available on council website for all of 2010-11 year.</i>
	Complete the decision making on whether or not to install new warning system.	Assess the practicalities of installing a new flood warning system on the Mokihinui River, by July 2013, to warn those that live in Seddonville of impending river floods. <i>New target for 2012</i>

Other Hydrology and Flood Warning activities planned for 2012 – 22 years:

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

Indicative Costs & Sources of Funds

Budget 2011/12		LTP 2012/13	LTP 2013/14	LTP 2014/15	LTP 2015/16	LTP 2016/17	LTP 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22
	Hydrology & Flood-warning Services										
376,571	Hydrology and Flood-warning Services	398,825	420,440	442,527	439,419	451,735	475,627	490,411	504,320	523,813	542,057
<u>376,571</u>	Total Operating Expenditure	<u>398,825</u>	<u>420,440</u>	<u>442,527</u>	<u>439,419</u>	<u>451,735</u>	<u>475,627</u>	<u>490,411</u>	<u>504,320</u>	<u>523,813</u>	<u>542,057</u>
	Funding										
	User Charges										
376,571	General Funds	398,825	420,440	442,527	439,419	451,735	475,627	490,411	504,320	523,813	542,057
<u>376,571</u>	Total Funding	<u>398,825</u>	<u>420,440</u>	<u>442,527</u>	<u>439,419</u>	<u>451,735</u>	<u>475,627</u>	<u>490,411</u>	<u>504,320</u>	<u>523,813</u>	<u>542,057</u>
	Capital Expenditure										
60,000	Hydrology	60,000	61,925	63,906	66,057	68,321	70,642	73,019	75,453	78,113	80,887
15,000	Storage Shed										
	Sondes	11,500									
<u>75,000</u>		<u>71,500</u>	<u>61,925</u>	<u>63,906</u>	<u>66,057</u>	<u>68,321</u>	<u>70,642</u>	<u>73,019</u>	<u>75,453</u>	<u>78,113</u>	<u>80,887</u>
	Funding										
75,000	Depreciation Funds	71,500	61,925	63,906	66,057	68,321	70,642	73,019	75,453	78,113	80,887
<u>75,000</u>		<u>71,500</u>	<u>61,925</u>	<u>63,906</u>	<u>66,057</u>	<u>68,321</u>	<u>70,642</u>	<u>73,019</u>	<u>75,453</u>	<u>78,113</u>	<u>80,887</u>

Civil Defence Emergency Management

The Civil Defence and Emergency Management activities contribute to the Safety and Economic community outcomes.

No significant adverse effects of these activities on the community have been identified.

The activity does not utilise significant assets in the delivery of services.

Rationale for Emergency Management

The Council is part of the Civil Defence Emergency Management (CDEM) Group, along with the region's District Councils. The Group is

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

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

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

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

Performance targets

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

Levels of Service	Measure	Performance Targets
Maintain a Civil Defence Plan that delivers efficient and effective management of the region's civil defence functions in compliance with the legislation and is acceptable to West Coast community desires.	Civil Defence Plan always operative.	Compliance with statutory requirements for the preparation, review and implementation of the Group CDEM Plan. <i>The Group Plan was reviewed in 2010.</i>
	Number of trained staff	Ensure at least 30 Council staff are trained as Emergency Operations Centre (EOC) personnel so that we have three shifts of EOC staff trained and exercised in case of a regional emergency. <i>Currently over 30 staff are EOC trained</i>

Other Civil Defence Activities planned for 2012 – 22 years:

1. Maintain the Emergency Operations Centre in a ready state for possible emergency events, in accord with the Group Plan.
2. Prepare and distribute public information as determined in the Group Plan, or subsequent Group or CEG decisions.
3. Ensure all new hazards research is communicated to the Lifelines and CEG meetings to assist with District Council and other agency preparedness.
4. Assist with co-ordinating exercises with the District Council CDEM staff to ensure controllers & key staff are familiar with each other and with each other's roles in an event.

Indicative Costs and Sources of Funds

Budget 2011/12		LTP 2012/13	LTP 2013/14	LTP 2014/15	LTP 2015/16	LTP 2016/17	LTP 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22
Emergency Management											
104,526	Civil Defence Response	122,475	117,318	121,570	130,004	128,506	132,759	141,702	129,516	134,641	144,457
40,376	Natural Hazards	11,710	12,120	12,593	13,051	13,439	13,901	14,358	14,820	15,436	15,980
<u>144,902</u>	Total Operating Expenditure	<u>134,185</u>	<u>129,438</u>	<u>134,163</u>	<u>143,055</u>	<u>141,945</u>	<u>146,660</u>	<u>156,060</u>	<u>144,336</u>	<u>150,077</u>	<u>160,437</u>
Funding											
0	Subsidies	22,000	0	0	0	0	0	0	0	0	0
0	User Charges	0	17,000	18,000	18,000	19,000	19,000	20,000	21,000	21,000	22,000
50,000	Targeted Rates	50,000	52,000	53,000	55,000	57,000	59,000	61,000	63,000	65,000	67,000
94,902	General Funds	62,185	60,438	63,163	70,055	65,945	68,660	75,060	60,336	64,077	71,437
<u>144,902</u>	Total Funding	<u>134,185</u>	<u>129,438</u>	<u>134,163</u>	<u>143,055</u>	<u>141,945</u>	<u>146,660</u>	<u>156,060</u>	<u>144,336</u>	<u>150,077</u>	<u>160,437</u>

River, Drainage, and Coastal Protection Work

River, Drainage and Coastal protection activities include:

- Managing Council's flood protection assets
- Administering the Special Rating Districts
- Greymouth Floodwall structural maintenance
- Quarry management and administration

The River, Drainage and Coastal Protection Work activities contribute to the Safety and Economic community outcomes.

Potential adverse environmental effects are many and varied. Any significant adverse effects of these activities are managed through the Resource Management Act consents processes.

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.

Assets Administered by Council

The Regional Council presently owns and/or administers, 24 special rating districts at the following locations: Karamea, Kongahu (drainage scheme), Mokihinui, Punakaiki, Twelve Mile⁴, Redjacks, Nelson Creek, Coal Creek, Greymouth⁵, Taramakau, Inchbonnie, Kaniere, Southside

⁴ Administered on an inspection-only basis with owners individually responsible for maintenance.

⁵ The Regional Council does not own the Greymouth Flood Wall but rates for its structural maintenance.

Hokitika, Raft Creek (drainage scheme), Kowhitirangi, Vine Creek, Wanganui, Whataroa, Matainui, Waitangitona, Franz Josef, Lower Waiho, Canavan's Knob⁶ and Okuru.

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 Point (land owned by Grey District Council), Inchbonnie, Camelback, Taramakau (in abeyance), 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.

How Council manages changes in service

Any increase in level of service provided by the protection works is primarily determined by the individual community who pays the targeted rate. Decisions about changes in service levels are recorded in the minutes of the annual Rating Districts meeting. These minutes are then considered by Council. 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 increase in capacity. Council has oversight of

⁶ Currently in abeyance.

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

these committees and will over-ride committee recommendations if Council feels those recommendations are unsustainable or if the assets are not being properly managed.

The demand for rock from quarries is driven by the need to maintain works or build new protection works, plus private sales. The last year saw unprecedented demand for rock and therefore the quarries ran at a surplus, but in other years the quarries have run at a loss. Council's aim is to run quarries on a cost-neutral basis as a long term average.

Will more rating districts or quarries be established?

Council formed a new Whataroa Rating District in 2011 to manage the river protection works in the Whataroa River immediately downstream of the bridge. This Long Term Plan established a new rating district in the New River/Saltwater Creek catchment, to fund the stabilising of the river mouth, which was re-located 1.5km south of the Paroa School. If left uncontrolled, the river mouth migrates and can contribute to flood impacts on nearby properties (see pages 50-51).

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. Communities must meet all costs of protection works themselves.

Who pays for the works?

Protection infrastructure is financed by each of the individual communities by way of targeted rates set on properties within defined geographical areas (rating districts). The maps of these targeted rating areas are all on Council's website. Council's engineer tenders for contracts for maintenance works and new capital works as required. Works reports are discussed with each rating district at annual meetings, which are also attended by the constituency councillor(s).

Performance targets

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

Levels of Service for Quarries	Measure	Performance Targets
Ensure efficient and effective management and safe operation of Council's quarries, delivering rock to any customers within ten working days with priority given to Council rating district customers.	Timing of delivering on rock requests.	Deliver on requests for rock within two weeks, and ensure sufficient stockpiled rock is available where practical. <i>The two week turnaround is a new target for 2012. Stockpile planning is now in place and blasting services are being secured.</i>
	Number of site inspections to monitor contractor health and safety and performance	Visit each active quarry site at least twice a year, when contractors are working the quarry (where possible), to ensure Health and Safety standards and other permit requirements are being adhered to. <i>More regular visits are now occurring.</i>

Rationale for Administering Quarries

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

Management plans have been prepared for each rock quarry. The speed of quarry development is driven by demand for rock, therefore the performance targets focus on the process for managing the quarries.

There generally appears to be sufficient rock in the existing quarries to supply the anticipated level of maintenance or additions to existing protection works in the existing Rating Districts, however there are not always rock sources close by to the flood and river protection works that need repair or maintenance.

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

Rationale for 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 existing protection works for Rating Districts throughout the Region, participates on the Joint Greymouth Floodwall Committee, and

rates for structural maintenance of the Greymouth Floodwall.

River cross-section studies and aerial photography of some riverbeds and coastal areas are carried out to monitor gravel build-up and changing patterns in river systems. This assists to identify what, if any, maintenance or additional protection is needed for Rating Districts. This work will be

done as needed depending on the urgency: for example, if gravel build-up increases the risk of flooding and harm or damage to people and property. The work will be done according to recognised engineering standards and practices and according to the affordability to the local community who are funding the work needed.

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

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 river beds, and flood protection levels can alter as riverbeds rise. Generally, Council staff recommend to affected communities at the annual rating district meetings 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 felt to be affordable by ratepayers. Council's considers that each rating district 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 follows⁸:

⁸ Note that several of these schemes also have in-river or riverbank erosion protection works such as groynes or rock rap. The intent is to maintain these works to their current dimensions in accordance with each asset management plan.

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 is looking at options for cost-effective flood protection and NIWA have modelled various flood scenarios using LIDAR information. The last rating district meeting agreed to upgrade the stop bank at the Last Resort motels, and address the impact of trees near the banks at other locations.

A five year plan is being prepared to identify priority works for the community to consider funding for coming years. The rating district has increased their 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 (not a floodbank). 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 investigating discharging the entire scheme via Blackwater Creek. A second investigation seeks to limit the flood waters that can enter at the top of the scheme from the Little Wanganui River.

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 before damage occurred. The seawall design reflects the historic tide and surge characteristics of the Tasman Sea in the vicinity of the Mokihinui Township, but no numerical standard has been set for the structure to date. No storm design return period level is available for the river rock wall either.

Punakaiki

The Punakaiki seawall was built in 2005 and was designed to handle the historically observed tidal fluctuations and surge patterns of the Tasman Sea in the vicinity. The scheme structures will be maintained to the dimensions that they were originally constructed. The construction loan will be fully repaid in 2015.

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). 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. It is anticipated that prior to the loans for this work being repaid (2030) Council will approach the community again to suggest raising the rest of the wall to the 150 year flood protection level. On 21 November 2011 the Grey River flooded, and the floodwaters were again kept out of the town by the floodwalls.

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 floodbanks. Council is now working with the rating district to raise these floodbanks, in 2012. This may require a modest loan to be raised.

Nelson Creek

There have 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 and this is currently being assessed.

Redjacks Creek

There have 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 suggested that an analysis be commissioned to quantify the actual level of protection that the scheme currently provides. The ratepayers decided that they do not wish to have any new analysis undertaken. Given that there has been no analysis carried out the scheme structures will continue to be maintained to their current dimensions.

Inchbonnie

Cross-section and flood flow analysis undertaken for the Inchbonnie scheme indicates that its current service potential is capable of containing 2620m³/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. The ratepayers are currently planning to raise its height to the 1 in 400 year protection level.

Southside (Hokitika Bridge)

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

Kaniere

This scheme maintains three groyne and a section of continuous riprap that protect the river

bank from erosion (not a floodbank). These structures will continue to be maintained to the dimensions that they were originally constructed. In 2011, ratepayers asked Council to develop an options report for extending the river protection up river to provide protection for currently unprotected properties. This work is underway.

Raft Creek (Kokatahi)

This drainage scheme assists drainage of farmland near Kokatahi (not a floodbank). 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. In 2011, the ratepayers asked for an independent review of the scheme to assess whether there are ways to make the scheme operate more efficiently.

Wanganui River (Harihari)

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. Given that there has been no analysis carried out the scheme structures will continue to be maintained to their current dimensions.

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 in-stream groynes, not flood banks. Further consultation will be undertaken with the community in 2012 to set a long term strategy and Asset Management Plan for this Rating District.

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 decided that they do not wish to have any new analysis undertaken to quantify the actual level of protection that the scheme currently provides. Given that there has been no analysis carried out to date, the scheme structures will 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 accepted 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

Cross-section and flood flow analysis undertaken for the Franz Josef scheme indicates that it was not capable of containing the 2008 estimate of the 1 in 50 year return period flood with 600mm freeboard. The ratepayers accepted there is a need to increase the level of protection afforded by the stopbanks and decided to raise the stopbank height. However, significant riverbed aggradation in 2010/11 has changed the flood risk again and despite urgent raising of the stopbank crest in 2011, the structure still may not be sufficient to meet the flood protection standard sought. In 2011 Council commissioned an independent report on how to best manage the Waiho River and its flood protection assets.

Lower Waiho (Franz Josef)

Cross-section and flood flow analysis indicates that the whole of the Rubbish Dump stopbank and 20% of the Milton & Others stopbank will not contain 2,050 cumecs, or the 2% annual probability flood (1 in 50 year flood) with 900mm freeboard. While the rating district at the time accepted the need to increase the level of the stopbanks, more recent riverbed aggradation has changed the scenario again. The independent Waiho River report needs to be considered before further decisions are taken.

Okuru

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

New River / Saltwater Creek

The mouth of New River and Saltwater Creek will be re-opened if it becomes blocked, or if it migrates more than 500 metres from the location of the Grey District Council bund.

Performance targets

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

Levels of Service	Measure	Performance Targets
Meet or exceed the flood protection, drainage or erosion protection levels as described in the 'levels of service – background' section above.	Completion of rating district works and annual consultation meetings.	Complete all rating district meetings, and perform all repair and maintenance works as agreed at those meetings. <i>All were completed in 2010/11</i>
	Proportion of schemes performing to their agreed service level.	Monitor all rating district infrastructural assets to ensure they perform to the service level consistent with the Asset Management Plan of each Rating District, or whatever level the community has decided is an acceptable risk. <i>All schemes complied with their AMPs in 2010/11</i>
	Meet timeframes for plan review	Review Rating District Asset Management Plans in 2012/13, 15/16 and 18/19, or earlier where information indicates a significant change from what is stated in the asset management plan.

Other River, Drainage and Coastal Protection Work activities planned for 2012 – 22 years:

Council intends investigating, in the 12/13 year, the need for a bylaw for protecting flood bank structures.

New River / Saltwater Creek Rating District

On 28 December 2010 an intense rainfall event caused Saltwater Creek and New River to flood properties (including the hotel, school and pre-school) on the western side of the State Highway and closed the State Highway. At this time the river mouth had migrated northwards to opposite Paroa School.

Grey District Council undertook emergency works to open a new mouth of Saltwater Creek and New River approximately 1.5 km south of the school and constructed a bund at the new outlet. The Regional Council has now assumed management of the river mouth.

Council received advice from an independent river engineering consultant on the most appropriate rating area boundaries on which to base contributions for the rating district. Those properties within these boundaries (shown on the map on the next page) will be rated to fund the re-opening of the river mouth if it becomes blocked, or if it migrates more than 500 metres from the location of the Grey District Council bund. The Grey District Council will continue to maintain their bund and access road. The two Councils will work closely together and the new scheme will be overseen by the Greymouth Floodwalls Joint Committee, who meet annually at the Council offices at Paroa (ratepayers are also welcome to attend.)

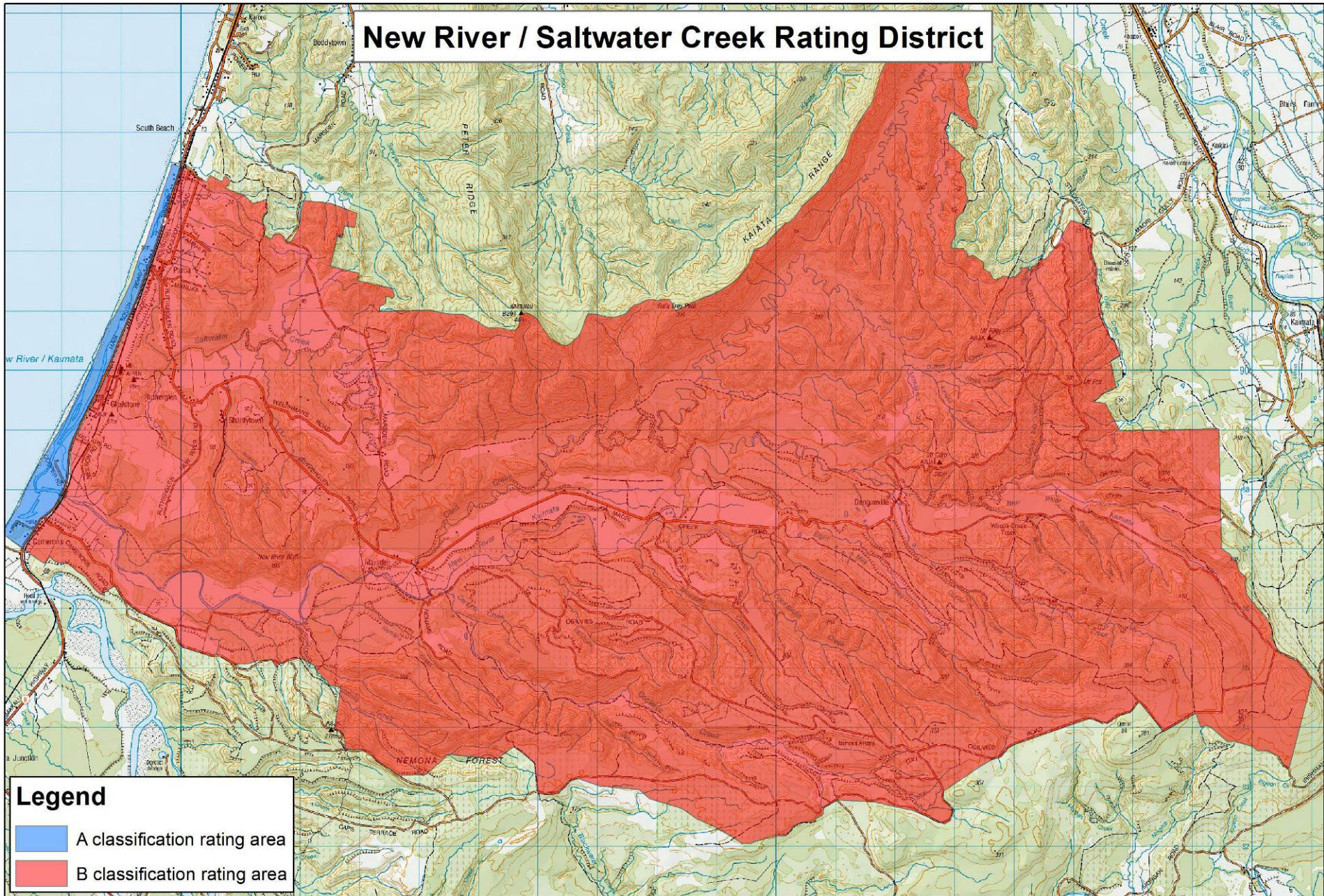
Our independent advice suggested a rating district be formed consisting of all properties within the Saltwater Creek and New River water catchment, but with a higher rate set for those properties to the west of the state highway, as they derive the main benefit from the flood management scheme. The properties west of the highway in the catchment of New River/Saltwater Creek are classified as A class ratepayers; while the B classified ratepayers include all those rateable properties to the east of the highway, in the New River/Saltwater Creek catchment.

The map on the next page shows the boundary of the rating area, including the different classification areas in blue and red.


Council circulated an opinion survey in October 2011 to establish the community's views about which flood management option was most preferred. The feedback from that survey was that most of the respondents were in favour of stabilising the location of the river mouth at its current location 1.5km south of the school. Some also wanted to maintain the groyne (bund) structure that turns the New River near the mouth, while others also wanted to construct a new stopbank on the north side of Saltwater Creek. Others wanted to relocate the river mouth to opposite the New River bridge at Gladstone.

Council decided that a new rating district will be formed, but the amount rated will be half that first proposed. This means that A classification ratepayers will each contribute \$9.98 (inclusive of GST) annually per \$100,000 of the Capital Value of their properties, while classification B ratepayers will each contribute 40 cents per \$100,000 of the Capital Value of their properties.

New River / Saltwater Creek Rating District



Legend

-  A classification rating area
-  B classification rating area

Indicative Costs and Sources of Funds

Budget 2011/12		LTP 2012/13	LTP 2013/14	LTP 2014/15	LTP 2015/16	LTP 2016/17	LTP 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22
	River, Drainage & Coastal Protection										
741,799	Works Within Rating Districts	769,625	832,804	769,668	782,073	798,366	815,100	831,463	848,072	928,239	949,223
164,453	Rating District Management	153,975	158,136	163,037	167,798	171,848	176,657	181,414	186,214	192,613	198,263
22,866	Asset Management Plans	12,092	12,517	13,009	13,484	13,881	14,359	14,832	15,307	15,948	16,510
22,310	Inspections	12,592	13,033	13,541	14,034	14,451	14,949	15,440	15,936	16,600	17,184
76,301	Technical Services	22,702	20,546	21,138	21,758	22,332	23,004	23,057	23,632	24,537	25,371
252,324	Quarries	249,668	256,805	265,810	275,125	287,535	293,825	303,507	313,404	325,457	336,874
62,726	River Cross Sections	41,511	42,845	44,227	45,735	47,326	48,936	50,551	52,217	54,108	56,003
1342,779	Total Operating Expenditure	1,262,165	1,336,686	1,290,430	1,320,007	1,355,739	1,386,830	1,420,264	1,454,782	1,557,502	1,599,428
	Funding										
281,000	User Charges	274,000	280,800	289,600	299,000	308,700	321,000	330,200	341,600	356,100	367,400
-228,434	Transfers to (-) / from Reserves	-235,768	-109,334	-188,516	-144,937	-125,307	-139,933	-144,238	-152,282	-99,913	-104,260
941,557	Targeted Rates	981,061	918,144	934,394	903,136	902,508	927,858	949,008	972,158	997,508	1,022,958
348,656	General Funds	242,872	247,076	254,952	262,808	269,838	277,905	285,294	293,306	303,807	313,330
1342,779	Total Funding	1,262,165	1,336,686	1,290,430	1,320,007	1,355,739	1,386,830	1,420,264	1,454,782	1,557,502	1,599,428
	Capital Expenditure										
350,000	Franz Josef rating District-New Infrastructure										
5,000	Replacement equipment										
355,000		0	0	0	0	0	0	0	0	0	0
	Funded by										
350,000	Rating District retained earnings										
5,000	Depreciation										
355,000		0	0	0	0	0	0	0	0	0	0

Vector Control Services Business Unit

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 research;
- Environmental consultancy work in support of primary industry on the West Coast;
- Support for Marine Oil Spill and pollution responses, and biosecurity emergencies.

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.

The Business Unit will tender for work both within and outside the West Coast region.

The Community Outcome to which the Activity primarily contributes

The VCS business unit contributes to the Economy Outcome as an employer of permanent and casual staff. Most of the staff are recruited from the local community. In this role there is a

commitment by the unit to upskill and train staff, thereby improving the employment opportunities of the people that move through the unit. With the successful operation and management of the business unit there will be a financial return to the Council which will allow it to offset some of its other costs, saving the ratepayer money.

Significant negative effects of activities

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 but Council decisions do need to be based on benefits to the Region as a whole.

Assets for Activities

VCS operates from a depot in Jacks Road Greymouth. It owns various vehicles and other equipment. These are not considered to be the type of assets that require management

statements in the LTP as per Schedule 10.2 of the Local Government Act.

Why have a VCS Business Unit?

The VCS business unit was set up in December 2004 and is still developing. The Council has traditionally had a pest control operational unit and it was decided in 2004 to operate that unit using a business model. Operating 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 any other contract work, as appropriate, to maintain a profitable business and provide a financial return to the Council. The VCS business unit also ensures the Council has suitably trained staff and equipment at short notice for emergency work.

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

Performance targets

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

Levels of Service	Measure	Performance Targets
To produce a financial surplus (to offset general rates) by tendering for, winning and delivering on vector control contracts.	Achieve or exceed budgeted financial return	Tender for, and win, sufficient contracts to provide or exceed the annual budgeted return to Council. <i>In 2010 VCS exceeded the budgeted return to Council</i>
	Number of contracts or blocks passed or failed	Meet the performance objectives and contractual obligations set by the Animal Health Board, avoiding penalties for contract or block failures. <i>In 2010/11 VCS had one re-monitor required on one block. 24 of 25 jobs passed.</i>
To provide marine oil spill and terrestrial hazardous substance spill support, and biosecurity response services for the MNZ, MAF and the Regional Council	Availability of trained staff	Have staff available as a response unit for marine and terrestrial pollution spill events as per the MOU dated 11 November 2005. <i>Six trained staff were available in 2010/11.</i>
	Availability of trained staff	Have 4 staff plus a vehicle available for biosecurity emergencies, as per the National Biosecurity Capability Network agreement 2011. <i>This is a new service in 2012.</i>
Develop an RMA contracting service to assist mining and dairy sector clients to meet their RMA requirements	Achievement of budgeted financial return	Win sufficient work annually to cover costs and earn a moderate surplus for Council. <i>This is a new service in 2012.</i>

Indicative Costs and Sources of Funds

Budget 2011/12		LTP 2012/13	LTP 2013/14	LTP 2014/15	LTP 2015/16	LTP 2016/17	LTP 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22
VCS Business Unit											
2312,000	Operating Expenditure	1495,250	1779,098	1778,526	1824,566	1877,555	1925,687	1970,655	2036,547	2088,903	2157,628
2312,000	Total Operating Expenditure	1495,250	1779,098	1778,526	1824,566	1877,555	1925,687	1970,655	2036,547	2088,903	2157,628
Funding											
2885,000	User Charges	1995,250	2279,098	2278,526	2338,000	2405,000	2468,000	2528,000	2608,000	2676,000	2761,000
0	Targeted Rates										
-573,000	General Funds	-500,000	-500,000	-500,000	-513,434	-527,445	-542,313	-557,345	-571,453	-587,097	-603,372
2312,000	Total Funding	1495,250	1779,098	1778,526	1824,566	1877,555	1925,687	1970,655	2036,547	2088,903	2157,628
Capital Expenditure											
20,000	Vehicle Replacements	45,000	30,962	127,811	82,571	0	52,981	146,038	0	97,641	0
20,000		45,000	30,962	127,811	82,571	0	52,981	146,038	0	97,641	0
Funded by											
20,000	Depreciation	45,000	30,962	127,811	82,571	0	52,981	146,038	0	97,641	0
20,000		45,000	30,962	127,811	82,571	0	52,981	146,038	0	97,641	0

PART 4 – TEN YEAR FINANCIAL PROJECTIONS

Significant Forecasting Assumptions

The preparation of a long-term council community 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 assumptions underlying the preparation of these forecasts were adopted on 10 April 2012 and incorporate known financial results as at that date and estimates for the year to 30 June 2012. Events occurring subsequent to this date may have a significant effect on these forecasts.

The Council is required to:

- Manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community.
- Make adequate and effective provision in its long-term plan and in its annual plan (where applicable) to meet the identified expenditure needs.
- Meet funding needs from those sources that the council determines to be appropriate, following consideration of:
 - a) In relation to each activity to be funded:
 - i. The community outcomes to which the activity primarily contributes.
 - ii. The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals.
 - iii. The period in or over which those benefits are expected to occur.
 - iv. The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.
 - b) The overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental and cultural well being of the community.

In order to provide predictability and certainty about sources and levels of funding, the Council has adopted the following funding and financial policies:

- Financial Strategy (section 101A Local Government Act 2002)

Funding & Financial Policies

-
- Liability management policy.
- Investment policy.
- Policy on development contributions or financial contributions.
- Policy on the remission and postponement of rates on Maori freehold land.
- Rates remission policy.
- Rates postponement policy.

Significant Forecasting Assumptions and Risks

The overarching assumptions used in preparing the Long Term Plan (LTP) 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 LTP.

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.	Medium to high	<p>Returns of 7% have been budgeted for across the 10 year term of the LTP. This budgeted return is based on examination of returns over the last decade and our portfolio advisors expectations for the future. We do not consider the budget 7% returns to be unreasonable. Any shortfall in these returns may increase the demand on general rates. Such a shortfall would also decrease the value of amounts reinvested into the portfolio and that would also impact future investment returns.</p> <p>For every 1% higher or lesser return the variance in Investment income would be +- \$120,000.</p>
Vector Control Services Business Unit.	This Council business unit competes on a contestable basis for AHB Aerial and Ground contracts.	Medium to high	The budget estimates for 2013/14 and 2014/15 include contracts awarded by the AHB to the business unit. It is uncertain what contracts might be won by the VCS business unit after 2014/15. 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.
New Rating Districts for Flood, Drainage and Coastal Protection.	<p>This LTP has been prepared based on existing Infrastructure and known planned extensions/upgrades.</p> <p>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.</p>	Medium to high	<p>Council receives such requests from time to time but cannot predict when they will occur.</p> <p>It is not possible to budget for such requests.</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>
Council involvement in supporting the Animal Health Board (AHB)	The existing secondment arrangement with the AHB has no right of renewal.	Medium	Three staff are seconded to AHB to deliver Vector management functions. The secondment agreement has been renewed twice for two year periods and the current version expires June 30 2013. It is assumed the agreement will be renewed after that date for a further 2 years. The national Tb Strategy was revised in July 2011 and the next review will be in 2015/16. If AHB or the Council decides to discontinue the secondment arrangement, there will be a modest impact on overhead allocations for other parts of the Council.
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
Unforeseen environmental issues or resource management	There will be new environmental issues requiring works that cannot be funded out of normal budgetary	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

Forecasting Assumption	Risk	Level of Uncertainty	Reasons and Financial Effect of Uncertainty
needs.	provisions.		requirement addressed in terms of the principles outlined in the Revenue and Financing Policy.
Climate Change	The impacts of climate change might impact adversely on estimated costs contained in this LTP.	Low to medium	Refer the comments on page 28. There is uncertainty about the actual effects of climate change over the 10 year life of this LTCCP. The effects are more likely to become apparent over a longer time frame.
The Minister of Local Government's "Better Local Government" March 2012 document.	There is a possibility that the document will be a precursor of local government amalgamation within the West Coast region.	Medium	The LTP has been prepared on the assumption that there is no Region wide desire for change to existing local government arrangements.
Revaluation of River, Drainage & Coastal Protection Infrastructure Assets	Estimated future revaluations have been calculated using the BERL "earthmoving" index. Actual revaluation movements in the value of the Infrastructure assets might be greater or lesser than the estimates.	Low to medium	The Infrastructure asset revaluations are a function of contracting rates prevailing at the time of revaluation. Revaluations will occur in December 2012, December 2015, December 2018 and December 2021. However, these revaluations have no funding impact.
Quarry Rock sales	Future "one off" rock sales have been annualised at \$80,000 + THE BERL estimated cost index across the term of the LTP.	Low to medium	These "one off" type sales of rock might not eventuate and the accumulated Quarry deficit would be higher as a result.
Projected growth change factors.	Increased population and economic activity places additional pressures to increase Council levels of service.	Low	No significant population increases are anticipated. Refer page 10. The Statistics NZ "medium series" estimates do not envisage any substantive increases in the Regional population over the 10 year term of the LTP. The extent of mining activity in the Region continues to grow and this may require some modest staff increase in the future to meet demand for regulatory services by the mining sector.
Cost changes.	Inflation will increase costs to Council and there will be insufficient revenue.	Low	Cost changes have been included in the financial projections. Cost changes are as per BERL estimates – refer page 12): Revenue estimates have also been adjusted using the same BERL index.
Emissions Trading Scheme	The emissions trading scheme might adversely impact on estimated costs contained in this LTP.	Low	Council is not involved in any substantial way in forestry, agriculture or activities that involve large scale emissions. We do not expect any material impact from the scheme.
Borrowing rates	Borrowing rates could be higher than estimated.	Low	Borrowing for protection works is normally at fixed rates for 5 – 10 years. Council has entered into various interest rate swap arrangements with its banker to protect against interest rate volatility. The borrowing for the Punakaiki protection works is fixed at 6.53% from November 2010 until maturity in November 2015. Other borrowing projected in the LTP is costed at 7.00%.

Forecasting Assumption	Risk	Level of Uncertainty	Reasons and Financial Effect of Uncertainty
Significant natural or other hazard emergencies.	There will be emergencies requiring work that cannot be funded out of normal budgetary provision.	Low	The potential effect of a natural Disaster on the Council's financial position is dependent upon the scale, duration and location of the event. The Government will refund most of the direct rescue costs of major emergency events.
General Rate Increases	The general rate requirement might exceed that forecast in the LTP	Low	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 moderate general rate increase.
Retention of % of Managed Funds Investment Income	That retention of % of Investment Income may fall outside the guideline parameters.	Low	Council policy is that in any given year retention of managed funds Investment income within the portfolio will fall within the range of 40% - 60%.
Ability to recover input tax deductions for payments to service providers under the Warm West Coast scheme.	Government has indicated its intention to repeal section 60B (5) of the Goods & services tax Act 1985 with effect from 1 April 2011 to enable parties such as Council to continue to recover the input tax in such situations.	Low	The government introduced on 14 September 2011 the Taxation (Annual Rates, Returns Filing and Remedial Matters) Bill (325-1). Clause 151 of the Bill states that section 60B(5) will be repealed with effect from 1 April 2011. There is a risk that parliament might not pass the Bill, or might amend the Bill.

Statement of Accounting Policies

Reporting Entity

The West Coast Regional Council is a regional local authority governed by the Local Government Act 2002. The primary objective of Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, Council has designated itself as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

Statement of Compliance

The forecast financial statements have been prepared in terms of Section 111 of the Local Government Act 2002, The Financial Reporting Act 1993 and Generally Accepted Accounting Practice in New Zealand (NZ GAAP). These Prospective Financial Statements also comply with Financial Reporting Standard # 42.

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 have been prepared to meet the requirements for a Long Term Plan prescribed in the Local Government Act 2002.

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

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

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

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

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

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

In September 2011 the External Reporting Board issued a position paper and consultation papers proposing a new external reporting framework for public benefit entities (PBE). The papers proposed that accounting standards for PBE's should be based on International Public Sector Accounting Standards, modified as necessary. The proposals in these papers do not provide certainty about any specific requirements of future accounting standards. Therefore the accounting policies on which the forecast financial information for 2012/22 has been prepared are based on the current New Zealand equivalents to International Financial Reporting Standards.

Significant Accounting Policies

The following accounting policies, which materially affect the measurement of results and financial position, have been applied consistently to all years presented from 1 July 2012, unless otherwise stated.

Revenue

Revenue is measured at the fair value of consideration received.

Rates revenue

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

Other revenue

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

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

Interest income is recognised using the effective interest method.

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

Borrowing costs

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

Leases

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 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.

Cash and cash equivalents

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

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

Trade and other receivables

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

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

Inventories

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

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

Foreign Currency Transactions

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

Derivative Financial Instruments and Hedge Accounting

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

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently 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. The Council designates certain derivatives as either:

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

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

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

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

Fair value hedge

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

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

Cash flow hedge

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

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised in other comprehensive income are reclassified into the surplus or deficit in the same period or periods during which the asset acquired or liability assumed affects the surplus or deficit. However, if it is expected that all or a portion of a loss

recognised in other comprehensive income will not be recovered in one or more future periods, the amount that is not expected to be recovered is reclassified to the surplus or deficit.

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

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

Financial assets

The Council has two classifications for its financial assets:

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

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

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

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. Council's fund manager obtains independent verified market prices from third parties such as trading banks, broking houses and originating companies for all assets/securities. Managed funds are valued at the value date price used as the exit price at month end and can be deemed to be fair value. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

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

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

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

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

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

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

Council has adopted the provisions of hedge accounting.

(2) Loans and receivables

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

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

Impairment of financial assets

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

Non-current assets held for sale

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

Property, plant and equipment

Property, plant and equipment consists of:

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

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

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

Additions

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

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%
Office Equipment Leases	3 – 4 years	25% - 33%
Truck	6.7 years	15%

Motor Vehicle	6 - 7 years	15 %
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The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

Revaluation

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

Operational land:

This is revalued on a cyclical 3-year basis at fair value as determined from the most recent market based rating valuations. Valuations are as at 1 September 2009 (Grey District area land), 1 September 2010 (Westland District area land), and 1 September 2011 (Buller District area land).

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

At fair value determined on a replacement cost basis by a staff member and peer reviewed by an independent river control engineer. At balance date Council assesses the carrying value of its infrastructural assets to ensure that they do not materially differ from the assets' fair values.

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

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

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

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

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

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

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

Employee benefits

Short-term benefits

Employee benefits that 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

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

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

Borrowings

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

Equity

Equity is the community's interest in 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
- 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.

Good and Service Tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Cost allocation

Council has derived the cost of service for each significant activity using the cost allocation system outlined below:

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.

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.

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.

The assumptions underlying the preparation of these forecasts were adopted on 10 April 2012 and incorporate known financial results as at that date and estimates for the year to 30 June 2012. Events occurring subsequent to that date may have a significant effect on these forecasts.

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

The Statement of Comprehensive Income 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 Income, and the Funding Impact Statements are as follows;

year	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
SCI	7386,830	7901,540	7966,714	8204,596	8509,906	8787,829	9066,571	9387,468	9758,646	10109,246
FIS	7055,089	7588,124	7643,728	7904,827	8205,881	8477,256	8758,533	9058,607	9412,302	9761,851
**	331,741	313,416	322,986	299,769	304,025	310,573	308,038	328,861	346,344	347,395

** These differences are the amount of the non-cash depreciation expense.

Reconciliation of Prospective Statement of Comprehensive Income Surplus from Activities

Year 2012/13 2013/14 2014/15 2015/16 2016/17

Surplus 740,981 656,053 791,808 753,420 757,521

Less transfers
to / -from retained
earnings

-Rating Districts -237,436 -110,140 -190,326 -148,063 -131,842

Quarry account 1,669 806 1,810 3,125 6,535

-Tb Special rate 37,144 8,450 -17,557 507 379

-Investment income -37,858 -33,999 -37,443 -37,989 -36,307

-Catastrophe Fund -84,500 -91,170 -98,292 -106,000 -114,286

Loan Principal repaid -420,000 -430,000 -450,000 -465,000 -482,000

-740,981 -656,053 -791,808 -753,420 -757,521

Year 2017/18 2018/19 2019/20 2020/21 2021/22

Surplus 797,083 830,252 869,329 847,622 869,940

Less transfers
-to / from retained
earnings

-Rating Districts -141,758 -146,745 -154,686 -101,369 -106,135

-Quarry account 1,826 2,506 2,404 1,459 1,874

-Tb Special rate 412 552 687 774 115

-Investment income -35,485 -38,162 -41,379 -42,326 -40,168

-Catastrophe Fund -123,078 -132,403 -142,355 -153,160 -164,626

Loan Principal repaid -499,000 -516,000 -534,000 -553,000 -561,000

-797,083 -830,252 -869,329 -847,622 -869,940

Schedule of Movements in Reserves

		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Rating District Balances	opening balance	1,500,000	1,616,693	1,597,834	1,650,284	1,705,809	1,761,620	1,822,091	1,881,876	1,943,476	1,945,147
	Deposits										
	Transfer from Surplus	237,436	110,140	190,326	148,063	131,842	141,758	146,745	154,686	101,369	106,135
	Withdrawals										
	Loan Principal Repayments	-120,743	-128,999	-137,876	-92,538	-76,031	-81,287	-86,960	-93,086	-99,698	-106,839
	closing balance	<u>1,616,693</u>	<u>1,597,834</u>	<u>1,650,284</u>	<u>1,705,809</u>	<u>1,761,620</u>	<u>1,822,091</u>	<u>1,881,876</u>	<u>1,943,476</u>	<u>1,945,147</u>	<u>1,944,443</u>
Investment Growth Reserve	opening balance	9,900,000	10,320,000	10,750,000	11,200,000	11,665,000	12,147,000	12,646,000	13,162,000	13,696,000	14,249,000
	Deposits										
	Transfer from Surplus	420,000	430,000	450,000	465,000	482,000	499,000	516,000	534,000	553,000	561,000
	Withdrawals	0	0	0	0	0	0	0	0	0	0
	closing balance	<u>10,320,000</u>	<u>10,750,000</u>	<u>11,200,000</u>	<u>11,665,000</u>	<u>12,147,000</u>	<u>12,646,000</u>	<u>13,162,000</u>	<u>13,696,000</u>	<u>14,249,000</u>	<u>14,810,000</u>
Quarry Account	opening balance	314,000	312,314	311,508	309,698	306,573	300,038	298,212	295,705	293,301	291,844
	Deposits										
	Transfer from Surplus/-Deficit	-1,686	-806	-1,810	-3,125	-6,535	-1,826	-2,507	-2,404	-1,457	-1,875
	Withdrawals	0	0	0	0	0	0	0	0	0	0
	closing balance	<u>312,314</u>	<u>311,508</u>	<u>309,698</u>	<u>306,573</u>	<u>300,038</u>	<u>298,212</u>	<u>295,705</u>	<u>293,301</u>	<u>291,844</u>	<u>289,969</u>
Catastrophe Fund	opening balance	575,000	659,500	750,674	848,969	954,954	1,069,185	1,192,204	1,324,585	1,466,937	1,620,047
	Deposits										
	Transfer from Surplus	84,500	91,174	98,295	105,985	114,231	123,019	132,381	142,352	153,110	164,609
	Withdrawals	0	0	0	0	0	0	0	0	0	0
	closing balance	<u>659,500</u>	<u>750,674</u>	<u>848,969</u>	<u>954,954</u>	<u>1,069,185</u>	<u>1,192,204</u>	<u>1,324,585</u>	<u>1,466,937</u>	<u>1,620,047</u>	<u>1,784,656</u>
Tb Special Rate Balance	opening balance	36,000	-1,144	-9,594	7,963	7,456	7,078	6,666	6,114	5,427	4,653
	Deposits										
	Transfers from Surplus/-Deficit	-37,144	-8,450	17,557	-507	-378	-412	-552	-687	-774	-115
	Withdrawals	0	0	0	0	0	0	0	0	0	0
	closing balance	<u>-1,144</u>	<u>-9,594</u>	<u>7,963</u>	<u>7,456</u>	<u>7,078</u>	<u>6,666</u>	<u>6,114</u>	<u>5,427</u>	<u>4,653</u>	<u>4,538</u>
Total Reserves		<u>12,907,363</u>	<u>13,400,422</u>	<u>14,016,914</u>	<u>14,639,792</u>	<u>15,284,921</u>	<u>15,965,173</u>	<u>16,670,280</u>	<u>17,405,141</u>	<u>18,110,691</u>	<u>18,833,606</u>
Funded by:											
Investments-Current Assets		1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Investments-Non Current Assets		11,496,193	11,998,508	12,599,253	13,225,763	13,877,805	14,560,295	15,268,461	16,006,413	16,714,194	17,439,099
		<u>12,996,193</u>	<u>13,498,508</u>	<u>14,099,253</u>	<u>14,725,763</u>	<u>15,377,805</u>	<u>16,060,295</u>	<u>16,768,461</u>	<u>17,506,413</u>	<u>18,214,194</u>	<u>18,939,099</u>

Prospective Statement of Comprehensive Income

Budget 2011/12		LTP 2012/13	LTP 2013/14	LTP 2014/15	LTP 2015/16	LTP 2016/17	LTP 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22
Cost of Services											
385,543	Governance	383,511	423,803	409,934	424,768	470,412	455,401	471,107	520,762	506,208	524,676
2679,899	Resource Management	2674,896	2722,147	2804,919	2893,124	2965,167	3078,282	3185,169	3262,300	3389,285	3524,148
249,881	Transport	150,854	171,297	178,411	168,608	191,252	198,028	186,271	211,470	219,639	207,131
376,571	Hydrology & Floodwarning Services	398,825	420,440	442,527	439,419	451,735	475,627	490,411	504,320	523,813	542,057
144,902	Emergency Management	134,185	129,438	134,163	143,055	141,945	146,660	156,060	144,336	150,077	160,437
1342,779	River, Drainage & Coastal Protection	1,262,165	1,336,686	1,290,430	1,320,007	1,355,740	1,386,830	1,420,264	1,454,782	1,557,503	1,599,428
814,523	Regional Share of cost of Tb Vector Controls	887,144	883,450	857,443	885,507	915,378	945,411	975,552	1006,687	1041,774	1077,115
2312,000	VCS Business Unit	1495,250	1779,098	1778,526	1824,565	1877,555	1925,688	1970,654	2036,547	2088,903	2157,629
0	Warm West Coast Scheme	0	35,181	70,361	105,543	140,722	175,902	211,083	246,264	281,444	316,625
8306,098	Total Expenditure	7,386,830	7,901,540	7,966,714	8,204,596	8,509,906	8,787,829	9,066,571	9,387,468	9,758,646	10,109,246
Revenue											
1980,000	General Rates	2020,000	2,085,000	2,146,000	2,193,000	2,265,000	2,328,000	2,403,000	2476,000	2,549,000	2638,000
75,000	Penalties	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
986,250	Investment Income	904,500	938,570	975,040	1,011,938	1,051,297	1,092,151	1,134,532	1,178,475	1,224,016	1,272,203
1033727	Resource Management	1073,500	1,107,500	1,144,000	1,182,500	1,222,000	1,264,500	1,308,000	1,351,000	1,397,500	1,447,000
204,650	Transport	87,500	99,300	104,600	96,900	111,200	114,500	107,000	123,300	127,700	118,000
50,000	Emergency Management	72,000	69,000	71,000	73,000	76,000	78,000	81,000	84,000	86,000	89,000
1222,557	River, Drainage & Coastal Protection	1,255,061	1,198,944	1,223,994	1,202,136	1,211,208	1,248,858	1,279,208	1,313,758	1,353,608	1,390,358
650,000	Regional Share of cost of Tb Vector Controls	650,000	675,000	675,000	685,000	715,000	745,000	775,000	806,000	841,000	877,000
2885,000	VCS Business Unit	1995,250	2,279,098	2,278,526	2,338,000	2,405,000	2,468,000	2,528,000	2,608,000	2,676,000	2,761,000
0	Warm West Coast Scheme	0	35,181	70,361	105,542	140,722	175,903	211,083	246,264	281,444	316,625
9087,184	Total Revenue	8,127,811	8,557,593	8,758,521	8,958,016	9,267,427	9,584,912	9,896,823	10256,797	10606,268	10979,186

781,086	Surplus / (-Deficit) from Activities	740,981	656,053	791,808	753,420	757,521	797,083	830,252	869,329	847,622	869,940
0	Revaluation of Assets	5,546,541	0	0	5,546,541	0	0	6,382,321	0	0	8,687,049
781,086	Total Comprehensive Income	6,287,522	656,053	791,808	6,299,961	757,521	797,083	7,212,573	869,329	847,622	9,556,989

Budget 2011/12	Summary of Operating Expenditure by Expenditure Type	LTP 2012/13	LTP 2013/14	LTP 2014/15	LTP 2015/16	LTP 2016/17	LTP 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22
179208	Interest	170,919	183,110	185,742	189,064	198,203	206,756	208,407	206,988	206,771	208,398
319598	Depreciation	331,740	313,416	322,986	299,770	304,024	310,573	308,038	328,860	346,342	347,394
2886885	Employee benefits	2,926,335	2,996,567	3,068,485	3,148,265	3,230,120	3,307,643	3,383,719	3,470,917	3,564,519	3,660,648
4920407	Other operating expenditure	3,957,836	4,408,447	4,389,501	4,567,497	4,777,559	4,962,857	5,166,407	5,380,703	5,641,014	5,892,806
8306098	Total Operating Expenditure	7,386,830	7,901,540	7,966,714	8,204,596	8,509,906	8,787,829	9,066,571	9,387,468	9,758,646	10,109,246

Prospective Statement of Changes in Equity

Budget 2011/12	LTP 2012/13	LTP 2013/14	LTP 2014/15	LTP 2015/16	LTP 2016/17	LTP 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22	
62,582,451	Opening Balance	63,555,192	69,842,714	70,498,767	71,290,574	77,590,535	78,348,056	79,145,139	86,357,712	87,227,041	88,074,663
972,741	Comprehensive Income	6,287,522	6,56,053	791,807	6,299,961	757,521	797,083	7,212,573	869,329	847,622	9,556,989
63,555,192	Closing Balance	69,842,714	70,498,767	71,290,574	77,590,535	78,348,056	79,145,139	86,357,712	87,227,041	88,074,663	97,631,652

Prospective Statement of Financial Position

Budget 2011/12		LTP 2012/13	LTP 2013/14	LTP 2014/15	LTP 2015/16	LTP 2016/17	LTP 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22
Current Assets											
100,000	Cash	-60,874	-74,680	17,480	114,304	260,667	338,072	358,544	528,824	629,669	840,279
1900,000	Receivables	1500,000	1549,000	1599,000	1652,000	1707,000	1763,000	1823,000	1883,000	1950,000	2016,000
151,929	Inventories	100,000	103,000	106,000	110,000	114,000	118,000	122,000	126,000	130,000	135,000
0	Loan Advances	17,990	37,261	57,905	80,019	103,709	129,085	156,269	185,390	216,584	250,000
1,500,000	Other Financial Assets	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
3651,929	Total Current Assets	3,057,116	3,114,581	3,280,385	3,456,323	3,685,376	3,848,157	3,959,813	4,223,214	4,426,253	4,741,279
Non Current Assets											
3871,325	Property, Plant, Equipment	4017,061	4053,607	4009,191	3,970,174	3961,597	3914,013	3956,125	3814,757	3872,397	3727,780
49,357,111	Infrastructure	54553,652	54553652	54553,652	60100193	60100,193	60100,193	66482,514	66482,514	66482,514	75169,563
366,539	Intangible Assets	552,000	520,000	488,000	456,000	424,000	392,000	360,000	328,000	296,000	264,000
0	Loan Advances	232,010	444,749	636,844	806,825	953,116	1074,031	1167,762	1232,372	1265,788	1265,788
10496,196	Other Financial Assets	11496,193	11998,508	12599,253	13225,763	13878,805	14560,295	15268,461	16006,413	16714,194	17439,099
64,091,171	Total Non Current Assets	70850,916	71570,516	72286,940	78558,955	79316,711	80040,532	87234,862	87864,056	88630,893	97866,230
67,743,100	Total Assets	73908,032	74685,097	75567,325	82015,278	83002,087	83888,689	91194,675	92087,270	93057,146	102607,509

Budget 2011/12		LTP 2012/13	LTP 2013/14	LTP 2014/15	LTP 2015/16	LTP 2016/17	LTP 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22
Current Liabilities											
139,510	Borrowings	181,000	213,000	188,000	192,000	220,000	254,000	291,000	327,000	364,000	408,000
1500000	Payables	1225,000	1265,000	1,305,000	1,350,000	1,396,000	1,443,000	1,492,000	1,542,000	1,596,000	1,652,000
285000	Employee Benefit Liabilities	300,000	310,000	320,000	330,000	340,000	351,000	363,000	375,000	388,000	400,000
1924510	Total Current Liabilities	1706,000	1,788,000	1,813,000	1,872,000	1,956,000	2,048,000	2,146,000	2,244,000	2,348,000	2,460,000
Non Current Liabilities											
15000	Employee Benefit Liabilities	15,000	15,000	16,000	16,000	17,000	17,000	18,000	18,000	20,000	20,000
2121503	Borrowings	2,284,318	2,321,330	2,383,751	2,470,743	2,613,031	2,608,550	2,600,963	2,524,229	2,538,483	2,416,857
56700	Quarry Aftercare Provision	60,000	62,000	64,000	66,000	68,000	70,000	72,000	74,000	76,000	79,000
2193203	Total Non Current Liabilities	2,359,318	2,398,330	2,463,751	2,552,743	2,698,031	2,695,550	2,690,963	2,616,229	2,634,483	2,515,857
Equity											
19342553	Ratepayers Equity	19072,172	19235,166	19410,481	19541,023	19653,415	19770,246	19895,391	20029,859	20171,931	20318,956
1226071	Rating District equity	1,616,693	1597,834	1650,284	1705,809	1761,620	1822,091	1881,876	1943,476	1945,147	1944,443
0	Catastrophe Fund	659500	750674	848969	954954	1069185	1192204	1324585	1466937	1620047	1784,656
32316638	Revaluation Reserve	37863,179	37863,179	37863,179	43409720	43409,720	43409,720	49792,041	49792,041	49792,041	58479,090
0	Tb Special Rate	-1,144	-9,594	7,963	7,456	7,078	6,666	6,114	5,427	4,653	4,538
265000	Quarry Account	312,314	311,508	309,698	306,573	300,038	298,212	295,705	293,301	291,844	289,969
10475125	Investment Growth Reserve	10320,000	10750,000	11200,000	11665,000	12147,000	12646,000	13162,000	13696,000	14249,000	14810,000
63625387	Total Equity	69842,714	70498,767	71290,574	77590,535	78348,056	79145,139	86357,712	87227,041	88074,663	97631,652
67743100	Total Liabilities & Equity	73908,032	74685,097	75567,325	82015,278	83002,087	83888,689	91194,675	92087,270	93057,146	102607,509

Prospective Statement of Cash Flows

Budget 2011/12		LTP 2012/13	LTP 2013/14	LTP 2014/15	LTP 2015/16	LTP 2016/17	LTP 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22
Cash Flow from Operating Activities											
986,250	Investment Income	904,500	938,570	975,040	1,011,938	1,051,297	1,092,151	1,134,532	1,178,475	1,224,016	1,272,203
3621,557	Rates	3,688,561	3,730,144	3,808,394	3,836,136	3,939,508	4,059,858	4,188,008	4,317,158	4,452,508	4,604,958
4479,377	Other Income	3,534,750	3,888,879	3,975,087	4,109,942	4,276,622	4,432,903	4,574,283	4,761,164	4,929,744	5,102,025
9087,184		8,127,811	8,557,593	8,758,521	8,958,016	9,267,427	9,584,912	9,896,823	10256,797	10606,268	10979,186
Less Cash Paid for:											
179,208	Interest	170,919	183,110	185,742	189,064	198,203	206,756	208,407	206,988	206,771	208,398
7807,292	Operating Expenditure	6,884,171	7,387,024	7,420,725	7,657,857	7,927,660	8,166,791	8,421,041	8,695,351	9,020,143	9,336,870
7986,500		7,055,090	7,570,134	7,606,467	7,846,921	8,125,863	8,373,547	8,629,448	8,902,339	9,226,914	9,545,268
1100,684	Net Cash Flow Operations	1,072,721	987,459	1,152,054	1,111,095	1,141,564	1,211,365	1,267,375	1,354,458	1,379,354	1,433,918
Cash Flow from Investing Activities											
Cash From:											
0	Sale of Fixed Assets	14,699	47,393	103,847	35,173	20,000	68,061	115,856	18,050	49,609	0
Cash Paid For:											
806,500	Purchase of Fixed Assets	468,500	365,355	350,417	234,502	170,802	299,050	400,386	173,542	292,923	134,812
496,196	Investments Made	621,193	502,315	600,745	626,510	652,042	682,490	708,166	737,952	707,781	724,905
1302,696		1,089,693	867,670	951,162	861,012	822,844	981,540	1,108,552	911,494	1,000,704	859,717
-	Net Cash Flow from Investing	-1,074,994	-820,277	-847,315	-825,839	-802,844	-913,479	-992,696	-893,444	-951,095	-859,717
1302,696											
Cash Flow from Financing Activities											
0	Loans Raised	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
0	Loans Advanced	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
146,059	Loan Principal Repaid	158,601	180,988	212,579	188,432	192,357	220,481	254,207	290,734	327,414	363,591
-146,059	Net Cash Flow from Financing	-158,601	-180,988	-212,579	-188,432	-192,357	-220,481	-254,207	-290,734	-327,414	-363,591

-348,071	Total Changes in Cash held	-160,874	-13,806	92,160	96,824	146,363	77,405	20,472	170,280	100,845	210,610
448,071	Opening Cash Balance	100,000	-60,874	-74,680	17,480	114,304	260,667	338,072	358,544	528,824	629,669
100,000	Closing Cash Balances	-60,874	-74,680	17,480	114,304	260,667	338,072	358,544	528,824	629,669	840,279

Projected Capital Expenditure

Annual Plan 2011/12	Type of Expenditure	LTP 2012/13	LTP 2013/14	LTP 2014/15	LTP 2015/16	LTP 2016/17	LTP 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22
5,000	IT Equipment	20,000	41,283	42,604	44,038	45,547	47,094	48,679	50,302	52,075	53,925
	Disaster Recovery Site		103,208								
	Fibre data connection		15,481								
26,500	Compliance Group	10,000									
5,000	Operations Group										
8,000	Other	11,500									
70,000	IRIS	100,000									
75,000	Hydrology	60,000	61,925	63,906	66,057	68,321	70,642	73,019	75,453	78,113	80,887
	Samples database	32,000									
175,000	New Financial Systems	160,000									
350,000	Franz Josef Rating District-New Infastructure										
	EDMS	30,000									
72,000	WCRC Vehicle Replacements		112,496	116,096	41,836	56,934	128,333	132,650	47,787	65,094	
	Phone Systems	27,000			29,424			33,620			35,965
	Photocopiers	100,000				112,645				128,668	
20,000	VCS-Vehicle Replacements	45,000	30,962	127,811	82,571		52,981	146,038		97,641	
806,500		595,500	365,355	350,417	263,926	283,447	299,050	434,006	173,542	421,591	170,777
456,500	Funded Depreciation	468,500	365,355	350,417	234,502	170,802	299,050	400,386	173,542	292,923	134,812

0	Funded Loans	127,000			29,424	112,645		33,620		128,668	35,965
350,000	Funded Rating District retained earnings	0	0	0	0	0	0	0	0	0	0
806,500		595,500	365,355	350,417	263,926	283,447	299,050	434,006	173,542	421,591	170,777

Projected Capital Expenditure 2012/22 to be funded by Loans – Capitalised Office Equipment Leases		467,322
Projected Capital Expenditure 2012/22 to be funded from depreciation		2,890,289
Total Projected capital Expenditure		3,357,611
Total Depreciation & Amortisation 2012/22		3,213,141

**PART 5 – FUNDING IMPACT STATEMENTS IN ACCORDANCE WITH
THE LOCAL GOVERNMENT (FINANCIAL REPORTING) REGULATIONS
2011**

	Annual Plan 2011/12	LTP 2012/13	LTP 2013/14	LTP 2014/15	LTP 2015/16	LTP 2016/17	LTP 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22
West Coast Regional Council											
Sources of Funding											
General Rates	1,980,000	2,020,000	2,085,000	2,146,000	2,193,000	2,265,000	2,328,000	2,403,000	2,476,000	2,549,000	2,638,000
Rates Penalties	75,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Targeted Rates	1,641,557	1,681,061	1,680,325	1,732,755	1,748,678	1,815,230	1,907,761	1,996,091	2,087,422	2,184,952	2,283,583
Subsidies & Grants	204,650	109,500	99,300	104,600	96,900	111,200	114,500	107,000	123,300	127,700	118,000
Fees & Charges	4,199,727	3,342,750	3,684,398	3,730,126	3,837,500	3,954,700	4,072,500	4,186,200	4,321,600	4,450,600	4,597,400
Internal Charges & Overheads Recovered		0	0	0	0	0	0	0	0	0	0
Fines, Infringement Fees & Other Receipts	986,250	904,500	938,570	975,040	1,011,938	1,051,297	1,092,151	1,134,532	1,178,475	1,224,016	1,272,203
Total Operating Funding (A)	9,087,184	8,127,811	8,557,593	8,758,521	8,958,016	9,267,427	9,584,912	9,896,823	10,256,797	10,606,268	10,979,186
Applications of Operating Funding											
Payments to staff and suppliers	7,807,292	6,884,170	7,405,014	7,457,986	7,715,763	8,007,678	8,270,500	8,550,126	8,851,619	9,205,531	9,553,453
Finance costs	179,208	170,919	183,110	185,742	189,064	198,203	206,756	208,407	206,988	206,771	208,398
Internal charges and overheads applied											
Other operating funding applications											
Total Applications of operating funding (B)	7,986,500	7,055,089	7,588,124	7,643,728	7,904,827	8,205,881	8,477,256	8,758,533	9,058,607	9,412,302	9,761,851
Surplus (deficit) of Operating Funding (A) - (B)	1,100,684	1,072,722	969,469	1,114,793	1,053,189	1,061,546	1,107,656	1,138,290	1,198,190	1,193,966	1,217,335
Sources of Capital Funding											
Subsidies and Grants											
Development and Financial Contributions											
Increase (decrease) in debt	-146,060	-31,601	-162,998	-175,318	-101,103	307	-116,772	-91,502	-134,465	-13,356	-111,042
Gross Proceeds Sale assets											
Lump sum contributions											
Total Sources of capital funding (C)	-146,060	-31,601	-162,998	-175,318	-101,103	307	-116,772	-91,502	-134,465	-13,356	-111,042
Applications of capital funding											
Capital expenditure-additional demand											
Capital expenditure-improved levels of service	525,000	302,000	118,689	0	0	0	0	0	0	0	0
Capital expenditure-replace existing assets	281,500	293,500	246,666	350,417	263,926	283,447	299,050	434,006	173,542	421,591	170,777
Increase (decrease) in reserves	148,124	445,621	441,116	589,058	688,160	778,406	691,834	612,782	890,183	759,019	935,516
Total applications of capital funding (D)	954,624	1,041,121	806,471	939,475	952,086	1,061,853	990,884	1,046,788	1,063,725	1,180,610	1,106,293
Surplus (Deficit) of Capital Funding (C) - (D)	-1,100,684	-1,072,722	-969,469	-1,114,793	-1,053,189	-1,061,546	1,107,656	-1,138,290	-1,198,190	-1,193,966	-1,217,335
Funding Balance (A - B) + (C - D)	0	0	0	0	0	0	0	0	0	0	0

	Annual Plan 2011/12	LTP 2012/13	LTP 2013/14	LTP 2014/15	LTP 2015/16	LTP 2016/17	LTP 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22
Governance											
Sources of Funding											
General Rates	259,558	283,799	313,386	305,570	313,166	346,873	335,885	347,562	367,351	375,630	388,987
Rates Penalties	9,832	9,835	10,496	9,967	9,996	10,720	10,100	10,125	10,386	10,315	10,279
Targeted Rates											
Subsidies & Grants											
Fees & Charges											
Internal Charges & Overheads Recovered											
Fines, Infringement Fees & Other Receipts											
Total Operating Funding (A)	269,390	293,634	323,882	315,537	323,162	357,593	345,985	357,687	377,737	385,945	399,266
Applications of Operating Funding											
Payments to staff and suppliers	337,534	344,642	384,029	367,277	379,580	423,142	405,524	418,362	465,492	445,737	461,629
Finance costs	0										
Internal charges and overheads applied	34,661	32,790	34,380	37,198	39,761	41,620	44,380	47,064	49,160	53,315	56,403
Other operating funding applications											
Total Applications of operating funding (B)	372,195	377,432	418,409	404,475	419,341	464,762	449,904	465,426	514,652	499,052	518,032
Surplus (deficit) of Operating Funding (A) - (B)	-102,805	-83,798	-94,527	-88,938	-96,179	-107,169	-103,919	-107,739	136,915	113,107	-118,766
Sources of Capital Funding											
Subsidies and Grants	0										
Development and Financial Contributions	0										
Increase (decrease) in debt	0										
Gross Proceeds Sale assets	0										
Lump sum contributions	0										
Total Sources of capital funding (C)	0	0	0	0	0	0	0	0	0	0	0
Applications of capital funding											
Capital expenditure-additional demand	0										
Capital expenditure-improved levels of service	0										
Capital expenditure-replace existing assets	0										
Increase (decrease) in reserves	-102,805	-83,798	-94,527	-88,938	-96,179	-107,169	-103,919	-107,739	136,915	113,107	-118,766
Total applications of capital funding (D)	-102,805	-83,798	-94,527	-88,938	-96,179	-107,169	-103,919	-107,739	136,915	113,107	-118,766
Surplus (Deficit) of Capital Funding (C) - (D)	102,805	83,798	94,527	88,938	96,179	107,169	103,919	107,739	136,915	113,107	118,766
Funding Balance (A - B) + (C - D)	0	0	0	0	0	0	0	0	0	0	0

	Annual Plan 2011/12	LTP 2012/13	LTP 2013/14	LTP 2014/15	LTP 2015/16	LTP 2016/17	LTP 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22
Resource Management											
Sources of Funding											
General Rates	1067,958	1085,391	1102,521	1142,662	1170,629	1192,742	1245,654	1291,728	1254,525	1370,445	1434,662
Rates Penalties	40,453	37,613	36,927	37,272	37,366	36,862	37,455	37,628	35,467	37,635	37,911
Targeted Rates											
Subsidies & Grants											
Fees & Charges	1033,727	1073,500	1107,500	1144,000	1182,500	1222,000	1264,500	1308,000	1351,000	1397,500	1447,000
Internal Charges & Overheads Recovered											
Fines, Infringement Fees & Other Receipts											
Total Operating Funding (A)	2142,138	2196,504	2246,948	2323,934	2390,495	2451,604	2547,609	2637,356	2640,992	2805,580	2919,573
Applications of Operating Funding											
Payments to staff and suppliers	1278,473	1214,499	1234,324	1250,487	1277,703	1309,419	1361,563	1397,396	1423,402	1449,071	1508,494
Finance costs											
Internal charges and overheads applied	1286,660	1302,490	1345,178	1406,022	1472,315	1510,689	1571,432	1640,376	1685,162	1769,167	1849,109
Other operating funding applications											
Total Applications of operating funding (B)	2565,133	2516,989	2579,502	2656,509	2750,018	2820,108	2932,995	3037,772	3108,564	3218,238	3357,603
Surplus (deficit) of Operating Funding (A) - (B)	-422,995	-320,485	-332,554	-332,576	-359,522	-368,504	-385,386	-400,417	-467,572	-412,658	-438,030
Sources of Capital Funding											
Subsidies and Grants											
Development and Financial Contributions											
Increase (decrease) in debt											
Gross Proceeds Sale assets											
Lump sum contributions											
Total Sources of capital funding (C)	0	0	0	0	0	0	0	0	0	0	0
Applications of capital funding											
Capital expenditure-additional demand	0										
Capital expenditure-improved levels of service	0	10,000									
Capital expenditure-replace existing assets	34,500										
Increase (decrease) in reserves	-457,495	-330,485	-332,554	-332,576	-359,522	-368,504	-385,386	-400,417	-467,572	-412,658	-438,030
Total applications of capital funding (D)	-422,995	-320,485	-332,554	-332,576	-359,522	-368,504	-385,386	-400,417	-467,572	-412,658	-438,030
Surplus (Deficit) of Capital Funding (C) - (D)	422,995	320,485	332,554	332,576	359,522	368,504	385,386	400,417	467,572	412,658	438,030
Funding Balance (A - B) + (C - D)	0	0	0	0	0	0	0	0	0	0	0

	Annual Plan 2011/12	LTP 2012/13	LTP 2013/14	LTP 2014/15	LTP 2015/16	LTP 2016/17	LTP 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22
Transport											
Sources of Funding											
General Rates	25,510	44,584	50,546	52,176	50,658	55,991	58,592	56,053	58,929	64,488	63,281
Rates Penalties	966	1,545	1,693	1,702	1,617	1,730	1,762	1,633	1,666	1,771	1,672
Targeted Rates											
Subsidies & Grants	204,650	87,500	99,300	104,600	96,900	111,200	114,500	107,000	123,300	127,700	118,000
Fees & Charges											
Internal Charges & Overheads Recovered											
Fines, Infringement Fees & Other Receipts											
Total Operating Funding (A)	231,126	133,629	151,539	158,478	149,175	168,921	174,854	164,686	183,895	193,959	182,953
Applications of Operating Funding											
Payments to staff and suppliers	198,990	109,647	118,444	122,976	122,419	131,704	136,263	134,903	144,867	149,331	148,966
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	42,240	37,147	48,342	50,688	42,314	54,516	56,719	47,159	60,991	64,046	53,308
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total Applications of operating funding (B)	241,230	146,794	166,786	173,664	164,733	186,220	192,982	182,062	205,858	213,377	202,274
Surplus (deficit) of Operating Funding (A) - (B)	-10,104	-13,165	-15,247	-15,186	-15,558	-17,299	-18,128	-17,376	-21,963	-19,418	-19,321
Sources of Capital Funding											
Subsidies and Grants											
Development and Financial Contributions											
Increase (decrease) in debt											
Gross Proceeds Sale assets											
Lump sum contributions											
Total Sources of capital funding (C)	0	0	0	0	0	0	0	0	0	0	0
Applications of capital funding											
Capital expenditure-additional demand	0										
Capital expenditure-improved levels of service	0										
Capital expenditure-replace existing assets	0										
Increase (decrease) in reserves	-10,104	-13,165	-15,247	-15,186	-15,558	-17,299	-18,128	-17,376	-21,963	-19,418	-19,321
Total applications of capital funding (D)	-10,104	-13,165	-15,247	-15,186	-15,558	-17,299	-18,128	-17,376	-21,963	-19,418	-19,321
Surplus (Deficit) of Capital Funding (C) - (D)	10,104	13,165	15,247	15,186	15,558	17,299	18,128	17,376	21,963	19,418	19,321
Funding Balance (A - B) + (C - D)	0	0	0	0	0	0	0	0	0	0	0

	Annual Plan 2011/12	LTP 2012/13	LTP 2013/14	LTP 2014/15	LTP 2015/16	LTP 2016/17	LTP 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22
Hydrology & Floodwarning Services											
Sources of Funding											
General Rates	222,916	246,712	256,071	267,405	274,013	282,195	292,379	301,963	297,503	325,288	336,992
Rates Penalties	8,444	8,549	8,577	8,722	8,746	8,721	8,791	8,796	8,411	8,933	8,905
Targeted Rates											
Subsidies & Grants											
Fees & Charges											
Internal Charges & Overheads Recovered											
Fines, Infringement Fees & Other Receipts											
Total Operating Funding (A)	231,360	255,261	264,648	276,127	282,759	290,916	301,170	310,759	305,914	334,221	345,897
Applications of Operating Funding											
Payments to staff and suppliers	169,323	168,922	176,026	180,381	185,934	191,420	197,401	202,661	207,944	212,855	220,781
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	150,329	159,186	165,861	173,575	180,980	186,682	194,227	201,702	208,853	219,315	228,006
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total Applications of operating funding (B)	319,652	328,108	341,887	353,956	366,914	378,102	391,628	404,363	416,797	432,170	448,787
Surplus (deficit) of Operating Funding (A) - (B)	-88,292	-72,847	-77,239	-77,829	-84,155	-87,186	-90,458	-93,604	-110,883	-97,949	102,890
Sources of Capital Funding											
Subsidies and Grants											
Development and Financial Contributions											
Increase (decrease) in debt											
Gross Proceeds Sale assets											
Lump sum contributions											
Total Sources of capital funding (C)	0	0	0	0	0	0	0	0	0	0	0
Applications of capital funding											
Capital expenditure-additional demand	0										
Capital expenditure-additional demand	0										
Capital expenditure-improved levels of service	0										
Capital expenditure-replace existing assets	75,000	71,500	61,925	63,906	66,057	68,321	70,642	73,019	75,453	78,113	80,887
Increase (decrease) in reserves	-163,292	-144,347	-139,164	-141,735	-150,212	-155,507	-161,100	-166,623	-186,336	-176,062	183,777
Total applications of capital funding (D)	-88,292	-72,847	-77,239	-77,829	-84,155	-87,186	-90,458	-93,604	-110,883	-97,949	102,890
Surplus (Deficit) of Capital Funding (C) - (D)	88,292	72,847	77,239	77,829	84,155	87,186	90,458	93,604	110,883	97,949	102,890
Funding Balance (A - B) + (C - D)	0	0	0	0	0	0	0	0	0	0	0

	Annual Plan 2011/12	LTP 2012/13	LTP 2013/14	LTP 2014/15	LTP 2015/16	LTP 2016/17	LTP 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22
Emergency Management											
Sources of Funding											
General Rates	57,910	37,347	40,472	42,685	47,084	44,948	47,087	51,507	39,140	43,608	48,949
Rates Penalties	2,194	1,294	1,356	1,392	1,503	1,389	1,416	1,500	1,107	1,198	1,293
Targeted Rates	50,000	50,000	52,000	53,000	55,000	57,000	59,000	61,000	63,000	65,000	67,000
Subsidies & Grants	0	22,000									
Fees & Charges			17,000	18,000	18,000	19,000	19,000	20,000	21,000	21,000	22,000
Internal Charges & Overheads Recovered											
Fines, Infringement Fees & Other Receipts											
Total Operating Funding (A)	110,104	110,641	110,828	115,077	121,587	122,337	126,503	134,007	124,247	130,806	139,242
Applications of Operating Funding											
Payments to staff and suppliers	68,926	67,962	69,487	71,352	74,869	75,835	78,243	81,792	79,046	81,154	85,597
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	64,114	53,706	53,549	56,148	61,178	60,388	62,828	68,182	59,789	62,784	68,591
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total Applications of operating funding (B)	133,040	121,668	123,036	127,500	136,047	136,223	141,071	149,974	138,835	143,938	154,188
Surplus (deficit) of Operating Funding (A) - (B)	-22,936	-11,027	-12,208	-12,423	-14,460	-13,886	-14,568	-15,967	-14,588	-13,132	-14,946
Sources of Capital Funding											
Subsidies and Grants											
Development and Financial Contributions											
Increase (decrease) in debt											
Gross Proceeds Sale assets											
Lump sum contributions											
Total Sources of capital funding (C)	0	0	0	0	0	0	0	0	0	0	0
Applications of capital funding											
Capital expenditure-additional demand	0										
Capital expenditure-improved levels of service	0										
Capital expenditure-replace existing assets	0										
Increase (decrease) in reserves	-22,936	-11,027	-12,208	-12,423	-14,460	-13,886	-14,568	-15,967	-14,588	-13,132	-14,946
Total applications of capital funding (D)	-22,936	-11,027	-12,208	-12,423	-14,460	-13,886	-14,568	-15,967	-14,588	-13,132	-14,946
Surplus (Deficit) of Capital Funding (C) - (D)	22,936	11,027	12,208	12,423	14,460	13,886	14,568	15,967	14,588	13,132	14,946
Funding Balance (A - B) + (C - D)	0	0	0	0	0	0	0	0	0	0	0

	Annual Plan 2011/12	LTP 2012/13	LTP 2013/14	LTP 2014/15	LTP 2015/16	LTP 2016/17	LTP 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22
River, Drainage & Coastal Protection											
Sources of Funding											
General Rates	206,674	171,783	177,203	184,411	188,088	192,982	199,087	204,836	201,112	219,002	225,950
Rates Penalties	7,829	5,953	5,935	6,015	6,004	5,964	5,986	5,967	5,686	6,014	5,971
Targeted Rates	941,557	981,061	918,144	934,394	903,136	902,508	927,858	949,008	972,158	997,508	1,022,958
Subsidies & Grants											
Fees & Charges	281,000	274,000	280,800	289,600	299,000	308,700	321,000	330,200	341,600	356,100	367,400
Internal Charges & Overheads Recovered											
Fines, Infringement Fees & Other Receipts											
Total Operating Funding (A)	1,437,060	1,432,797	1,382,082	1,414,420	1,396,228	1,410,154	1,453,931	1,490,011	1,520,556	1,578,624	1,622,279
Applications of Operating Funding											
Payments to staff and suppliers	920,388	879,519	960,863	913,625	942,893	976,952	1,004,900	1,035,487	1,066,895	1,161,618	1,201,731
Finance costs	173,180	163,950	154,944	145,317	136,347	130,376	124,371	117,947	111,072	103,709	95,819
Internal charges and overheads applied	196,917	193,409	200,782	210,527	219,510	226,426	235,579	244,643	253,318	266,007	276,548
Other operating funding applications	0										
Total Applications of operating funding (B)	1290,485	1,236,878	1,316,589	1,269,469	1,298,750	1,333,754	1,364,850	1,398,077	1,431,285	1,531,334	1,574,098
Surplus (deficit) of Operating Funding (A) - (B)	146,575	195,919	65,493	144,951	97,478	76,400	89,081	91,934	89,271	47,290	48,181
Sources of Capital Funding											
Subsidies and Grants	0										
Development and Financial Contributions	0										
Increase (decrease) in debt	-107,010	-120,743	-128,999	-137,876	-92,538	-76,031	-81,287	-86,960	-93,086	-99,698	-106,839
Gross Proceeds Sale assets	0										
Lump sum contributions	0										
Total Sources of capital funding (C)	-107,010	-120,743	-128,999	-137,876	-92,538	-76,031	-81,287	-86,960	-93,086	-99,698	-106,839
Applications of capital funding											
Capital expenditure-additional demand	0										
Capital expenditure-improved levels of service	350,000										
Capital expenditure-replace existing assets	5,000										
Increase (decrease) in reserves	-315,435	75,176	-63,506	7,075	4,940	369	7,794	4,974	-3,815	-52,408	-58,658
Total applications of capital funding (D)	39,565	75,176	-63,506	7,075	4,940	369	7,794	4,974	-3,815	-52,408	-58,658
Surplus (Deficit) of Capital Funding (C) - (D)	-146,575	-195,919	-65,493	-144,951	-97,478	-76,400	-89,081	-91,934	-89,271	-47,290	-48,181
Funding Balance (A - B) + (C - D)	0	0	0	0	0	0	0	0	0	0	0

	Annual Plan 2011/12	LTP 2012/13	LTP 2013/14	LTP 2014/15	LTP 2015/16	LTP 2016/17	LTP 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22
Regional Share of Controls											
Sources of Funding											
General Rates	139,474	150,385	149,799	151,095	149,361	149,270	149,314	149,352	142,757	150,538	150,180
Rates Penalties	5,283	5,211	5,017	4,929	4,768	4,613	4,490	4,351	4,036	4,134	3,968
Targeted Rates	650,000	650,000	675,000	675,000	685,000	715,000	745,000	775,000	806,000	841,000	877,000
Subsidies & Grants											
Fees & Charges											
Internal Charges & Overheads Recovered											
Fines, Infringement Fees & Other Receipts											
Total Operating Funding (A)	794,757	805,596	829,816	831,024	839,129	868,883	898,804	928,703	952,793	995,672	1,031,148
Applications of Operating Funding											
Payments to staff and suppliers	814,523	887,144	883,450	857,443	885,507	915,378	945,411	975,552	1,006,687	1,041,774	1,077,115
Finance costs											
Internal charges and overheads applied											
Other operating funding applications											
Total Applications of operating funding (B)	814,523	887,144	883,450	857,443	885,507	915,378	945,411	975,552	1,006,687	1,041,774	1,077,115
Surplus (deficit) of Operating Funding (A) - (B)	-19,766	-81,548	-53,634	-26,419	-46,378	-46,495	-46,607	-46,849	-53,894	-46,102	-45,967
Sources of Capital Funding											
Subsidies and Grants											
Development and Financial Contributions											
Increase (decrease) in debt											
Gross Proceeds Sale assets											
Lump sum contributions											
Total Sources of capital funding (C)	0	0	0	0	0	0	0	0	0	0	0
Applications of capital funding											
Capital expenditure-additional demand											
Capital expenditure-improved levels of service											
Capital expenditure-replace existing assets											
Increase (decrease) in reserves	-19,766	-81,548	-53,634	-26,419	-46,378	-46,495	-46,607	-46,849	-53,894	-46,102	-45,967
Total applications of capital funding (D)	-19,766	-81,548	-53,634	-26,419	-46,378	-46,495	-46,607	-46,849	-53,894	-46,102	-45,967
Surplus (Deficit) of Capital Funding (C) - (D)	19,766	81,548	53,634	26,419	46,378	46,495	46,607	46,849	53,894	46,102	45,967
Funding Balance (A - B) + (C - D)	0	0	0	0	0	0	0	0	0	0	0

Vector Control Services Business Unit	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
Sources of Funding	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
General Rates											
Rates Penalties											
Targeted Rates											
Subsidies & Grants											
Fees & Charges	2,885,000	1,995,250	2,279,098	2,278,526	2,338,000	2,405,000	2468,000	2,528,000	2,608,000	2,676,000	2761,000
Internal Charges & Overheads Recovered											
Fines, Infringement Fees & Other Receipts											
Total Operating Funding (A)	2,885,000	1,995,250	2,279,098	2,278,526	2,338,000	2,405,000	2468,000	2,528,000	2,608,000	2,676,000	2761,000
Applications of Operating Funding											
Payments to staff and suppliers	2,150,242	1,340,074	1,623,284	1,630,351	1,677,974	1,730,613	1782,511	1,834,225	1,889,664	1,950,976	2013,129
Finance costs											
Internal charges and overheads applied	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Other operating funding applications											
Total Applications of operating funding (B)	2,250,242	1,440,074	1,723,284	1,730,351	1,777,974	1,830,613	1882,511	1,934,225	1,989,664	2,050,976	2113,129
Surplus (deficit) of Operating Funding (A) - (B)	634,758	555,176	555,814	548,175	560,026	574,387	585,489	593,775	618,336	625,024	647,871
Sources of Capital Funding											
Subsidies and Grants											
Development and Financial Contributions											
Increase (decrease) in debt											
Gross Proceeds Sale assets											
Lump sum contributions											
Total Sources of capital funding (C)	0	0	0	0	0	0	0	0	0	0	0
Applications of capital funding											
Capital expenditure-additional demand											
Capital expenditure-improved levels of service											
Capital expenditure-replace existing assets	20,000	45,000	30,962	127,811	82,571		52,981	146,038		97,641	
Increase (decrease) in reserves	614,758	510,176	524,852	420,364	477,455	574,387	532,508	447,737	618,336	527,383	647,871
Total applications of capital funding) (D)	634,758	555,176	555,814	548,175	560,026	574,387	585,489	593,775	618,336	625,024	647,871
Surplus (Deficit) of Capital Funding (C) - (D)											
Funding Balance (A - B) + (C - D)	0	0	0	0	0	0	0	0	0	0	0

PART 6 – POLICIES

(For the avoidance of doubt, all the following policies are available for consultation as part of this Long Term Council Community Plan Draft Statement of Proposal)

Revenue and Financing Policy

This policy is required by the Local Government Act 2002, in particular sections 101, 102 and 103.

This document identifies the funding sources and mechanisms that will be used to finance the Council's operating and capital expenditure.

Local authorities are required to identify the costs of its functions and fund them appropriately.

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, differential rating, and uniform annual general charges.
- Targeted Rates
- Fees and Charges
- Income from Investments
- Borrowing
- Proceeds from Asset Sales
- Development contributions
- Financial contributions under the Resource Management Act 1991
- Grants and Subsidies
- Other Sources

Available Funding Sources/Mechanisms

Investment Income

Council at present has funds of approximately \$11,000,000 under management with Fund Manager Forsyth Barr and \$1,000,000 invested with Westpac bank. Council policy is that between 40% and 60% of the income from these managed funds portfolios may be used for financing Council activities.

Council also has a Catastrophe fund of \$500,000 invested with Westpac bank. Interest on this fund is retained 100% within the Catastrophe Fund.

Council generally targets 50% of the income to be re-invested into the fund, with the other 50% for activities., except for the Catastrophe Fund where 100% of investment income is retained within the Fund.

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.

Council may make and levy a General Rate either,

- Across the Region, or
- Within each constituent District within the Region, so that the rate made or levied may vary across the three Districts (Westland, Buller and Grey) within the Region.

Council does not propose to use a Uniform Annual General Charge (UAGC) in 2012/13.

Council implemented a differential general rate in 2005/06, which fixed the percentage (%) of the general rate to be collected from each of the three District areas within the region. The differentials decided were:

- Buller District Area 31%
- Grey District Area 39%
- Westland District Area 30%

Since its creation in 1989, the Council has made and levied 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 making and levying 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 to the beneficiaries.

Targeted Rates

Council may make and levy targeted rates for the purpose of undertaking specific services or work for the benefit of all or part of the Region. Council will be making and levying targeted rates to fund the following types of expenditure:

1. Various river, drainage and coastal protection schemes. These rates are only made and levied over properties that have a direct beneficiary or cause/effect relationship with the service being provided.
2. The Tb Pest Management rate, which is made and levied over all rural properties greater than or equal to two (2) hectares to fund part of the regional share of Vector Control Work undertaken by the Animal Health Board. Council agreed in 2005 that this Rate should be collected as equal 1/3 share from each of the three District areas within the region. The rate is charged on these properties as they directly benefit from Tb pest management.
4. A Civil Defence Emergency Management rate will be made and levied across the Region to fund Emergency Management responsibilities.
5. The proposed Warm West Coast targeted rate scheme allows homeowners to borrow money from the Council to improve their home heating and insulation, paying 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 LTP document.

Borrowing

The Council's LTP only envisages borrowing to fund scheme works where a community ask Council to carry out river, drainage or sea protection works.

Council borrows the funds required to carry out the project and normally rates the properties identified as benefiting to repay the loan over a five-year period.

Capital Expenditure

Apart from protection works carried out at a community request, Council's capital expenditure usually involves continual upgrading of flood warning sites, furniture and office equipment replacements, and purchase of specialised technical equipment.

Council policy with regard to funding of capital expenditure is that it is funded from the annual depreciation charge.

Protection works as described above are fully funded by the local community.

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

Group of Activities	Activities	Funding Source
<p>Governance</p> <p>The cost of Democracy yield Regional benefits that are appropriately funded from General Rates.</p>	<ul style="list-style-type: none"> • Democracy • Community Consultation • Maori Capacity 	100% General Rate
RESOURCE MANAGEMENT		
<p><u>Resource Consents</u></p> <p>Resource Consents are required under the Resource Management Act to allow activities that otherwise are restricted. Consent processing and Peer Review/ Quality Assurance are funded 75% by User Charges and 25% by General rates, which represents a fair assessment of private and public benefit.</p> <p>Appeals and Enquiries costs are not recoverable from any particular applicant and are therefore funded 100% by the General rate.</p>	<ul style="list-style-type: none"> • Consent Processing • Consent Peer Review & Quality Assurance • Consent Appeals • Consent Enquiries 	<p>70%-80% User Charges</p> <p>20%-30% General Rate</p> <p>100% General Rate</p>
<p><u>Compliance Monitoring</u></p> <p>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.</p> <p>Compliance Enquiries, Complaints and Enforcement Appeals costs are not recoverable from any specific persons and are therefore General Rate funded.</p> <p>Oil Spill Response planning and capability is funded 100% by User Charges from Maritime NZ</p>	<ul style="list-style-type: none"> • Compliance monitoring • Compliance enquiries • Incident complaints • Enforcement • Oil spill response capability and planning 	<p>60%-70% User Charges</p> <p>30%-40% General Rate</p> <p>100% General Rate (less any recoveries from fines)</p> <p>100% User Charges</p>
<p><u>Regional Policies & Plans</u></p> <p>This activity involves completing the plan process for various plans required under the Resource Management Act & the Biosecurity Act. These plans yield Region wide benefits and are funded 100% by the General Rate.</p>	<ul style="list-style-type: none"> • Regional Plan merge • Plan variations and reviews • Policy analysis reports • Responses 	100% General Rate
<p><u>Monitoring the State of the Environment</u></p> <p>This activity assesses trends in environmental quality, and helps indicates effectiveness and appropriateness of plans. This activity is assessed as yielding Regional benefits and it is 100% funded by the General Rate.</p>	<ul style="list-style-type: none"> • Water quality monitoring • Hazardous substances sites • Air quality monitoring • Ground water monitoring 	100% General Rate
<p>Civil Defence & Emergency Management</p> <p>Emergency Management response activities include Emergency Management Plan review and implementation activities. These activities are funded by a mix of general rate & targeted rate.</p> <p>The identification of hazards enables the community to take action that will limit loss of life or damage to assets when or if hazard events occur.</p>	<ul style="list-style-type: none"> • Civil Defence Response (excl. Satellite comms.) • Satellite communications • Hazard Identification 	<p>50% General Rate</p> <p>50% Targeted Rate</p> <p>75% User Charges (contribution from the 3 local District Councils.)</p> <p>25% General Rate</p> <p>100% General Rate</p>

Group of Activities	Activities	Funding Source
<p>Transport</p> <p>This activity involves various Transport related responsibilities which the Council receives varying levels of subsidy from NZ Land Transport Authority.</p> <p>Preparation and review of the Regional Land Transport Strategy.</p> <p>Council also undertakes Road Safety activities, which are 69% funded by the NZ Transport Authority.</p>	<ul style="list-style-type: none"> • Total Mobility Administration • Total Mobility Scheme • Wheelchair hoist • Passenger Transport Administration • Regional Land Transport Planning • Community Road Safety 	<p>40-50% Subsidy 50-60% General Rate</p> <p>50% Subsidy 50% General Rate</p> <p>100% Subsidy</p> <p>50% Subsidy 50% General Rate</p> <p>65%-70% Subsidy 30%-35% General Rate</p> <p>65%-70% Subsidy 30%-35% General Rate</p>
<p>Works With Rating Districts</p> <p>The Council administers 22 special rating districts; comprising 18 river protection schemes, 2 drainage and 2 coastal protection schemes, under the Soil Conservation and Rivers Control Act 1941.</p> <p>Expenditure directly attributable to a specific rating district is funded on a user pays basis by way of targeted Rates and User Charges onto those communities that benefit.</p> <p>Expenditure on Rating District Management that cannot effectively be attributed to a specific rating district is funded by the General rate. This also recognises the indirect benefit to the wider community.</p>	<ul style="list-style-type: none"> • Rating Districts • Rating District Management 	<p>100% Targeted Rates and Charges</p> <p>100% General Rate</p>
<p>Other River Engineering Activities</p> <p>Council undertakes periodic reviews of Asset Management Plans, required by the Local Government Act. Cross section surveys occurs 3 yearly on selected rivers, usually related to rating district asset management. The information obtained is considered to yield a Regional benefit as well as a local benefit.</p>	<ul style="list-style-type: none"> • Asset Management Plans • River Cross section Studies 	<p>50% Rating District targeted rate 50% General Rate</p>
<p>Tb Possum Pest Management</p> <p>Council currently funds 8.3% of the AHB's vector control work. 75% of this is met by a targeted rate (on rural properties 2 ha or greater) and 25% is met by the General Rate. The 25% is seen as a fair reflection of the region wide benefit of the vector control programme.</p>	<ul style="list-style-type: none"> • 8.3% Regional share of cost of Tb vector control work 	<p>25% General Rate 75% Targeted Rate</p>
<p>VCS Vector Control Business Unit</p> <p>This unit is self funding and returns an annual surplus to the Council.</p>	<ul style="list-style-type: none"> • Vector Control 	<p>100% User Charges</p>
<p>Quarry Operations</p> <p>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.</p>	<ul style="list-style-type: none"> • Quarry Operations 	<p>100% User Charges</p>

Rating Impact Ready Reckoner

The following rates are payable by all properties in the Buller District

Rate type	Rate per \$100,000 of Capital value
General Rate	\$33.15
Emergency Management Rate	\$0.81

Other targeted rates will apply depending on whether a property is located within a separate rating area.

- e.g. Karamea Separate rating Area
Kongahu Separate Rating Area
Punakaiki Separate Rating Area
Tb Pest Management Rate (rural properties greater than or equal to 2 hectares)

The following rates are payable by all properties in the Grey District

Rate type	Rate per \$100,000 of Capital value
General Rate	\$34.43
Emergency Management Rate	\$0.81

Other targeted rates will apply depending on whether a property is located within a separate rating area.

- e.g. Coal Creek separate rating area
Inchbonnie Separate Rating Area
Greymouth Floodwall Separate rating Area
Redjacks Separate rating Area
Nelson Creek Separate Rating Area
Saltwater Creek
Tb Pest Management Rate (rural properties greater than or equal to 2 hectares)

The following rates are payable by all properties in the Westland District

Rate type	Rate per \$100,000 of Capital value
General Rate	\$29.89
Emergency Management Rate	\$0.81

Other targeted rates will apply depending on whether a property is located within a separate rating area.

- e.g. Hokitika River South Bank (Loan Repayment) Separate Rating Area
Kaniere Separate Rating Area
Raft Creek Separate Rating Area
Kowhitirangi Separate Rating Area
Vine Creek separate rating area
Wanganui River Separate Rating Area
Waitangi-taona River Separate Rating Area
Whataroa River Separate Rating Area
Franz Josef Separate Rating Area
Canavan's Knob Separate Rating Area
Lower Waiho Separate Rating Area
Matainui Creek Separate Rating Area
Okuru (Maintenance) Separate Rating Area
Tb Pest Management Rate (rural properties greater than or equal to 2 hectares)

**FUNDING IMPACT STATEMENT - RATES
FOR THE YEAR ENDING 30 JUNE 2013**

Note

All amounts are stated inclusive of GST.

Rating Instalment Information

Rates will be payable by two instalments;

First instalment

Due date 1 September 2012

Final date 20 October 2012

Second instalment

Due date 1 March 2013

Final date 20 April 2013

A penalty for late payment will be applied at the amount allowed by the Local government Rating Act 2002 of 10% on all instalments not paid by the penalty dates of 20 October 2012 and 20 April 2013.

A further 10% penalty will be charged on all accumulated rate arrears as at 1 July 2013.

1. 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.

	Estimated rateable Capital Value	Factor per \$ of Capital Value	Estimated to Yield
Rateable Value of Land in the Buller District Local authority Area	2,172,524,950	0.00033147	720,130
Rateable Value of Land in the Grey District Local authority Area	2,631,572,500	0.00034427	905,970
Rateable Value of Land in the Westland District Local authority Area	2,331,431,000	0.00029892	696,900
	<u>7,135,528,450</u>		<u>2,323,000</u>

2. TARGETED RATES

- (a) **A targeted rate set differentially in accordance with sections 16, 17, 18 and 146 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.**

	Estimated rateable Land Value	factor per \$ of Land Value	Estimated to yield \$
<u>Vine Creek Rating District</u>			
Class A	\$ 4,522,800	0.0029347	13,273
Class B	\$ 5,607,300	0.0020543	11,519
Class C	\$ 7,490,000	0.0014674	10,990
Class D	\$ 18,871,000	0.0005869	11,076
Class E	\$ 16,667,000	0.0002935	4,891
			<u>51,750</u>

- (b) **A targeted rate set differentially in accordance with sections 16, 17, 18 and 146 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.**

<u>Wanganui River Rating District</u>	Estimated rateable Land Value	factor per \$ of Land Value	Estimated to yield \$
Class A	\$ 22,894,300	0.001929	44,159
Class B	\$ 19,986,900	0.001350	26,986
Class C	\$ 28,357,900	0.000868	24,614
Class D	\$ 5,096,000	0.000193	983
Class U1	\$ 3,998,300	0.003858	15,424
Class U2	\$ 1,470,000	0.001929	2,835
			<u>115,000</u>

- (c) **A targeted rate set differentially in accordance with sections 16, 17, 18 and 146 of the Local Government Rating Act 2002 on all rateable land situated in the Kaniere Area Separate Rating Area and calculated on the land value of each rating unit, for maintaining the protection works in the scheme.**

<u>Kaniere Rating District</u>	Estimated rateable Land Value	factor per \$ of Land value	Estimated to yield \$
Class A	\$ 316,900	0.005851	1,854
Class B	\$ 113,000	0.003511	397
Class C	\$ 272,000	0.002341	637
Class D	\$ 1,665,000	0.000878	1,461
Class E	\$ 429,000	0.000585	251
			<u>4,600</u>

- (d) **A targeted rate set differentially in accordance with sections 16, 17, 18 and 146 of the Local Government Rating Act 2002 on all rateable land situated in the Kowhitirangi Area Separate Rating Area and calculated on the capital value of each rating unit, for maintaining the protection works in the scheme.**

<u>Kowhitirangi Flood Control Rating District</u>	Estimated rateable Capital Value	factor per \$ of capital Value	Estimated to yield \$
Class A	\$ 17,617,900	0.000190	3,353
Class C	\$ 37,777,800	0.000095	3,595
Class E	\$ 36,294,800	0.000056	2,015
Class F	\$ 79,972,100	0.000032	2,537
			<u>11,500</u>

- (e) **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.**

<u>Coal Creek Rating District</u>	Estimated rateable Capital Value	factor per \$ of capital Value	Estimated to yield \$
	\$ 7,847,200	0.001099	<u>8,625</u>

- (f) **A targeted rate set differentially in accordance with sections 16, 17, 18 and 146 of the Local Government Rating Act 2002 on all rateable land situated in the Karamea Riding Separate Rating Area and calculated on the capital value of each rating unit, for maintaining the protection works in the scheme.**

Karamea Riding Rating District

	Estimated rateable Capital Value	factor per \$ of capital Value	Estimated to yield \$
Class A	\$ 2,938,200	0.001274	3,742
Class B	\$ 32,755,338	0.001019	33,374
Class C	\$ 4,544,635	0.000764	3,473
Class D	\$ 111,488,985	0.000127	14,199
Class E	\$ 42,585,142	0.000064	2,712
			<u>57,500</u>

- (g) **A targeted rate set differentially in accordance with sections 16, 17, 18 and 146 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	factor per \$ of capital Value	Estimated to yield \$
Class A	\$ 3,103,300	0.001140	3,538
Class B	\$ 16,465,000	0.000855	14,080
Class C	\$ 7,103,456	0.000570	4,050
Class D	\$ 3,206,000	0.000342	1,097
Class F	\$ 1,372,700	0.000171	235
			<u>23,000</u>

- (h) **A targeted rate set differentially in accordance with sections 16, 17, 18 and 146 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 repayment of a loan raised to fund protection works.**

Inchbonnie (Loan) Rating District

	Estimated rateable Capital Value	factor per \$ of capital Value	Estimated to yield \$
Class A	\$ 3,103,300	0.001371	4,255
Class B	\$ 16,465,000	0.001028	16,933
Class C	\$ 7,103,456	0.000686	4,870
Class D	\$ 3,206,000	0.000411	1,319
Class F	\$ 1,372,700	0.000206	282
			<u>27,659</u>

- (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 Greymouth Floodwall Separate Rating Area and calculated on the capital value of each rating unit, for repayment of a loan raised to fund the 2010 upgrade of the protection works.**

Greymouth Floodwall (Loan) Rating District

	Estimated rateable Capital Value	factor per \$ of capital Value	Estimated to yield \$
	\$ 752,599,000	0.0003200	<u>240,819</u>

- (j) **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 (Maintenance) Rating District

	Estimated rateable Capital Value	factor per \$ of capital Value	Estimated to yield \$
	\$ 752,599,000	0.0000764	<u>57,500</u>

- (k) **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 (Maintenance) Separate Rating Area and calculated on the capital value of each rating unit, for maintaining the protection works in the scheme.**

Okuru Rating District (Maintenance)

Estimated rateable Capital Value	factor per \$ of capital Value	Estimated to yield \$
\$ 10,184,000	0.001129	<u>11,500</u>

- (l) **A targeted rate set differentially in accordance with sections 16, 17, 18 and 146 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.)		Rates per hectare	Estimated to yield \$
Class A	0.1000000	\$	3,869.75	387
Class B	1.1005000	\$	1,854.84	2,040
Class C	0.1168000	\$	1,752.57	205
Class D	2.3013000	\$	438.25	1,009
Class E	1.4882000	\$	549.81	818
Class F	1.8520000	\$	146.85	272
Class G	21.9674000	\$	19.37	426
Class H	49.6806000	\$	9.95	495
Class I	77.0109000	\$	1.28	98
				<u>5,750</u>

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

Raft Creek

Estimated Rateable Land Area (ha.)	Rates per hectare	Estimated to yield \$
762.2501000	12.06953	<u>9,200</u>

- (n) **A targeted rate set differentially in accordance with sections 16, 17, 18 and 146 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.)		Rates per hectare	Estimated to yield \$
Class A	1.1430000		1466.80085	1,677
Class B	2.9043000		907.85280	2,637
Class C	10.7731000		185.20507	1,995
Class D	10.3000000		177.33251	1,827
Class E	18.5536000		140.31508	2,603
Class F	65.1568000		86.20755	5,617
Class G	18.1062000		98.00187	1,774
Class H	20.0432000		91.44067	1,833
Class I	7.8016000		20.82252	162
				<u>20,125</u>

- (o) **A targeted rate set differentially in accordance with sections 16, 17, 18 and 146 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 Settlement Rating District

	Estimated Rateable Land Area (ha.)	Rates per hectare	Estimated to yield \$
Class A	306.2555000	99.613558	30,506
Class B	130.0039000	81.665242	10,617
Class C	113.7439000	55.243402	6,284
Class D	127.1295000	47.328118	6,017
Class E	174.4299000	45.517426	7,940
Class F	140.2890000	38.625979	5,419
Class G	392.7389000	31.389811	12,328
Class H	429.4846000	29.496750	12,668
Class I	48.6613000	4.537487	221
			<u>92,000</u>

- (p) **A targeted rate set differentially in accordance with sections 16, 17, 18 and 146 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 protection works in the scheme.**

Kongahu Rating District

	Estimated Rateable Land Area (ha.)	Rates per hectare	Estimated to yield \$
Class A	733.8546000	11.345421	8,326
Class B	69.6060000	5.949355	414
			<u>8,740</u>

- (q) **A targeted rate set differentially in accordance with sections 16, 17, 18 and 146 of the Local Government Rating Act 2002 on all rateable land situated in the Waitangi-taona River Separate Rating Area and calculated on the land area of each rating unit, for maintaining the protection works in the scheme.**

Waitangitaona Rating District

	Estimated Rateable Land Area (ha.)	Rates per hectare	Estimated to yield \$
Class A	618.3194000	14.3937485	8,900
Class B	721.2266000	11.2321505	8,101
Class C	1705.4447000	9.4747530	16,159
Class D	708.1226000	1.8926142	1,340
			<u>34,500</u>

- (r) **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 the loan raised by Council to carry out the sea wall protection works.**

Punakaiki Loan Repayment Rating District

	Estimated rateable Capital Value	factor per \$ of capital Value	calculated yield \$
Class A	\$ 4,895,000	0.006336192	31,016
Class B	\$ 5,395,000	0.003801715	20,510
Class C	\$ 5,835,000	0.001267238	7,394
			<u>58,920</u>
Area A Differential	1.00		
Area B Differential	0.60		
Area C Differential	0.20		

Punakaiki Maintenance Rating District

	Estimated rateable Capital Value	factor per \$ of capital Value	calculated yield \$
Class A	\$ 4,895,000	0.003710076	18,161
Class B	\$ 5,395,000	0.002226046	12,010
Class C	\$ 5,835,000	0.000742015	4,330
			<u>34,500</u>
Area A Differential	1.00		
Area B Differential	0.60		
Area C Differential	0.20		

- (t) **A targeted rate set differentially in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on all rural rateable land greater than or equal to two (2) hectares situated in the Tb Pest Management Separate Rating Area and calculated on the capital value of each rating unit.**

Endemic Area means property is in the movement control or vector risk areas as classified by the current Animal Health Board operational plan.

Non Endemic Area means property that is in the vector fringe and surveillance areas as classified by the current Animal Health Board operational plan.

Differential

Rateable properties within the Buller District area to yield 33.33% of the total rate.

Rateable properties within the Grey District area to yield 33.33% of the total rate.

Rateable properties within the Westland District area to yield 33.33% of the total rate.

Tb PEST MANAGEMENT

	Estimated rateable Capital Value	factor per \$ of capital Value	Estimated to yield \$
Buller District- Endemic Area	\$ 921,035,800	0.00026340	242,599
Buller District- Non Endemic Area	\$ 99,734,500	0.00006585	6,567
Grey District-Endemic Area	\$ 980,946,900	0.00025401	249,168
Westland District-Endemic Area	\$ 898,703,000	0.00026407	237,317
Westland District-Non Endemic Area	\$ 179,488,500	0.00006602	11,849
	<u>\$ 3,079,908,700</u>		<u>747,500</u>

- (u) **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 South Bank Mtce

	Estimated rateable Capital Value	factor per \$ of capital Value	calculated yield \$
Area A	\$ 2,382,000	0.001097	2,612
Area B	\$ 2,393,900	0.000110	263
			<u>2,875</u>
Area A Differential	1.0000000		
Area B Differential	0.1000000		

- (v) **A targeted rate 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 calculated on the capital value of each rating unit for the maintenance of flood protection works.**

Franz Josef

	Estimated rateable Capital Value	factor per \$ of capital Value	calculated yield \$
	\$ 101,572,500	0.001132	<u>115,000</u>

- (w) **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 the maintenance of flood protection works.**

Lower Waiho 2010

	Estimated rateable Capital Value	factor per \$ of capital Value	calculated yield \$
\$	19,289,000	0.002981	<u>57,500</u>

- (x) **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 flood protection works.**

Matainui Creek

	Estimated rateable Capital Value	factor per \$ of capital Value	calculated yield \$
\$	11,190,000	0.000514	<u>5,750</u>

- (y) **A Targeted rate to fund Regional Emergency Management activities.**

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.

	Estimated rateable Capital Value	factor per \$ of capital Value	calculated yield \$
Rateable Value of Land in the Buller District Local authority Area	2,172,524,950		
Rateable Value of Land in the Grey District Local authority Area	2,631,572,500		
Rateable Value of Land in the Westland District Local authority Area	<u>2,331,431,000</u>		
	7,135,528,450	0.0000081	<u>57,500</u>

- (z) **A targeted rate in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on all rateable land in the Twelve Mile separate rating area calculated on the capital value of each rating unit for the funding of further investigations.**

Twelve Mile

	Estimated rateable Capital Value	factor per \$ of capital Value	calculated yield \$
\$	2,637,000	0.000131	<u>345</u>

- (aa) **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 calculated as a fixed charge of \$306.67 per rating unit.**

Mokihinui

	Estimated number of rating units	Amount per rating unit.	calculated yield \$
	43	\$ 306.67	<u>13,187</u>

- (ab) **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 River

	Estimated rateable Capital Value	factor per \$ of capital Value	calculated yield \$
Area A	\$ 19,836,000	0.001086	21,541
Area B	\$ 30,608,000	0.000724	<u>22,159</u>
			<u>43,700</u>
Area A Differential	1.5000000		
Area B Differential	0.1000000		

- (ac) **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 managementv of the river mouth.**

New River / Saltwater Creek Catchment

	Estimated rateable Capital Value	factor per \$ of capital Value	calculated yield \$
Area A	\$ 19,632,500	0.000100	1,960
Area B	\$ 229,046,100	0.000004	<u>915</u>
			<u>2,875</u>
Area A Differential	25.0000000		
Area B Differential	1.0000000		

Council Controlled Organisations and Council Organisations (CCO)

A Council controlled organisation 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.

Proposed Council Controlled Organisation – Integrated Regional Information Software – (IRIS)

Council is establishing a CCO with five other regional councils for the purposes of collaboratively developing and maintaining a software application suite for use by regional councils.

The main drivers of the IRIS project are:

- Continuity of supply.
- Influence/control of the destiny of regional council specific sector software.
- Risk reduction.
- Economies of scale.
- Standardisation of practice and / or adoption of best practice.

It is intended that the CCO will be formed and become operative after 1 July 2012.

The CCO will be a limited liability company.

The shareholders of the CCO will be the six regional councils that are developing the IRIS suite.

Council will hold shares in the CCO. Council's share of the capitalised development costs will be converted to a shareholding in the company. The operating costs will be recovered from the participating councils using an agreed recovery formula taking into account each council's size and use of the system. Once established the CCO will prepare a Statement of Intent pursuant to section 64 of the Local Government Act 2002. This Statement of Intent will form the basis of key performance targets and other measures by which the performance of the CCO may be judged.

The establishment of this CCO was consulted upon pursuant to section 56 of the Local Government Act 2002 in Councils 2009/19 Long Term Council Community Plan.

Proposed Council Controlled Organisation - West Coast Local Authorities Shared IT Services

The four West Coast Councils are proposing to work more closely together over the coming years in the IT area. The Councils have started this work by preparing an Information Services Strategy that looks at opportunities for shared services across the four Councils. The first step of the strategy has already been actioned, in terms of a joint procurement process to replace the financial software systems the councils use. Two of the Councils have already signed up to the successful software provider and are rolling out the new software in the last quarter of 2012. The other two Councils are still considering the merits and timing of their change-over. The Councils intend taking further steps toward sharing IS services as outlined in the Strategy. The next project is looking at remote hosting of servers and enhancing sharing of other software including document management systems.

There is no firm plan at this early stage to form a governance body or CCO and discussions over the form of a CCO have not yet commenced - but it is likely that a CCO will be needed at some stage in the future, hence the need to signal this work in this Long Term Plan.

Council Organisations

The West Coast Regional Council has interests in one organisation which meet the definition of a Council Organisation as per the above definition: The West Coast Development Trust.

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. Development West Coast is this Council's only CO.

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:

- o Guide the organisation given the nature and scope of its activities.
- o 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:

- a) Intellectual ability and an understanding of the Region's community,
- b) Appropriate business acumen and experience in the activities of the organisation,
- c) Sound judgement and ability to work with others, and
- d) 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

Public announcement of the appointment will be made as soon as practicable after the Council has made its decision. 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:

- a) The need to attract and retain appropriately qualified people.
- b) The levels and movements of salaries in comparable organisations (Council will retain professional advice on salary levels and movements).
- c) The objectives of the CO or CCO (in particular whether or not the CO or CCO operates on a charitable basis).
- d) The past performance of the organisation.
- e) 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.

Policy on the Remission and Postponement of Rates on Maori Freehold Land

Maori freehold land is defined by the Local Government (Rating) Act 2002 as “Land whose beneficial ownership has been determined by the Maori Land Court by Freehold Order”.

The Local Government Act 2002 requires Council to adopt a policy on the “Remission and Postponement of Rates on Maori 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 (ie. 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 Maori Freehold Land.

Policy

There is no special treatment of Maori Freehold Land. The Council's existing policy adopted in 2003 with regard to Remission and Postponement of Rates also applies to Maori Freehold Land.

Policy on Financial Contributions

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 LTP 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

Policy on Significance

Introduction

This policy on significance outlines the Council's general approach to determining the significance of proposals and decisions, and includes procedures, criteria and some thresholds the Council will use in assessing which issues, proposals, decisions and other matters are significant.

It also lists assets the Council considers to be strategic assets.

The policy is a requirement of the Local Government Act 2002 (the Act).

General Approach

The significance policy will be invoked when:

- The % threshold as set out below is triggered, or
- The Chief Executive Officer determines that a matter is significant, or
- That Council determines that a matter is significant.

Issues, proposals, decisions or other matters that are part of the normal day-to-day operations of Council will not require formal consideration for significance.

Delegated Authority

Authority is delegated to the Chief Executive Officer to determine which, if any, issue, proposal, decision or matter that may arise, will require a formal assessment of its significance to be carried out, in accordance with the guidelines of this policy.

Other General Comment

The more significant or material the impact or consequences of the decision or proposal, the higher the standard of compliance required with the legislation, and the more likely the matter will be "significant".

It is helpful to bear in mind that the references to "significance" in the Act are intended to ensure that appropriate attention and consideration is given to matters based on their relative importance to the region.

Council will not make a decision or proceed with a proposal, which it considers to be significant, unless it is first satisfied that sections 77, 78, 80, 81 and 82 of the Act have been appropriately observed.

The procedures below are designed to ensure observance of this policy.

Prior to delegating a decision on any specific matter to officers or committees, Council as a whole will consider the significance of the matter being delegated.

Definition of Significance

The Act defines significance as:

"Significance, 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 future consequences for;

- The current and future social, economic, environmental, or cultural wellbeing of the Region;
- Any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter;
- The capacity of the local authority to perform its role, and the financial and other costs of doing so."

Thresholds, Criteria And Procedures

Thresholds

Application of the thresholds is not necessarily conclusive. A matter which does not meet any particular financial threshold may still be significant if the criteria below suggest that it is.

Proposals or decisions, which are likely to have financial implications in excess of the following thresholds, will be treated as significant.

Decision or Proposal Threshold

An amount, which is greater than 10% of budgeted operating expenditure for any particular year.

Strategic Assets

For the purposes of section 90(2) of the Act, the Council considers the following assets to be strategic assets:

Activity/Group of Activities Asset

Activity	Asset
River, Drainage and Coastal protection Rating District Works	Okuru Franz Josef Lower Waiho Matainui Waitangitaona Whataroa Wanganui Kowhitirangi Vine Creek Raft Creek Hokitika Southside Kaniere Taramakau Inchbonnie Greymouth Coal Creek Redjacks Nelson Creek Punakaiki Mokihinui Kongahu Karamea

Remissions and Postponements Policy

Remissions Policy

This policy is prepared under sections 102 (5), 109 and 110 of the Local Government Act 2002.

Commentary

Under the Local Government Rating Act 2002 the following land is 50% non ratable:

- Land owned or used by A & P Societies, and used as a showground.
- Land owned or used by a society or association for games of sport (except horse and greyhound racing).

These categories do not include premises from which liquor is sold.

Council has historically allowed a discretionary 50% remission in addition to the mandatory 50% remission.

Remissions For Community And Sporting Organisations

Objective

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

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

- Assist the organisations survival; and
- Make membership of the organisation more accessible to the general public, particularly disadvantaged groups. These include children, youth, young families, aged people and economically disadvantaged people.

Conditions and Criteria

This part of the policy will apply to land *owned and occupied* by a charitable organisation, 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 (ie. zero rates).

The policy does not apply to organisations operated for private pecuniary profit. The policy will also not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting, or community services as a secondary purpose only.

Applications for discretionary remission must be made to "The West Coast Regional Council, P.O. Box 66, Greymouth"

The application for rate remission must be made to the Council prior to the commencement of the rating year. Successful applications received during a rating year will be applicable from the commencement of the following rating year. Applications will not be backdated.

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

- statement of objectives; and
- financial accounts; and
- information on activities and programmes; and
- details of membership or clients.

Remission Of Penalties

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 due to circumstances outside the ratepayer's control.

Conditions and Criteria

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

Remission will be granted where payment is made within 7 days of the penalty date provided the ratepayer has made no late payment for rates within the previous three years.

Remission of the penalty will be granted if the ratepayer is able to provide evidence that their payment has gone astray in the post or the late payment has otherwise resulted from matters outside their control.

Remission of the penalty will also be considered if the payment received after the penalty date subsequently clears the rates for the year.

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.

Decisions on remission of penalties are delegated to officers as set out in the Council's delegations manual.

West Coast Regional Council Postponement Policy

This policy is prepared under section 102,109 and 110 of the Local Government Act 2002 for consultation using the special consultative procedure laid down in section 83 of the same Act.

Extreme Financial Circumstances

Objective

The objective of this part of the policy is to assist ratepayers experiencing extreme financial circumstances, which affect their ability to pay rates.

Conditions and Criteria

Only rating units used solely for residential purposes (as defined by Council) will be eligible for consideration for rates postponement for extreme financial circumstances.

Only the person entered as the ratepayer, or their authorised agent, may make an application for rates postponement for extreme financial circumstances. The ratepayer must be the current owner of, and have owned for not less than 5 years, the rating unit which is the subject of the application. The person entered on the Council's rating information database as the "ratepayer" must not own any other rating units or investment properties (whether in the district or in another district).

The ratepayer (or authorised agent) must make an application to West Coast Regional Council, P.O. Box 66, Greymouth.

The Council will consider, on a case-by-case basis, all applications received that meet the criteria described in the first two paragraphs under this section. The Council will delegate authority to the Chief Executive Officer to approve applications for rates postponement.

When considering whether extreme financial circumstances exist, all of the ratepayer's personal circumstances will be relevant including the following factors: age, physical or mental disability, injury, illness and family circumstances. Before approving an application 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 his/her home and chattels at an adequate standard as well as making provision for normal day to day living expenses.

Where the Council decides to postpone rates the ratepayer must first make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.

Any postponed rates will be postponed until:

- 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.

Postponements will not usually be entertained unless the territorial local authority has already or concurrently approved a postponement.

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 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.

Policy on Development of Maori Capacity to Contribute to Decision-making Processes

Under the Local Government Act the Council must consider ways in which it may foster the development of Maori capacity to contribute to the decision-making processes of the Council.

Council has appointed a member of each of the two local Runanga to attend the Resource Management Committee. The two Runanga have also assisted with developing Iwi sections of some regional plans, and have also participated in making submissions on consent applications and on Council's proposed plans and strategies. Council forwards new resource consent application information to each Runanga regularly, and have also assisted both Runanga in developing Iwi management plans.

The consultation process of this draft LTP document is one way that other Maori not affiliated to the Ngati Waewae or Makaawhio Runanga can communicate their views to the Council.

- Council will continue to invite representation on its Resource Management Committee from representatives of both local Runanga: Te Runanga o Ngati Waewae and Te Runanga o Makaawhio.
- Council will continue to involve Iwi in drafting Iwi chapters in Resource Management Plans and Policy Statements, as required.
- Council will continue to supply Iwi with a list of resource consent applications on a regular basis.

West Coast Regional Council Charges

Introduction

The West Coast Regional Council charges users for the performance of some of its functions under the Resource Management Act 1991, the Crown Minerals Act 1991 and the Local Government Act 2002.

The Resource Management Act 1991

The Resource Management Act allows the Council to charge resource consent applicants and resource consent holders for costs related to those consents.

The Council has a policy of recovery of all actual and reasonable costs from those who receive the benefit from or create the need for an activity within its region. Applicants and resource consent holders will pay the costs of processing and monitoring of resource consents. The provision of information in respect of plans, resource consents and supporting documents is also to be recovered.

Crown Minerals Act 1991, Mining Act 1971 or Coal Mines Act 1979

Pursuant to sections 12 and 150 of the Local Government Act 2002 the Council may prescribe certain charges for the carrying out of its functions in relation to mining legislation. The Council will recover all actual and reasonable costs for all monitoring and transactions in respect of any privilege, including operations for expiry or forfeiture of any privileges.

Table 1: Resource Consent Minimum Application Deposit Fees

Application for Resource Consents	GST Inclusive
Land Use Consent & associated consents for dry bed gravel extraction	\$460.00
Land Use Consent & associated consents for river protection works	\$632.50
Discharge Permits for dairy effluent discharges	\$632.50
Land Use Consent & associated consents for humping & hollowing/flipping earthworks	\$862.50
Land Use Consent & associated consents for land based alluvial gold mining operations	\$1,035.00
Land Use Consent & associated consents for alluvial gold mining operations involving watercourse diversions	\$2,070.00
Coastal Permits for municipal sewage, industrial discharges, large scale infrastructure and marine farms	\$5,750.00
Application for a change or cancellation of consent conditions	\$345.00
Application for a Certificate of Compliance or an Existing Use Certificate	\$345.00
Application for Transfer of a Water Permit	\$460.00
Application to extend the lapsing period for a consent	\$345.00
All other Resource Consents	\$517.50

Charges Pursuant To Section 36 of the Resource Management Act

Pursuant to section 36(1) of the Resource Management Act 1991 the West Coast Regional Council intends to fix charges from time to time on the basis of the reasonable costs incurred by the Council's actions to which the charge relates.

The Council has resolved to fix charges based on a formula of an hourly rate fixed for the particular officer or consultant undertaking the function multiplied by the number of hours which are required to undertake the function. In some cases, the hourly rate specified will not be sufficient to recover the Council's full actual and reasonable costs.

For some specific activities relating to resource consents, a fixed fee applies.

Where the formula is inadequate to enable the Council to recover the actual and reasonable costs incurred by the Council then an additional charge may be imposed under section 36(3) of the Act. Those additional charges will be passed on having regard to the matters contained in section 36(4) of the Act.

Section 36(5) of the Act provides that the Council may in any particular case at its absolute discretion remit the whole or any part of the charge, including fixed and additional charges which would otherwise be payable. It should also be noted that the Council is entitled to withhold the issue of resource consent until such charges are paid under section 36(7) of the Act. It is also able to request charges to be paid prior to performing any action to which the charge relates (in addition to the deposit fees set in Table 1 above).

An applicant or a resource consent holder may object to any additional charge imposed under s36(3) pursuant to section 357 of the Act to the Council and if further dissatisfied with the Council's charges may appeal to the Environment Court under section 358 of the Act.

The Council must fix charges from time to time for carrying out of certain functions by resolution and procedures in the Local Government Act. There is no right to object to charges once they are fixed.

Fixed Fees

Pursuant to section 36(1) the Council has fixed the charges for the following functions based on fixed rates listed below (all amounts shown exclusive of GST)

(A) Receiving, processing and granting of applications for resource consents, certificates of compliance, changes or cancellation of conditions, transferring consents to new locations, review of conditions, surrenders of consent and extensions of lapsing periods of consents.

Council officers	\$95 per hour
Council senior officers	\$110 per hour
Council managers	\$140 per hour
Council clerical support staff	\$70 per hour

Independent consultants at \$350 per hour – (not more than)

Note that Council engages consultants for:

- Receiving and processing resource consent applications
- Providing any report under section 42A or 92 of the Resource Management Act
- Peer review of Council employees reports
- Providing advice on technical aspects of any application

Council Hearings and/or decisions undertaken by one or more councillors, at hourly rates as determined from time to time by the Remuneration Authority (currently \$68 / hour for Councillors and \$85 / hour by the Chairperson of a hearing)

Independent Hearing Commissioners at (not more than) \$1400 per day/per Commissioner

Legal advice at \$350 per hour (not more than).

In addition:

- File establishment fee \$50 (excluding applications for changes or cancellation of conditions, surrenders of consent and extensions of lapsing periods of consents)
- Vehicle mileage at 75 cents per kilometre
- The actual cost of hire or use of any other mode of transport required during the processing of the application, e.g. Aircraft and boat hire
- Advertising, erecting site notices and telephone tolls at cost
- Photographs and Laboratory costs at cost
- Venue hire, including any catering required for the hearing at cost
- Technical equipment hire and use, (including but not limited to Overhead Projectors, teleconferencing and audio visual equipment) at cost
- Accommodation and meals at cost
- Postage & Courier costs at cost
- Photocopying at 5c/copy or 20c/colour copy

NB. In the event that the charges fixed under this special order are inadequate to enable the Council to recover its actual and reasonable costs for carrying out its functions the Council will render an additional charge pursuant to section 36 (3) of the Resource Management Act 1991.

The Council reserves the right not to perform any action to which any of the above charges relate until the charge has been paid in full, pursuant to section 36(7) of the Resource Management Act.

(B) Notwithstanding (A), for the following whitebaiting resource consent applications the fee will be fixed as follows:

Applications for whitebait stand structures: \$200

(NB there are also supervision, monitoring and administrative charges in accordance with (C)).

Transfer of whitebait consents and permits to any other person*: \$100

Transfer of whitebait consents and permits to another site (relocations): \$100

Monitoring of whitebait stands: \$100 per annum

* These fees are required to be paid at the time of submitting the transfers.

NB. In the event that the charges fixed under this special order are inadequate to enable the Council to recover its actual and reasonable costs for carrying out its functions the Council will render an additional charge pursuant to section 36(3) of the Resource Management Act 1991.

The Council reserves the right to not perform any action to which any of the above charges relate until the charge has been paid in full, pursuant to section 36(7) of the Resource Management Act.

(C) Transfer of consents and permits to another person: \$50

(D) Administration, supervision and monitoring of resource consents, including the preparation and service of any abatement or enforcement proceedings required to ensure compliance with the terms and conditions of resource consents.

Council officers	\$95 per hour
Council senior officers	\$110 per hour
Council managers	\$140 per hour
Council clerical support staff	\$70 per hour

Independent consultants engaged by the Council: Not more than \$350 per hour.

Legal advisers: Not more than \$350 per hour

In addition:

- The actual cost of hire or use of any other mode of transport e.g. Aircraft and boat hire.
- Vehicle mileage at 75 cents per kilometre
- Advertising at cost

- Laboratory costs at cost
- Telephone Tolls at cost
- Accommodation and meals at cost
- Postage & Courier costs at cost
- Photographs at cost
- Photocopying at 5c/copy and 20c/colour copy.

(E) Application for preparation of plan and applications to change a policy statement or plan.

- Preparation of a plan \$10,000
- Change of policy statement or plan \$10,000

The fees are required to be paid at the time of submitting applications.

NB. In the event that the charges fixed under this special order are inadequate to enable the Council to recover its actual and reasonable costs for carrying out its functions the Council will render an additional charge pursuant to section 36(3) of the Resource Management Act 1991.

(F) The provision of information in respect of plans and resource consents payable by persons requesting information, which includes but is not limited to pre and post consent application advice, advice on regional plans, and any enquiries regarding resource consents or plans.

Council officers	\$95 per hour
Council senior officers	\$110 per hour
Council managers	\$140 per hour
Council clerical support staff	\$70 per hour

In addition:

- Vehicle mileage at 75 cents per kilometre
- Tolls at cost
- Photographs at cost
- Photocopying at 5c/copy or 20c/colour copy

Except that information for general education and public use there will be no charge for the first hour of Council time or for the first 10 A4 photocopies.

(G) Charges for the supply of documents are as follows:

All Regional Plans and Strategies (except for the Regional Coastal Plan) and the Regional Policy Statement (operative and/or proposed) will be supplied at a price of \$25 per volume.

Regional Coastal Plan is \$35

Note that all Regional Plans and Strategies, and State of the Environment Reports are all available on the Council website.

Charges under Sections 12 and 150 Local Government Act 2002

(A) Dairy Effluent Inspection

Council charges \$250 plus GST for Dairy Shed inspections required under Rule 13 of the Regional Plan for Discharges to Land and Rule 73 of the proposed Land and water plan. In the event of an inspection revealing non-compliance with these rules, Council will charge any follow-up action in accordance with the costs specified in (D) below.

(B) Assessment of Onsite Sewage Discharges

Council charges \$110 + GST for assessments as to whether or not proposed onsite sewage discharges meet Rule 6 of the Regional Plan for Discharges to Land where no site inspection is undertaken or \$150 + GST where a site inspection is undertaken.

(C) Mining Privileges (All amounts shown exclusive of GST)

The following charges are payable by holders of mining privileges and coal mining privileges issued under the Crown Minerals Act 1991, Mining Act 1971 or the Coal Mines Act 1979 and relate to the monitoring and enforcement of privilege conditions, the approval of privilege surrenders and disbursement of bonds and including operations for expiry or forfeiture of any privilege.

Council officers	\$95 per hour
Council senior officers	\$110 per hour
Council managers	\$140 per hour
Council clerical support staff	\$70 per hour

Independent consultants at not more than \$350 per hour.

Legal advisors at not more than \$350 per hour.

In addition:

- Vehicle mileage at 75 cents per kilometre
- Laboratory charges at cost
- Tolls at cost
- Photographs at cost
- Photocopying at 5c/copy, or 20c/colour copy

(D) Environmental Incidents (Complaints) and Clean Up (All amounts shown exclusive of GST)

The following charges are payable by persons found to be in breach of regional rules or the Resource Management Act 1991.

Council officers	\$95 per hour
Council senior officers	\$110 per hour
Council managers	\$140 per hour
Council clerical support staff	\$70 per hour

Independent consultants at not more than \$350 per hour.

Legal advisors at not more than \$350 per hour.

In addition:

- Vehicle mileage at 75 cents per kilometre
- The actual cost of hire or use of any other mode of transport, e.g. aircraft and boat hire
- The actual cost of mitigating the effects of and cleaning up or remedying the environmental incident.
- Laboratory costs at cost
- Purchase, hire and maintenance of equipment specially required for the monitoring of the incident.
- Accommodation and meals at cost
- Photographs at cost
- Printing (including provision of information in electronic format) at cost.
- Photocopying at 5c/copy, or 20c/colour copy

(E) Local Government Official Information Requests (all amounts shown exclusive of GST)

The following charges are payable by persons requesting information under the Local Government Official Information and Meetings Act 1987 (first hour of staff time not charged)

• Council officers	\$95 per hour
• Council senior officers	\$110 per hour
• Council managers	\$140 per hour
• Council clerical support staff	\$70 per hour

- Photographs at cost.
- Printing (including provision of information in electronic format) at cost

- Photocopying at 5c/copy, or 20c/colour copy

Charges under Section 33(1) of the Building Act 2004

(A) Building Consent Applications for Dams.

Building Consent Applications for dams are processed by Otago Regional Council and their charges will be applied.

(B) Project Information Memorandum for a Dam (All amounts shown exclusive of GST)

- | | |
|--|--------|
| 1. Preliminary fixed charge payable at the time of lodging an application for a Project Information Memorandum for a dam | \$1000 |
| 2. Fixed charge for the issue of a Resource Management Certificate under Section 37, Building Act 2004. | \$100 |

Additional costs and expenses:

Staff time will be charged out at the following rates:

Council officers	\$95 per hour
Council senior officers	\$110 per hour
Council managers	\$140 per hour
Council clerical support staff	\$70 per hour

In addition:

- Consultants at cost
- Legal advice at cost
- Vehicle mileage at 75 cents per kilometre
- Photocopying at 5c/copy, or 20c/colour copy
- Disbursements at cost

The charges are payable when the application is lodged. Applications will not be processed until the Council receives the appropriate amount.

The Council may, in any particular case and at its absolute discretion, remit all or any part of the fees which would otherwise be payable under this section.

Where the charge is inadequate to recover the Council's reasonable and actual costs, it may also require under Section 33, Building Act 2004 an additional charge to be paid.

Charges for major consent applications may be significantly in excess of the prescribed amounts. Wherever possible, applicants will be informed of extra costs in advance.

Additional charges may consist of any processing costs including staff time, disbursements, legal charges and consultant(s) fees. Before using consultants to process applications staff shall consult with the applicant and advise of the likely cost.

Other Charges

Regional Pest Plant Management Strategy

The Council's Regional Pest Plant Management Strategy was made operative in August 2005.

The cost of site inspections in response to complaints can be recovered from the land occupier as set out in section 5.3 of that Strategy (i.e. where a land owner fails to comply with a Notice of Direction).

Malicious or vexatious complaints may also be charged the cost of undertaking inspections, as set out under section 6.7 of the Strategy.

Quarry charges

The Council operates various quarries to ensure rock availability for river protection works. Council reserves the right to adjust the price per tonne of rock from any particular quarry, at any time, in order to recover the full costs of managing these quarries, including the cost of any development planning, health and safety requirements and remediation works.