



West Coast Regional Council

Long Term Plan

July 1 2018 to June 20 2028



THE WEST COAST
REGIONAL COUNCIL

Table of Contents

Chairperson's Foreword	1
Highlights at a glance...	2
Introduction to the Long Term Plan (LTP)	6
Statement of Compliance	7
Report from Audit New Zealand	8
PART 1 FINANCIAL STRATEGY AND INFRASTRUCTURE STRATEGY	9
PART 2 THE WEST COAST REGIONAL COUNCIL	24
West Coast Regional Council Mission Statement	25
Council and Committee Structure	26
West Coast Regional Council's Community Outcomes	28
Working together to achieve community outcomes	29
PART 3 GROUPS OF ACTIVITIES CONTRIBUTING TO THE COMMUNITY OUTCOMES	32
Group of Activities	33
Governance	34
Resource Management Activities	36
Regional Transport Planning	40
Hydrology and Flood Warning Services	41
Civil Defence Emergency Management	42
River, Drainage, and Coastal Protection Work	43
Vector Control Services Business Unit	51
PART 4 TEN YEAR FINANCIAL PROJECTIONS	53
Significant Forecasting Assumptions	54
Statement of Accounting Policies	58
Reserve Funds	68
Prospective Statement of Comprehensive Revenue and Expenses	70
Prospective Statement of Changes in Equity	72
Prospective Statement of Financial Position	74
Prospective Statement of Cash Flows	76
Projected Capital Expenditure	78
PART 5 FUNDING IMPACT STATEMENTS	79
Local Government (Financial Reporting and Prudence) Regulations 2014	91

PART 6	POLICIES	102
	Revenue and Financing Policy	103
	Investment and Borrowing Policy	107
	Council Controlled Organisations and Council Organisations	118
	Policy on the Remission and Postponement of Rates on Maori Freehold Land	120
	Policy of Financial Contributions	121
	Significance and Engagement Policy	122
	Remissions and Postponements Policy	126
	Policy on Development of Maori Capacity to Contribute to Decision-making Processes	129
	West Coast Regional Council Charges	130

Chairperson's Foreword

I am pleased to present the Council's Long Term Plan for 2018 – 2028. Council believes, through feedback received over the last few years, that our community wants us to show leadership in a number of areas and continue to pursue shared service opportunities where they benefit the ratepayers of the region.

Our top priorities are ensuring that water quality continues to maintain or improve across the region, that we work with our communities to manage natural hazards, continue to explore opportunities for shared services across the region as well as working with stakeholders right across the West Coast, and New Zealand, to assist with developing thriving, sustainable and resilient communities.

In 2015, the Regional Council implemented an economic development rate to jointly fund a regional economic development manager. This has been successful leading to the formation of the New Zealand Minerals Institute based in Greymouth, the award winning rebranding of Tourism West Coast and a number of other initiatives throughout the region. The government led Tai Poutini Regional Growth Programme identified economic development as requiring better direction and clarity. The government funded review looked at the current state of play regarding economic development providing recommendations as to the most efficient and effective structure and funding model.

The Regional Council has been providing a leadership role in economic development over the past three years. Development West Coast have now committed to taking this on, working across the region to ensure we are positioned well to leverage opportunities through the Provincial Growth Fund. Should a rate for economic development be required after the 2018/19 year, Development West Coast will discuss this with the Regional Council in late 2018. This will allow time for the proper research on a fair and equitable way to apply such a rate to take place. Public consultation would follow through the Annual Plan process in April/May 2019.

Most of our core activities and services are proposed to continue unchanged over the next 10 years.

Managing natural hazards is a key consideration for a lot of work currently underway across Council. We want to help to protect land by maintaining current flood and drainage schemes, and by developing and building new schemes - where the affected community can afford those. We also want to increase community understanding of other hazards they may face. While our new civil defence structure has a part to play to keep us all safe from hazards, we want to promote informed debates within the community on developing realistic responses to threats and risks – practical responses the community can afford.

Council wants to be fair in the way that we fund our activities. Currently we use general rates to fund activities that benefit everyone generally, and we use targeted rates to fund those activities that people benefit directly from (for example individual flood and river protection schemes). Rate increases will be minimal (< 2.5 %) for the general rate. The implementation of the Uniform Annual General Charge is considered a fair way of spreading the funding requirement over ratepayers in the region, recognising that all ratepayers receive a base level of service regardless of the capital value of their property.



Andrew Robb
Chairman
West Coast Regional Council

Highlights at a Glance...

This Plan sets out Council's strategic direction, funding intentions and work programmes for the next ten years. The following is a summary of the key issues likely to be of public interest from 2018-2028, and the coming year in particular.

Long Term Intentions of Council

The Council once again intends focusing on the 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, lakes and coastal waters from pollution;
- b) Managing our RMA consenting processes efficiently and effectively;
- c) Monitoring the state of our rivers and lakes, and contact recreation waters;
- d) Ensuring a simple but comprehensive set of policy documents reflecting community needs, and a sustainable development ethic;
- e) Undertaking compliance monitoring to ensure high risk activities are well managed;
- f) Responding to community requests for flood protection, and maintaining these assets;
- g) Continuing to provide flood monitoring services on the monitored rivers;
- h) Coordinating civil defence in partnership with the district councils;
- 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 regulatory input is needed.

Collaboration Continues for West Coast Councils

The four Councils on the West Coast have focussed on a number of areas where we can work together more effectively. This improves the level of service provided to the community, saving time and money. Staff are very focussed on delivering better services across the region, this has led to savings in procurement of services like insurance.

Civil Defence is a great example of a shared service across the region. The Regional Council employs staff across the region who report to a regional director. Emergency Management Officers remain in each of the District Councils to ensure as emergency management presence is retained across the region.

The Local Government Commission (LGC) consulted on the opportunity for the four Councils and iwi to work collaboratively through a joint committee to produce one District Plan for the region. This would provide cost savings as well as delivering a more consistent planning framework across the West Coast.

The LGC issued a final reorganisation proposal on 11 September which, if confirmed by an "Order in Council", will see the establishment of a joint committee, comprising Buller, Grey and Westland District Councils, West Coast regional Council, the two local Rūnanga and an independent chairperson, to be responsible for preparing and approving a new combined District Plan for the West Coast.

Apart from a \$25,000 budget for "One District Plan" expenditure, no other expenditure or costs were included in this LTP as these will only be determined after the establishment and work of the transitional committee. Any costs and funding will be included as part of the 19/20 Annual Plan.

Economic Development

Through the government led Tai Poutini Regional Growth Programme, economic development was identified as an area requiring better direction and clarity. The government funded a study looking at the current state of play and providing recommendations as to what is the best way forward in this space in regard to structure and funding. The report recommended bringing all economic development activity into one agency. It suggested this should be either a stand-alone agency, or incorporated into Development West Coast. The latter was the preferred option as the structure and systems were already in place. In addition to this, the report also recommended that organisations such as Tourism West Coast and Minerals West Coast should be incorporated into the economic development organisation.

In regards to funding, the report suggested that the current level of funding across the board was about right, however it needed to be directed into one agency. Currently the Regional Council rates for economic development, which half funds a Regional Economic Development Manager in conjunction with Development West Coast. This role has been successful for the region resulting in the formation of a New Zealand Minerals Institute based in Greymouth, the award winning rebranding of Tourism West Coast and a number of other initiatives.

Development West Coast have committed to taking a lead role in economic development, working across the region to ensure the West Coast positions itself well to leverage opportunities through the Provincial Growth Fund. Currently Tourism West Coast rely on income from the three District Councils and Development West Coast to undertake their work. Development West Coast agreed to fund the cost of running Tourism West Coast for the 2018/19 year. Should a rate for economic development be required after this year, Development West Coast would discuss this with the Regional Council in late 2018. This will allow time for the proper research on a fair and equitable way to apply such a rate to take place. Public consultation would follow through the Annual Plan process in April/May 2019.

Minimising Cost Increases to Ratepayers

Council recognises that our region has a small number of ratepayers, and remains focused on the cost effective delivery of our functions. 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.

The philosophy is that the general rate should increase at the rate of growth in the region. This generally results in a nil rate increase to existing ratepayers, but the total rate taken increases due to new rateable properties being created in the region (new subdivisions). This approach, while keeping the cost to each ratepayer approximately the same each year, ensures Council funding keeps up with growth in the region.

Council investment income and returns from its VCS business unit are an important part of its financial strategy however these are not always reliable and can fluctuate from year to year. Council intends to continue using the income from its investment fund, plus the returns from the VCS business unit, to help to minimise general rate increases. Council also intends to implement a Uniform Annual General Charge (UAGC) from 2018/19 as the best and most equitable way to smooth out Council's finances into the future, providing certainty of funding for the delivery of core services. The UAGC is also considered a fairer way of spreading the funding requirement over ratepayers in the region, recognising that all ratepayers receive a base level of service regardless of the capital value of their property.

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 also continues to lobby government with regard to sharing mineral levies and royalties with local councils and local communities.

Regional Policy Statement Review

Council has spent a lot of time consulting with District Councils, Iwi, Department of Conservation, members of the community and various other agencies over how this statutory document should best reflect the views, and needs, of our community. The Council wants this strategic document to reflect a more mature understanding of the craft of environmental management, recognising the positive as well as the adverse impacts of new developments. The new RPS will recognise the need for growth in the region as well as the need for continuing improvements in environmental quality. Decisions on the Regional Policy Statement were released in August 2018. The period for appealing the decisions made expires on 28 September 2018.

River and Coastal Protection Works

The Council has 25 special rating districts managing river and flood protection works. Additional protection works are a direct cost to the ratepayers of the relevant rating districts. The works are owned by the Council on behalf of the ratepayers of that rating district. Engineering staff undertake annual inspections and any maintenance needed is funded by the rating district. New capital works are funded by short term loans, which are then repaid by the rating district.

Council will be undertaking consultation with the Westport community regarding flood protection options for the community. This follows the work of the Westport Flood Committee who examined and refined the various options which led to the circulation of a consultation document in 2017. This has led to further work being undertaken to refine the options and engage with community leaders in the process. Staff have examined and will receive advice on what occurred during the recent cyclones which will be incorporated into future advice and consultation.

Staff will also link work undertaken on evacuation plans with the flood protection works.

Summary of Results from Questions Raised in the Long Term Plan Consultative Document

Questions Asked in Consultative Document	Council Decision Following Consideration of Public Submissions																					
<p>Question 1: Implementation of a Uniform Annual General Charge (UAGC) per rating unit of \$50.00 + GST across the Region?</p>	<p>Council decision Council agreed to proceed with implementation of a UAGC of \$72.50 + GST per rating unit across the Region, with \$22.50 of that to be used to fund the expansion of Emergency Management capacity instead of increasing the targeted rate in the \$ on Capital Value.</p>																					
<p>Question 2: Increase in the targeted Emergency Management Rate from \$700,000 to \$1,150,000 to fund increase in Emergency Management capability.</p>	<p>Council changed the funding of the expansion of EM capability costing \$450,000 from an increase in the targeted rate in the dollar of capital value to this addition of \$22.50 + GST to the UAGC. Although this was beyond the scope of the consultation document, as it wasn't mentioned as an option, after considering matters raised in various submissions Council believed the addition to the UAGC to be the fairest method.</p>																					
	<p>Revenue & Financing Policy Related to matters in Questions 1 & 2, Council did not specifically consult on this matter, but felt it prudent to amend the revenue and financing policy to reflect the UAGC \$22.50 decision.</p> <p>Council did not go back for further public consultation because if felt the actual dollar impact (\$11.74 including GST per annum) on a \$200,000 capital value house was minimal.</p> <p>The impact of the decision with regard to the funding of Emergency Management is:</p> <table border="1" data-bbox="638 1146 1404 1630"> <thead> <tr> <th></th> <th>Existing Policy</th> <th>New Policy</th> </tr> </thead> <tbody> <tr> <td>Targeted Rate</td> <td>90%</td> <td>55-60%</td> </tr> <tr> <td>General Rate</td> <td>10%</td> <td>0-5%</td> </tr> <tr> <td>UAGC</td> <td>-</td> <td>35-40%</td> </tr> <tr> <td>The impact of the decision on a \$200,000 Capital Value house was assessed as follows;+</td> <td>\$25.88 GST Inclusive</td> <td>UAGC</td> </tr> <tr> <td>-</td> <td>(\$14.14 GST inclusive)</td> <td>Reduction in targeted rate in \$ of Capital Value</td> </tr> <tr> <td>+</td> <td>\$11.74 GST inclusive</td> <td>Net impact</td> </tr> </tbody> </table>		Existing Policy	New Policy	Targeted Rate	90%	55-60%	General Rate	10%	0-5%	UAGC	-	35-40%	The impact of the decision on a \$200,000 Capital Value house was assessed as follows;+	\$25.88 GST Inclusive	UAGC	-	(\$14.14 GST inclusive)	Reduction in targeted rate in \$ of Capital Value	+	\$11.74 GST inclusive	Net impact
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<p>Question 3: Whole of Waiho Rating District Proposal. Option 1 = Status quo. Option 2 = A new Rating District which would encompass the existing Lower Waiho and Franz Josef Rating Districts as well as other properties. Which would derive benefits from the river management infrastructure. This would ensure river management is undertaken in a holistic manner and spread the cost burden across the Franz Josef and surrounding areas in a fairer manner.</p>	<p>Council decision In view of numbers of property owners submitting against Option 2, Council decided to defer this matter pending further consultation with the community.</p>
<p>Question 4: Quarry Service Deliver Change</p>	<p>Council decision Council confirmed this proposal.</p>
<p>Question 5: One District Plan Local Government Commission (LGC) Proposal.</p>	<p>Council decision No change to Long Term Plan LGC issued a final reorganisation proposal on 11 September, subject only to an “Order in Council”. See comments page 2 under heading of “Collaboration continues for West Coast Councils”.</p>
<p>Question 6: Working with communities to manage Coastal Erosion.</p>	<p>Council decision No change to Long Term Plan.</p>
<p>Question 7: Adjustment of staff hourly rate by \$5 following dropping of charging for km</p>	<p>Council decision Confirmed. No change to Long Term Plan.</p>
<p>Question 8: Biodiversity / Special Rate possibility in Future</p>	<p>Council decision No change to Long Term Plan.</p>
<p>Question 9: Freshwater National Policy Statement Work.</p>	<p>Council decision No change to Long Term Plan.</p>
<p>Question 10: Economic Development</p>	<p>Council decision No change to Long Term Plan.</p>
<p>Questions 11, 12, 13 and 14 Updates to Investment and Borrowing Policy, Revenue & Financing Policy, Financial Strategy, 30 Year Infrastructure Strategy.</p>	<p>Council decision No change to Long Term Plan.</p>

Introduction to the Long Term Plan (LTP)

Once every 3 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 Plan is in six parts:

Part 1 - Financial Strategy and 30 year Infrastructure 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.

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

Statements 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, except for the requirement under section 93 (3) to adopt the Long Term Plan by 30 June 2018.

The Long Term Plan was adopted on 18 September 2018.

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 2018 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.



A Robb
Chairman



M Meehan
Chief Executive Officer

18 September 2018

Report from Audit New Zealand

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

To the reader:

Independent auditor's report on West Coast Regional Council's 2018-28 Long-Term Plan

I am the Auditor-General's appointed auditor for West Coast Regional Council (the Council). Section 94 of the Local Government Act 2002 (the Act) requires an audit report on the Council's long-term plan (the plan). Section 259C of the Act requires a report on disclosures made under certain regulations. We have carried out this work using the staff and resources of Audit New Zealand. We completed our report on 18 September 2018.

Opinion

In my opinion:

- the plan provides a reasonable basis for:
 - long-term, integrated decision-making and co-ordination of the Council's resources; and
 - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 14 to 18 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

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

Emphasis of matter – decisions to increase the uniform annual general charge and amend the Revenue and Financing policy

Without modifying our opinion, we draw your attention to the disclosure on pages 4 and 5 of the plan which explains the Council's decisions to:

- increase the uniform annual general charge by \$450,000 to fund the proposed increase in emergency management activities, rather than fund the increase from the emergency management rate, and
- amend the Revenue and Financing policy accordingly.

The changes were beyond the scope of what the Council proposed in the LTP consultation document, and the community did not have the opportunity for input.

Emphasis of matter - breach of the Local Government Act 2002

Without modifying our opinion, we also draw your attention to the disclosure on page 7 of the plan that states the Council failed to adopt the plan before the commencement of the first year to which it relates. This is a breach of section 93(3) of the Local Government Act 2002.

Basis of opinion

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

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

Our procedures included assessing whether:

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

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

Responsibilities of the Council and auditor

The Council is responsible for:

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

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

Independence

In carrying out our work, we complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 (Revised); and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended).

Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the Council.



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

PART 1
FINANCIAL STRATEGY
AND INFRASTRUCTURE
STRATEGY

West Coast Regional Council Financial Strategy

Overview

Generally, Council wishes to continue the financially prudent approach to managing public funds. Council is proud of the fact that it provides quality resource management, planning and hazard management services to the West Coast community at very affordable rates. Council wants this to continue.

Council philosophy is to charge users of our services wherever this is possible, but to ensure those user charges are fair and reasonable. With the General Rate, annual increases should match the rate of growth in the region. This generally results in a nil rate increase to existing ratepayers, but the total rate taken increases due to new rateable properties being created in the region (new subdivisions).

The Council's investment income is to be used 100% for operational programmes. The VCS business unit and investment in its pest products associate Limited Partnership income are also major income sources.

Introduction

The Local Government Act requires each council to prepare 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 includes:

1. Expected changes in population and land use and the impact of these changes on operating costs.
2. Expected capital expenditure that is required to maintain existing levels of service.
3. Other significant factors affecting the ability to maintain existing levels of service and to meet additional demands for services.
4. Quantified limits on rates and rate increases.
5. Quantified limits on borrowing.
6. Policy on giving of security for its borrowings.
7. 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:

- Manage finances prudently in a way that promotes the current and future interests of the community.
- A financial strategy that informs and guides the assessment of funding and expenditure proposals.
- Funding and financial policies that offer predictability and certainty about sources and levels of funding.
- Operating revenues that meet operating expenses.

Council Philosophy

Council sees the following matters as very important with regard to its overall Financial Strategy

- Council will operate balanced budgets, where revenues are equal to or exceed expenditures.
- Council believes in a User Pays approach so that wherever possible the persons that benefit from a service pay for it.
- Fairness.
- Equity, including intergenerational equity.

Council's Key assumptions

- Investment returns will continue to deliver at least 6.50% per annum (except for Catastrophe Fund Conservative portfolio which is budgeted to return 6.00% per annum).
- VCS Business Unit returns will at least equal \$500,000 per annum.
- General rate income is maintained in real terms.

Council will run an operating deficit (revenues – expenditures) of -\$552,000 in Year 1 of the Long Term Plan (18/19)

This is because Council is carrying out repairs and other work authorised by the Joint Committee to the Greymouth Floodwall. It is expected that these costs will exceed \$700,000 and will be funded by loan (\$600,000) and the balance from retained Greymouth Floodwall credit balances. This is the reason that it is prudent and sensible for Council to run an operating deficit of -\$552,000 in 18/19 (year 1 of the LTP), in terms of s 100 (2) of the Local Government Act 2002.

Expected Changes in population and land use and their impact on operating costs

The Statistics New Zealand “medium series” population estimates for the Region show modest population growth over the ten year period, from 33,800 people in 2018 to 34,100 people in 2028. Council therefore does not expect increased operating or capital expenditure resulting from population change in the Region.

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

Expected Capital Expenditure for Maintaining Existing Levels of Service

Council has identified the following capital expenditure over the 10 year life of the Long Term Plan:

Replacements (to maintain existing levels of service)	\$5,423,478
Improved Levels of Service	\$139,623
Meet additional demand	\$0
Total	\$5,563,101

The above capital expenditure will be funded from depreciation and proceeds from disposal of assets.

Any capital expenditure on River, Drainage & Coastal protection infrastructure will be funded from either retained rating District credit balances or loan funds. River, Drainage & Coastal protection infrastructure capital expenditure has no impact on the General Rate.

Other significant factors affecting the ability to maintain existing levels of service and meet additional demand for services.

Council relies on the following income sources across the 10 year life of the LTP:

Income type	(average over 10 year period)
General rates & UAGC	30%
Targeted rates	15%
User charges	13%
Business Unit income	32%
Investment income	10%

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.

Uniform Annual General Charge

Council intends to implement a Uniform Annual General Charge of \$72.50+ GST over all rating units.

Council relies on income from its investment fund income, income from investments in its associated pest products Limited Partnership, and returns from its Vector Control Services Business Unit to offset General Rate rises. This has helped maintain a comparatively low general rate levied on capital value of \$2,380,000 + GST.

These income sources can be volatile and over-reliance on these revenue streams can result in variable financial results year to year.

A Uniform Annual General Charge is considered the most equitable way to smooth out Council revenues into the future, providing certainty of funding for the delivery of core services.

A Uniform Annual General Charge is also a fairer way of spreading the imposition of the general rate over ratepayers in the Region, recognising that all ratepayers receive a base level of service regardless of the capital value of their property.

Business Unit Income and Investment Income

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

Meeting Additional Demands for Services

Council has not identified any expenditure requirements in the LTP which would be necessary to meet additional demands for services. The most likely future demand would be in the flood protection area, which is financed by loans repaid by targeted rates set on the benefitting community. The caps on borrowing have been relaxed in anticipation of that possible demand.

Council's ability to provide and maintain existing levels of service and to meet additional demands for services within the quantified limits on rates increases and borrowing.

Council assesses that it can maintain the existing levels of service within the previously mentioned quantified limits. Future drivers for Council borrowing are likely to be requests for new or upgraded River, Drainage & Coastal protection schemes from particular defined communities. Such schemes will involve consultation with the initiating community in accordance with Council's Significance & Engagement Policy.

Any capital expenditure on new protection schemes agreed on with the initiating community will normally be funded by borrowing and repaid by that community by way of a targeted rate which will match the term of the loan. It is for this reason that Council has adopted caps on targeted rates and borrowing that allow it to respond to borrowing requirements such as described above.

Quantified limits on rates and rate increases

The Council wishes to set rate caps as follows on future rate increases:

- General Rates and Uniform Annual General Charge: not more than 35% of total income (30% in previous 2015/25 LTP).
- General rate % increases will not exceed the estimated BERL "Local Government Cost Index" adjustments.
- Targeted Rates: not more than 25% of total income
- Targeted rates (sum of all targeted rates) not to exceed 100% increase on the 2018/19 baseline over the ten year period.

There is considerable allowance for the targeted rates to increase because Council believes there may be more demand from our communities in future for new flood or erosion protection schemes. Council does not know when this demand may arise nor the amount of money likely to be needed, however past experience shows that demand will occur over the ten year period.

Quantified limits on borrowing

The Council normally borrows money to fund flood or erosion protection schemes, with repayments made via targeted rates set on the benefitting ratepayers. Council has dropped the limit of \$500 / head of population contained in the previous 2015/25 as being not particularly relevant).

The Council sets a cap on borrowing as follows:

- Loan interest costs not to exceed 10% of total revenue (2015/25 LTP = Loan Interest + Principal repayment not to exceed 15% of total revenue).
- Debt will not exceed 175% of total revenue.

The following is the Council's interest cost, divided by total revenue:

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Estimate Interest costs (million)	\$0.241	\$0.204	\$0.167	\$0.153	\$0.139	\$0.125	\$0.112	\$0.101	\$0.091	\$0.088
Estimate Debt (million)	\$6.454	\$5.978	\$5.486	\$4.977	\$4.466	\$3.986	\$3.556	\$3.193	\$2.878	\$2.559
Estimate Total revenue (million)	\$12.610	\$13.268	\$13.488	\$13.703	\$14.089	\$14.322	\$14.743	\$15.033	\$15.416	\$15.829
Interest % of total revenue	1.9%	1.5%	1.2%	1.1%	1.00%	0.9%	0.8%	0.7%	0.6%	0.5%
Debt % total revenue	51%	45%	41%	36%	32%	28%	24%	21%	19%	16%

Council debt repayments compared to total revenue are comfortably within manageable levels.

Policy on giving of security for Council borrowings

As at 30 June 2018 Council borrowings will total:

Rating District protection schemes repaid by targeted rates	\$3,212,000
Investment in Associates (PCR LP)	\$370,000
Investment in commercial property (Rolleston land and building)	\$688,000
Warm West Coast Insulation Scheme repaid by targeted rate	\$380,000
Working Capital	\$1,591,000
Total	\$6,241,000

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

- 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	\$500,000
Bond (Okuru Quarry)	\$30,000
Cards	\$20,000
Multi option credit line	\$8,500,000
Risk management products dealing line	\$350,000
Total	\$9,400,000

Objectives for holding and managing financial and equity investments and quantified targets for returns on those investments.

As at 30 June 2018 it is estimated that Council Investments will amount to;

1. \$10,750,000 managed in a diversified "balanced" portfolio by a Fund Manager.
2. Rolleston Land and Building Investment worth \$1,500,000.
3. Pest Control Research LP shareholding worth \$1,000,000.
4. \$1.0 million in a "conservative risk" portfolio. This is a fund established by Council as a Catastrophe Fund.

The Council's objectives for holding and managing the first three investments are to generate capital gains in order to protect the real value of the investment portfolio; and to create 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 \$1.0 million Catastrophe Fund portfolio are to fund the potential \$250,000 excess with regard to Council Infrastructure insurance cover through the AON Lloyds scheme (South Island Council grouping), plus fund the annual cover premium from income earned by the fund.

Targeted level of returns

- The target return for the \$10.750 million portfolio is at least 6.5% per annum.
- The Rolleston Land and Building target return is at least 6% per annum.
- The PCR LP target return is at least \$500,000 per annum.
- The target return for the Catastrophe Fund Portfolio is 6.00% per annum.

The following graphs are required under the Local Government (Reporting and Prudence) Regulations 2014

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

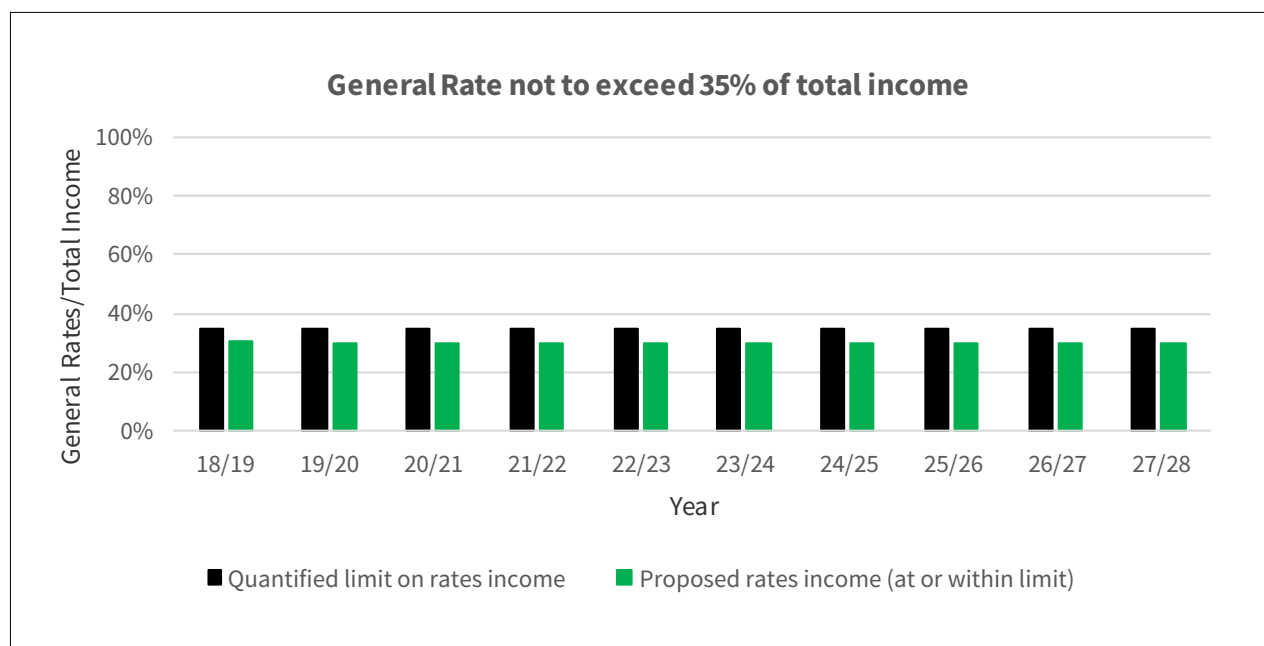
Rates Affordability Benchmarks

Council meets the rates affordability benchmark if;

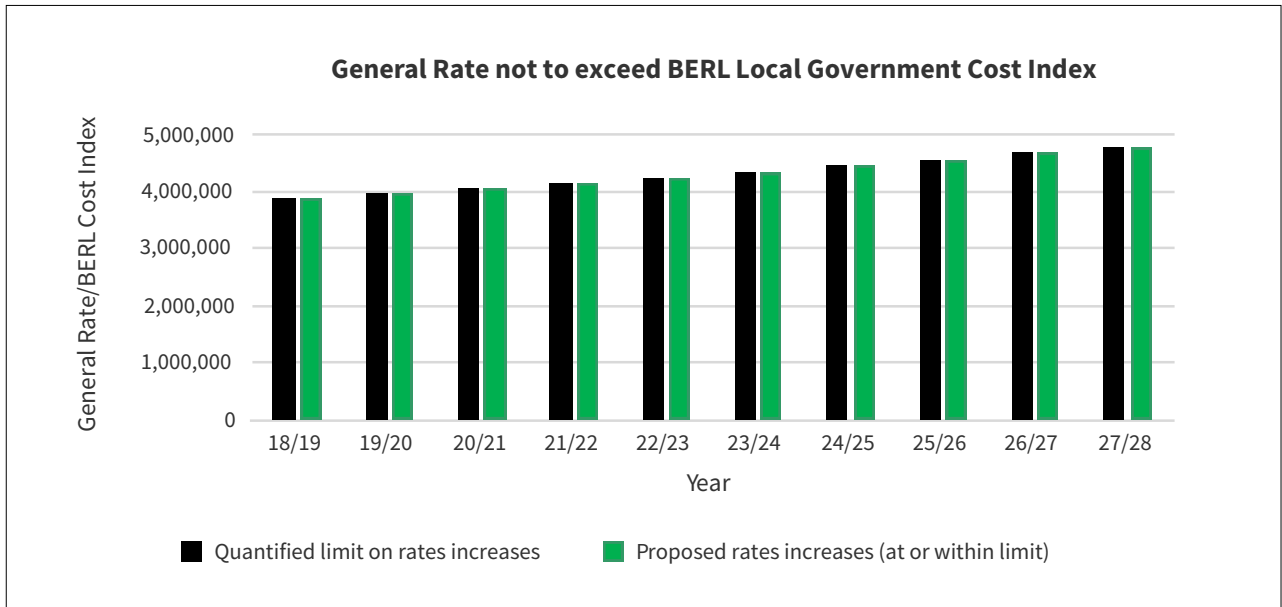
- Its planned rates income equals or is less than each quantified limit on rates; and
- Its planned rates increases equal or are less than each quantified limit on rates increases.

For the purposes of this graph, "General Rate" includes the Uniform Annual General Charge.

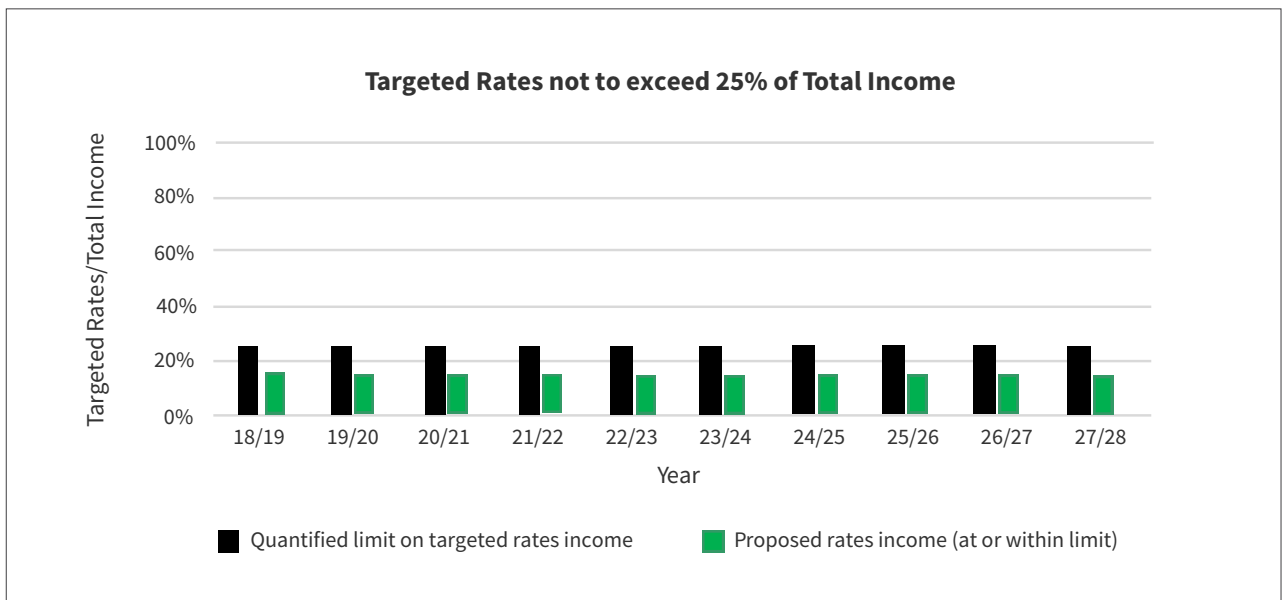
1. The following graph compares Council's planned general rates with a quantified limit contained in the financial strategy included in this long term plan. The quantified limit is 35% of total income.



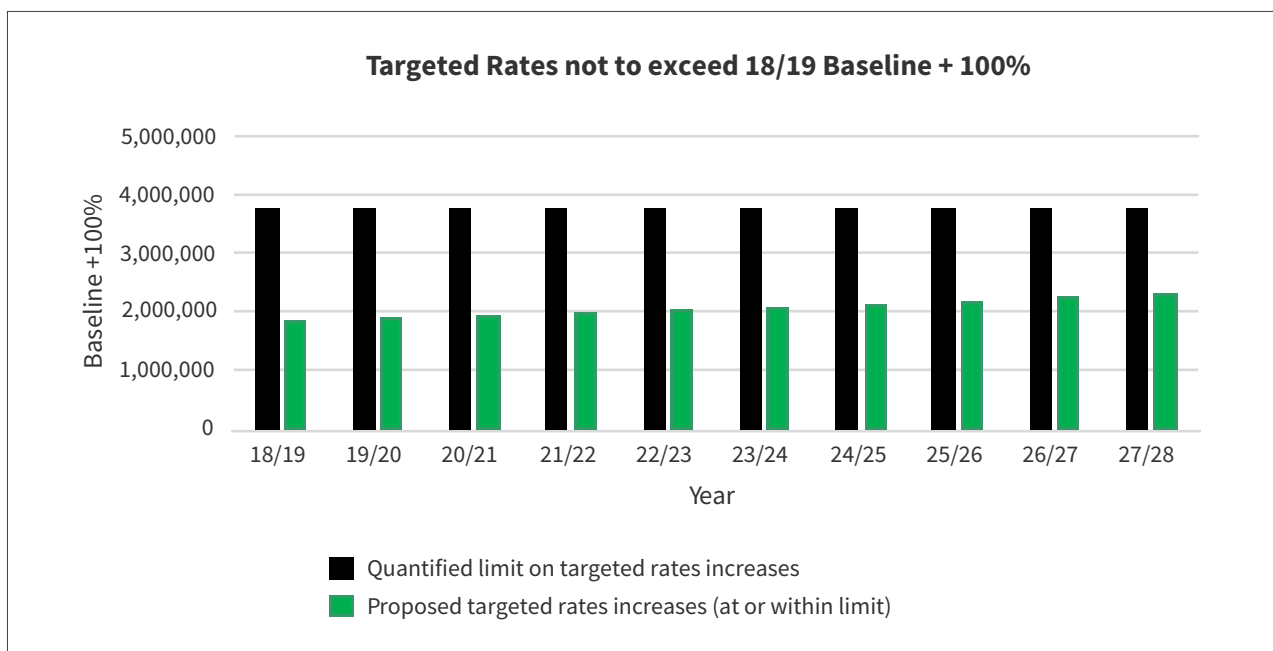
2. The following graph compares Council’s planned general rates with a quantified limit on rates increases contained in the financial strategy included in this long term plan.
The quantified limit is that Council general rate increases will not exceed the BERL local government cost index.



3. The following graph compares Council’s planned targeted rates with a quantified limit contained in the financial strategy included in this long term plan.
The quantified limit is that Council targeted rates increases will not exceed 25% of total income.



4. The following graph compares Council’s planned targeted rates with a quantified limit on rates increases contained in the financial strategy included in this long term plan.
The quantified limit is that Council targeted rate increases will not exceed the 18/19 baseline (of \$1,899,422) + 100%

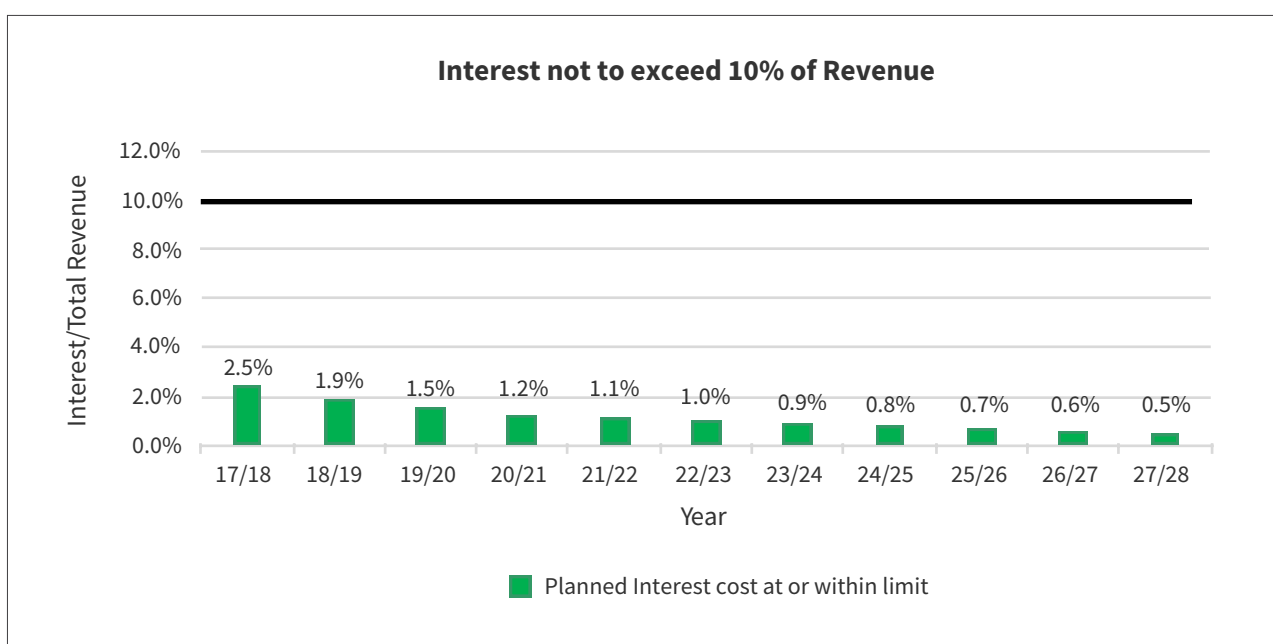


Debt Servicing Benchmarks

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

Because Statistics NZ projects council’s population will grow more slowly than the national population is projected to grow, it meets the debt servicing benchmark if its planned borrowing costs are equal to or less than 10% of its planned revenue.

Borrowing costs will not exceed 10.00% of Total Revenue



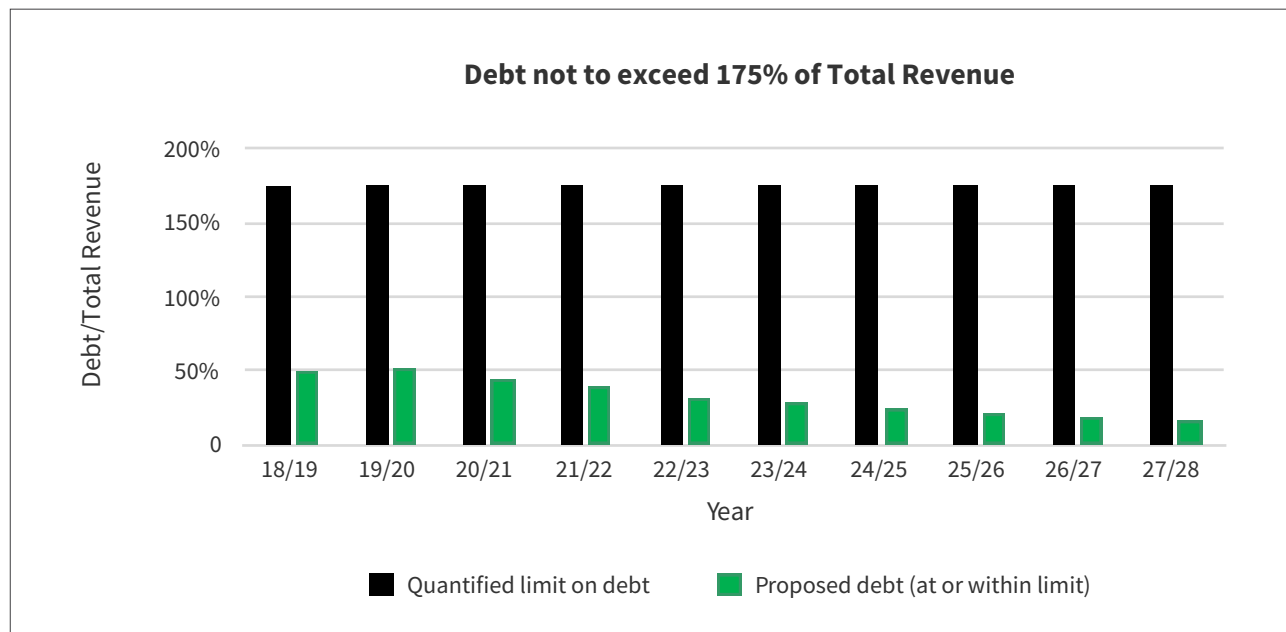
Debt Affordability Benchmark

Council meets the debt affordability benchmark if its planned borrowing is within the quantified limit on borrowing.

The following graph compares council’s planned debt with the quantified limit on borrowing contained in the financial strategy included in this long term plan.

The quantified limit is that debt is not to exceed 175% of total revenue.

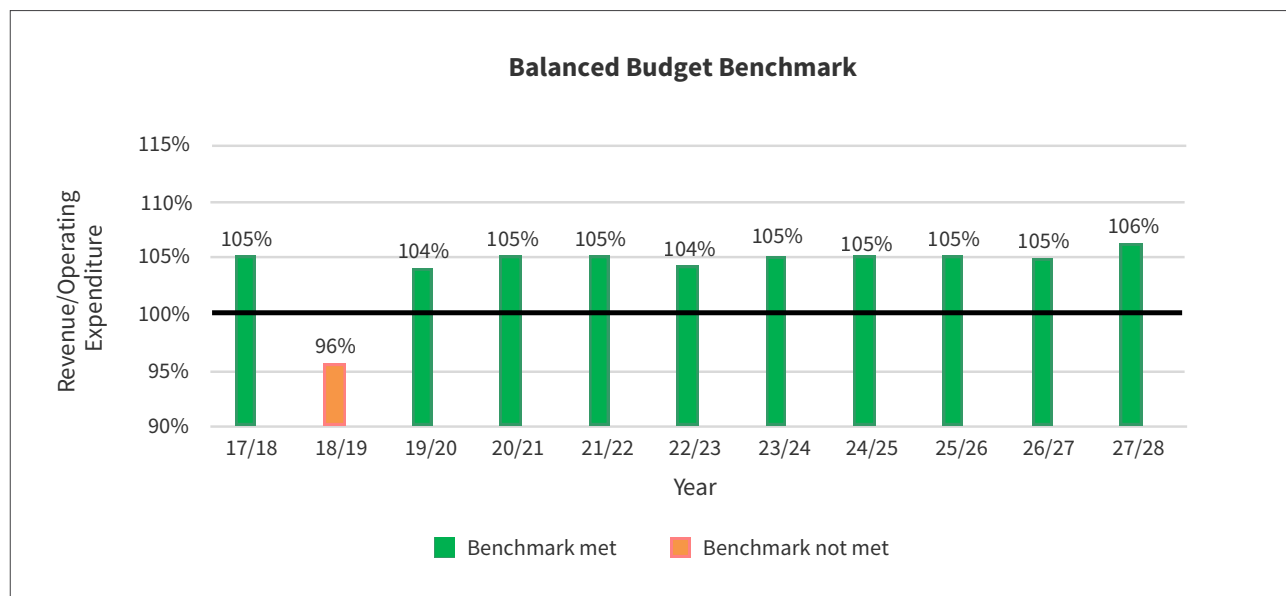
Debt not to exceed 175% of Total Revenue



Balanced Budget Benchmark

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

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



Essential Services Benchmark

The regulations require Council to compare its capital expenditure on network services to the depreciation on its network services.

For West Coast Regional Council this relates to flood protection and control networks. As there is no depreciation on West Coast Regional Council flood protection and control works the comparison required by the regulations is not possible.

West Coast Regional Council 30 Year Infrastructure Strategy

Introduction

Council owns a wide range of assets, including land, buildings and motor vehicles. Infrastructure assets held, operated and maintained by council are flood and drainage scheme assets. Their book value is approximately \$58.5 million at 30 June 2018, representing > 70% of the value of total assets held by Council.

This strategy focuses on Council's infrastructure assets, which are made up primarily of hundreds of kilometres of floodbanks, drains, erosion control works (e.g. groynes) and other infrastructure associated with the river erosion, drainage, coastal protection and flood protection schemes.

These assets are grouped into 25 "Rating Districts", which range from very large schemes protecting major towns to very small schemes providing for the maintenance of drainage or a creek opening. The majority of Council's Rating Districts have infrastructure in place, and we want to ensure that this infrastructure will provide the agreed levels of service to the respective community.

The purpose of this strategy is to identify how Council will manage infrastructure assets over the next 30 years through to 2048. Council has made a number of assumptions in determining the strategic direction for this 30 year period which are outlined in this strategy. Council also notes the Ministry for the Environment guidance regarding climate change and future predictions for the West Coast region. The West Coast is anticipated to experience increasingly severe weather events in the future, including in an increased amount of rainfall. When consulting with our communities, and designing infrastructure to protect infrastructure and properties, the implications of these climate change predictions are one of the many important aspects Council considers when determining levels of service.

1. Geographical context

Approximately 85% of the region is administered by the Department of Conservation, with the remaining 15% comprising farmland, forestry and urban areas. The region is long with the population sparsely spread throughout, with three main centres - Hokitika, Greymouth and Westport. Like most of the country, the main towns and other centres are located near flood and other hazard areas. The majority of the Rating Districts were formed to reduce the impact of the local flood hazard, to levels of service agreed amongst the local community. The continued safe occupation and use of these areas is important to the wellbeing of the communities, and so continued protection from flooding is important. Council's flood protection schemes aim to protect people and property from flooding, and/or to attempt to minimise river or sea erosion. Council's two drainage schemes assist maintaining the productive capability of the respective land on an ongoing basis.

Council manages 25 flood and drainage schemes, protecting both the urban and rural sectors throughout the West Coast Region. Those schemes are as follows:

- Okuru (seawall, preventing sea erosion)
- Coal Creek (river flood protection)
- Franz Josef (river flood protection)
- Greymouth (river flood protection – structures owned by the District Council)
- Hokitika (seawall, preventing sea erosion)
- Hokitika southside (river erosion protection)
- Inchbonnie (river flood and erosion protection)
- Kanieri (river erosion protection)
- Karamea (river flood protection and erosion protection)
- Kongahu (land drainage scheme)
- Kowhitirangi (river flood and erosion protection)
- Lower Waiho (river flood and erosion protection)
- Matanui (creek clearance and erosion protection)
- Mokihinui (river and flood protection and sacrificial coastal bund)
- Neils Beach (river and flood protection and sacrificial coastal bund)
- Nelson Creek (river flood protection)
- Punakaiki (seawall, preventing sea erosion)
- Raft Creek (land drainage scheme)
- Red Jacks Creek (river flood and erosion protection)
- Taramakau (river flood and erosion protection)
- Vine Creek (creek clearance, erosion protection and stopbanking)
- Waitangitaona (river flood and erosion protection)

- Wanganui (river flood and erosion protection)
- Whataroa (river erosion protection)
- Saltwater Creek / New River (coastal river mouth opening only - no infrastructure)

2. Our Priorities

Council's priorities for our future flood and drainage scheme activities include the following:

- Providing and maintaining agreed levels of flood and erosion protection to our communities;
- Communicating the hazard risk to communities where recommended levels of service are not being achieved, or there is a high likelihood of failure;
- Continuing to refine our asset management plans for each scheme. Council is developing a business plan regarding asset management with a view to continuing to enhance Council's current practices and ensure they are in line with best practice.

These priorities will assist our future planning and decision making processes

3. Capital and maintenance explanation and assumptions

The nature of the flooding and drainage schemes means that the creation of new schemes, or work to increase the scheme's level or service or enhance the existing assets – such as making a stopbank higher or longer is regarded as capital expenditure.

All costs incurred to repair flooding and drainage schemes, either routinely or after flooding events to restore the level of service for the scheme, is considered maintenance and expensed.

The capital and maintenance expenditure programme for each of the schemes is based on the assumptions that:

- There will be no deferred maintenance during the 30 year period.
- There will be no events (flood, earthquake etc.) of a magnitude that will damage the assets.
- The impact of climate change will be gradual in line with Ministry for the Environment predictions.
- There will be no new schemes developed over the 30 year period.
- There will be no changes to levels of service over the 30 year period.
- We do not expect significant population growth, so there will not be any significant increase in the demand on Council's flood protection and drainage scheme assets as a result. The assets are not directly impacted by the population levels within the scheme areas, more so by the location of the new development in relation to river or sea hazards.

4. Capital Expenditure

The following are drivers for capital investment in our flood and drainage schemes:

- The need to replace existing assets that are no longer fit for purpose;
- The need for an increase in the level of service that the schemes currently provide;
- A new flood or drainage scheme.
- The potential impact of climate change and natural hazard risk in the future.

Capital expenditure principally occurs as a result of requests by the Rating Districts. At this point no requests have been made or are forecast therefore this infrastructure strategy includes no forecast capital expenditure. However, there are significant uncertainties noted around the Waiho scheme and coastal erosion which are covered in section 7 below.

5.1 Replacing assets

All assets are appropriately maintained, and an insignificant amount of assets will need to be renewed / replaced at the end of their useful lives. The types of assets that have a programme of renewal / replacement include culverts, pipes and other structures which have a finite life. The vast majority of assets have indefinite lives due their nature and to the annual maintenance programmes in place.

5.2 Increasing the levels of service

We define levels of service as the level of protection our flood and drainage schemes provide. These may be expressed in terms of the return period of a flood, e.g., the 1% annual exceedance probability, or in other terms. Council may decide to increase the level of service if the community desires a greater level of flood protection or drainage than is currently being provided, and has decided that it is affordable.

The current levels of service provided by council for all flood and drainage schemes are stated in the recently updated Asset Management Plans for each Rating District, and in this Long Term Plan consults regularly with each Rating District community which allows feedback on these levels of service.

5.3 New need or demand

It is possible that new schemes may be developed in areas where currently no council flood or erosion protection services are provided. Council is likely to undertake several investigations to determine the feasibility of proposed new schemes during the 30 year period, where there is a demand for possible new schemes.

Over the past ten years or so new schemes established include Punakaiki seawall in 2005, Mokihiui scheme, Whataroa river scheme, Saltwater Creek/New River scheme, Hokitika Seawall scheme and the Neils Beach (river and flood protection, and sacrificial coastal bund).

In addition to these new schemes, there were also major capital upgrades in existing schemes, such as the Inchbonnie capital works and Greymouth floodwalls upgrade in 2009, and the more recent Franz Josef capital works. The seawall at Punakaiki was extended in 2017.

The total cost of these new schemes and enhancements is approximately \$5.7million

There is no planned capital expenditure for the next 30 years at the time that this strategy was written. This is because there are currently no requests from Rating Districts, and it cannot be predicted at this time if, or where, these schemes may be needed, their cost, or the appetite of communities to fund them.

The only potential known capital upgrade is the Greymouth floodwall stage 2 upgrade, which would bring the current floodwall height up to protect against a one in 150 year event. This is proposed planned to occur once the current loans are paid off (in 2030). No detailed plans or costings have been completed for this project yet and community consultation would be required prior to any upgrade of infrastructure.

The Westport flood protection working group is currently developing a flood protection plan for the town. No detailed plans or costings are yet available for this project, however the working group are currently refining the options available. Consultation with contributing ratepayers will occur once this information is available.

6. Operational expenditure

Over the last 10 years, Council spent nearly approximately \$8.5 million in operating expenditure maintaining existing flood protection, river control and land drainage assets.

Maintenance costs over the coming thirty year period are expected to track approximately the same upward trend as the first ten years, as in figure 1 below, assuming no demand for new schemes.

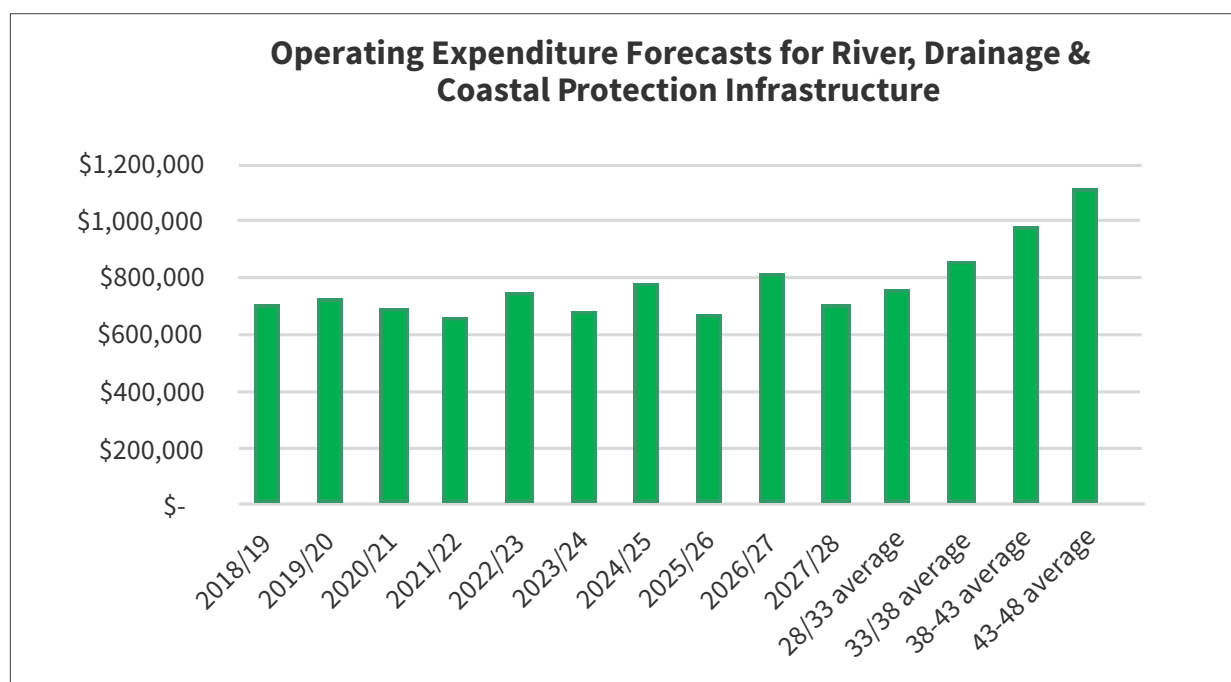


Figure 1: Budgeted maintenance expenditure for flood and erosion protection schemes that Council is responsible for.

Council has operational and maintenance plans in place, and these set out the maintenance requirements of each type of asset (see asset management plans on Council's website: www.wcrc.govt.nz).

7. Funding of schemes

All schemes are funded on a Rating District basis. Rates agreed after discussion with each Rating District fund the annual operating costs of their scheme. Where capital work is required, this is typically funded by any reserve the Rating District holds or an external loan. Any loan for a scheme is repaid from rates from that Rating District.

The infrastructure strategy and financial forecasts assumes no major floods or earthquake events will occur. However, based on history the likelihood of some flooding during the 30 year period is reasonably high (depending on the type of infrastructure and natural hazard risk profile), Council just can't predict where and when. In addition to funding scheme repairs from reserves, and debt (if required), Council has a catastrophe fund in place for use to help to restore damaged infrastructure in tandem with the central government National Disaster Recovery Plan.

Significant Issues and Uncertainties

Franz Josef

Flood modelling analysis of the Waiho River indicates that the north stopbank, which protects the main town, can contain a theoretical 1% annual exceedance probability (AEP) flood event. The term "1% AEP" means that there is a 1% chance of this event occurring annually.

The southside stopbank is not capable of containing a theoretical 10% AEP (10% chance of this event occurring annually). This side of the river is seriously vulnerable due to the severe aggradation of gravel in the river and the impracticalities of providing higher levels of protection.

In response to natural hazard issues in the Franz Josef area, Council commissioned GNS to undertake a natural hazards assessment. This work followed other reports focussed on the various natural hazards including the aggradation issues in the Callery and Waiho Rivers, rock fall avalanche risk and the alpine fault hazard, which runs through the main township. The report used previous hazard reports and flood modelling to provide a comprehensive picture of the natural hazards Franz Josef township and the wider area face.

Franz Josef was identified as a regionally and nationally significant town for tourism in the Tai Poutini Regional Growth Programme (TPGP). Given the various issues with natural hazards, and recognising the huge growth potential for Franz Josef, the TPGP Governance Group endorsed a study looking at the potential options for Franz Josef in consultation with the community. Tonkin + Taylor and Ernst & Young were commissioned to undertake this work with central government funding. The report provided three potential options for the future - defend, live with, or relocate of the town. A number of consistent actions across all three options need to occur over time, for example ensuring stopbanks are maintained and effective, whilst decisions are made and key infrastructure is relocated away from the hazards.

The Waiho River has been aggrading (building up with gravel) at a rate of approximately 200mm per year for the last 60 years. Expert advice cannot predict when this will move into a degradation cycle as this is influenced by a number of factors including glacial change, Callery River influence, and the various stopbank network. Expert advice indicates that the stopbanks reduce the ability of the Waiho River to utilise its entire fan, essentially reducing the ability for gravel to be spread over a greater area.

Over time Rating Districts have been formed to administer the various stopbanks the Council maintains on behalf of the community. The New Zealand Transport Agency (NZTA) and the Department of Conservation (DOC) also administer stopbanks that protect their assets (State Highway 6 and Glacier Access Road). In the past, these stopbanks have been maintained in a piece meal and ad hoc manner. Through consultation with Westland District Council, NZTA, DOC and iwi, a whole of river approach to management is supported. The vehicle to deliver this is via a singular rating district, encompassing properties and infrastructure on both sides of the Waiho River who receive benefit from the protection works.

Through this Long Term Plan process Council consulted on a Whole of Waiho Rating District for the Franz Josef Township, and surrounding areas, to better deliver this service for the future.

Working with communities to manage Coastal Erosion

Coastal erosion is a complex hazard many of our communities face, and is predicted to worsen in the future in line with climate change predictions. Many communities have grappled with this issue up and down the region with numerous reports commissioned to look at the problems and recommend pathways forward for those affected.

Coastal erosion is complex and is influenced by a number of factors including sediment inputs from land via water (slips and normal sediment movement through river systems), ocean conditions, weather events, movement of water at sea. It is important, when considering what, if any, action to take in response to coastal erosion, that robust science and engineering underpins decision making.

A significant issue in the consultation with any affected community is the potential cost implications that arise from proposed solutions. Typically solutions are short term in nature and have significant cost and risk implications due to the user pays (based on benefits) model for funding such works. A feature of several recent reports has been the inclusion of recommendations supporting managed retreat.

There is no blueprint for managed retreat. It is also an issue that is being discussed at a national level as each region attempts to address similar issues in other parts of the country. Some guidance has been produced by the Ministry for the Environment, however the major problem of funding remains a live issue.

Council's Approach

Robust science and engineering will underpin any decision making in regards to coastal erosion. Government funding through Envirolink has been utilised well in the past to undertake this work to better inform decision making. This work has focused on understanding the issue and examining short, medium and long term options to discuss with the community.

Generally these reports suggest examining long term options regarding some form of retreat from the hazard area. Irrespective of what is required in the long term, short to medium term options need to be considered whilst discussion regarding a longer term approach is worked through. For some situations, consideration should be given to the Council securing a resource consent that the community could then operate under to provide for their own protection works. With the right guidelines and advice, communities could work under such a consent and undertake works without the burden of resource consent fees and costs. It also avoids issues that arise from non-compliance where property owners are simply attempting to protect their property. It is suggested this approach is taken in Granity/Ngakawau/Hector and Rapahoe as a trial.

When considering coastal erosion and protection solutions Council will take a long term view and engage with the community to find the right solution which may lead to discussions regarding managed retreat or other options instead of traditional engineering solutions.

Council holds a small fund for one off works and investigation work where a rating district would not be formed as part of a long term solution. This fund has been used to look at options for communities and undertake investigation work, such as the Buller flood modelling. Council will use the existing small fund it has available to work through these solutions in consultation with the communities affected. In addition to this, Council will resource a third engineer to better respond to these important community issues through changes to the delivery of our Quarry service.

Council will also lead the development of a Natural Hazards Strategy across the region working with the three District Councils, iwi, agencies and the community through existing resources to strategically deliver this service across the region.

PART 2
THE WEST COAST
REGIONAL COUNCIL

The West Coast Regional Council

The Council has seven Councillors, representing the following constituencies:

Buller Constituency

Neal Clementson – Deputy Chairman
Terry Archer (MBE)

Grey Constituency

Andrew Robb – Chairman
Peter Ewen
Allan Birchfield

Westland Constituency

Peter McDonnell
Stuart Challenger



From left: Terry Archer, Neal Clementson, Stuart Challenger, Andrew Robb, Peter McDonnell, Allan Birchfield, Peter Ewen

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 prevention work as well as transport and civil defence co-ordination.

• District Councils

District Councils manage local roads, rubbish collection, provide reticulated water, manage sewerage and stormwater, control land use and subdivisions and building development. District Councils also provide community facilities such as libraries, and recreation/sports grounds.

• Collaboration between Regional and District Councils

The four councils on the West Coast have been focussing increasingly on collaborative approaches to serving our communities. The Mayors and Chairs forum meets quarterly and oversees collaborative projects. There are many areas where the councils work together already¹, and new ones are being developed every year.

¹ For example civil defence, transport planning, road safety, insurance purchasing, economic development, IT, GIS services.

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.
- **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 the monitored rivers.
- **Pest Management**
Implementing and reviewing the West Coast Pest Plant Management Strategy.
- **Regional Land Transport**
Co-ordinating safe, efficient transport systems through the Regional Land Transport Plan.
- **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 wellbeing, 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. It is important that business can operate without undue constraint or delays due to RMA processes.

Our compliance team carries out inspections of higher risk activities to check those conditions are being adhered to.

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 Ngāti Waewae and one representing Te Rūnanga o Makaawhio.

The Committee analyses, develops and facilitates consultation on all policies, plans and strategies on resource management, biosecurity and transport matters. 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 the New Zealand Transport Agency.
- **Greymouth Floodwalls Joint Committee**
Council has three elected members appointed to the Greymouth Floodwalls Joint Committee, together with three members of the Grey District Council. This is a joint committee of both councils.
- **Hokitika Seawall Joint Committee**
Council has three elected members appointed to the Hokitika Joint Seawall Committee, together with three members of the Westland District Council. This is a joint committee of both councils.
- **West Coast Civil Defence Emergency Management Group**
Council's Chairman is on the West Coast Civil Defence Emergency Management Group, together with the Mayors from each of the three district councils. This Group is a requirement of the Civil Defence Emergency Management Act. The four councils have a MOU that sets out an integrated civil defence structure.

Management Structure

Chief Executive Officer: Michael Meehan

Division	Manager	Functions
Corporate Services	Robert Mallinson	Accounting & corporate planning Rating administration
Consents & Compliance	Heather McKay	Resource consent processing Compliance monitoring & enforcement Environmental complaints & pollution response
Planning Science & Innovation	Hadley Mills	Planning & state of environment monitoring Flood warning & natural hazards Information and Communications technology
Strategy & Communications	Nichola Costley	Strategy & Communications Regional Transport Mayors and Chairs coordination
Civil Defence & Emergency Management	Mark Crowe	Civil Defence & Emergency Management Natural Hazards
Operations	Randal Beal	Pest control contract delivery for TB Free & others Oil spill and biosecurity response teams VCS environmental assists consent applicants Quarry & Rating District management

West Coast Regional Council's Community Outcomes

The following three high-level community outcomes apply 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 Council will co-fund an Economic Development Agency for the region (see page 26). This will contribute directly to the Economy outcome.

All six groups of Council activities assist with the achievement of the three 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.
- The VCS business unit keeps rates at a more modest level, and provides local employment.
- Transport planning enables us to advocate for national road funding on strategic freight or tourism routes, which can result in strategic transport upgrades.

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

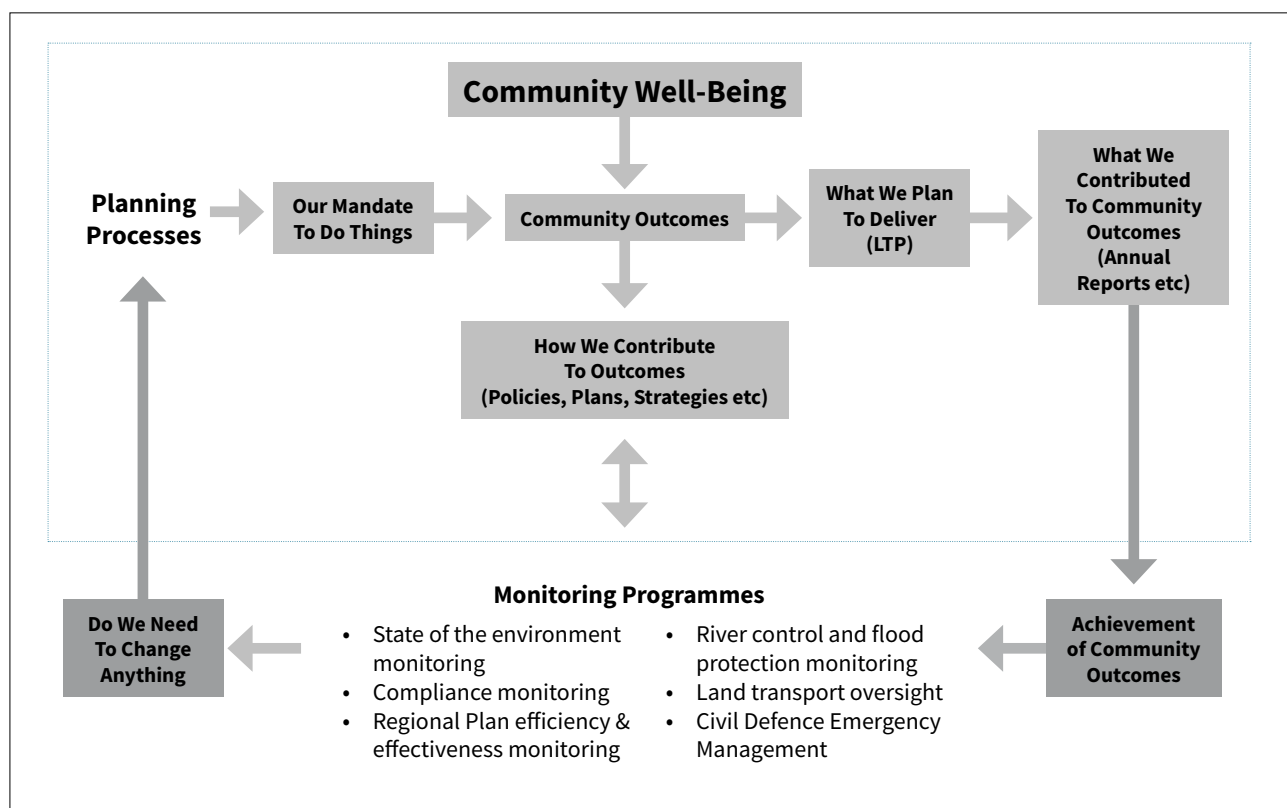
- Our state of the environment monitoring established environmental baselines so we can measure progress with maintaining or improving our environment. This monitoring information informs reviews of the Regional plans. Regional plans establish the balance between enabling economic development and requiring environmental protection. They have all been through a rigorous public consultation process and reflect West Coast community desires.
- Resource consent processes help to ensure environmental matters are given due consideration by setting appropriate conditions on specific resource uses, in accordance with the policies set by council plans. Compliance monitoring work ensures the conditions set are adhered to.
- Pollution 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 protected 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 risk avoidance and consent compliance also partially addresses safety issues.

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 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 joint committees, the Mayors and Chairs forum;
- 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.

Mayors & Chairs Forum

The West Coast Regional Council Chairman and CEO attend all quarterly Mayors and Chairs forum meetings, as do the Mayors and CEOs of the three West Coast district councils. This forum was originally formed by the Triennial Agreement (A Local Government Act requirement) but has since been extended to include Development West Coast's Chairman and CEO. This forum championed the integrated Civil Defence West Coast and creating the new Manager position and enhancing this service across the region. The forum is now championing the Economic Development Plan development for the West Coast, to position the region well to access the Provincial Growth Funding.

Development West Coast leading Regional Economic Development

Through the government led Tai Poutini Regional Growth Study economic development was identified as an area that needed better direction and clarity. The government funded a study looking at the current state of play in regard to economic development and provided recommendations as to what is the best way forward in this space in regard to structure and funding. The report recommended bringing all economic development activity into one agency. It suggested this should be a stand-alone agency or incorporated into Development West Coast. The later was the preferred option as the structure and systems were already in place, in addition to this the report recommended that organisations like Tourism West Coast and Minerals West Coast are incorporated into the economic development organisation.

In regard to funding the report suggested that the current level of funding across the board was about right, however it needed to be directed into one agency. Currently the Regional Council rates for economic development, which half funds a Regional Economic Development Manager. This role has been critical in bringing a number of projects together including the formation of a New Zealand Minerals Institute based in Greymouth, the successful rebranding of Tourism West Coast and a number of other initiatives.

Development West Coast will take the lead role in economic development and work across the region to ensure the region positions itself well for opportunities through the Provincial Growth Fund. Currently Tourism West Coast rely on income from the 3 District Councils and Development West Coast to undertake their work. Development West Coast has agreed to fund these costs for the 2018/19 year. This year would be viewed as a transitional year to form the new economic development arrangements.

Should a rate for economic development be required after the 2018/19 year Development West Coast will discuss this with the Regional Council in late 2018, to allow for evaluation work to take place with elected members and research on a fair and equitable way to apply such a rate. Public consultation would follow this process through the Annual Plan process.

Key Strategic Planning Documents

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 Land Transport Plan 2015-2021
- Proposed West Coast Regional Policy Statement 2018
- Proposed Regional Coastal Plan 2016
- Regional Land and Water Plan 2014
- Regional Air Quality Plan 2002 (under review)
- Regional Pest Plant Management Plan 2018
- Regional Civil Defence Emergency Management Plan 2016

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. Every 10 years, each RMA policy document is publicly notified and any person may make a submission suggesting amendments to the document. This is another avenue for public input.

The Council measures its own performance against the targets set in this LTP on a 6 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. 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 6 and 12 month reports, attend the relevant council meeting where these reports are presented, or wait for the audited 12 month or annual report which can also be viewed on the website (www.wcrc.govt.nz).

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 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.

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 meetings as representatives of the whole Council, such as the Land Transport Committee, the Civil Defence Group, the TB Free Committee, and the Greymouth Floodwall and Hokitika Seawall joint committees. Councillors also act as commissioners from time to time on resource consent and Regional Plan hearings.

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 Rūnanga to attend the Resource Management Committee. The two Rūnanga have also assisted with developing Iwi sections of some regional plans, and also make submissions on proposed plans and consent applications. Council forwards resource consent application information to the Rūnanga weekly, and has also assisted both Rūnanga in developing Iwi management plans.

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

Governance Performance targets

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

Levels of Service	Measure	Performance Target
<p>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</p>	<p>Number of public meetings held and individual Councillor attendance</p>	<p>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.</p> <p><i>In 2017 all current Councillors attended more than 80% of meetings</i></p>
	<p>Compliance with statutory timeframes</p>	<p>Prepare and notify the Council's Annual Plan or Long Term Plan by 31 May each year, and the Annual Report by 31 October, in accordance with the procedures outlined in the Local Government Act 2002.</p> <p><i>In 2017 both of these deadlines were met</i></p>
	<p>Timing and number of newsletters, and internet website based information related to public consultation processes.</p>	<p>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.</p> <p><i>In 2017 these targets were all met</i></p>
<p>Continue to support the contribution our two West Coast Rūnanga make to Council's decision-making processes; and continue to seek contributions from other Maori</p>	<p>Attendance of Iwi appointees at Resource Management Committee meetings</p>	<p>Continue to invite attendance of Makaawhio and Ngāti Waewae representatives as appointees to the Council's resource management committee, to enable Maori participation in resource management decision-making.</p> <p><i>In 2017 both Rūnanga were invited to attend these Committee meetings</i></p>

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) enables 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 managing pest plants in the region. All Plans are required to be reviewed within the ten year period, 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 interests of our 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, dairy farm discharges and mining operations. Where non-compliance is detected the Council's Compliance and Enforcement Policy guides decisions around enforcement actions. The enforcement of resource consent conditions underpins the integrity of the regional plans and the 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.

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.

Resource Management Performance targets

The performance targets included in this Group of Activities apply across each of the 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, clarity, turbidity and faecal coliforms are measured at 38 river sites. These parameters characterise the water quality of West Coast rivers and have been measured since 1996.	Maintaining or improving trends for these parameters. <i>This was achieved in 2017</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 ² 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>The target for dairy shed inspections was not achieved in the 2017 year with 45 required dairy sheds not being inspected during the reporting period.</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>The Lake Brunner TLI score in the 2017 year was 2.72</i>
Complete current regional plans to operative stage, and review them to maintain their community acceptability.	Statutory requirements for plan review.	Compliance with statutory requirements for the review of Council's plans and strategies. <i>This target was achieved in the 2017 year</i>
Advocate for the West Coast interests when external environmental policymaking may affect the West Coast.	Number of submissions made and number of successful advocacy outcomes.	Submit on all central or local government discussion documents, draft strategies, policies or Bills that may impact on West Coast interests, within required timeframes. <i>This target was achieved in 2017, with input to the Reporting Bill and NPS Freshwater.</i>
Compliance with the consent processing timeframes in the RMA and mining legislation.	Compliance with discounting regulations and mining timeframes	Process all resource consent applications without incurring any cost to Council due to the RMA discounting regulations; and process at least 95% of mining work programmes within 20 working days of receipt. <i>One consent exceeded processing times in 2017 and was discounted in accordance with the RMA discounting regulations.</i>

² 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	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. Bathing beach sampling: 20 swimming sites are sampled, weekly or fortnightly for E coli (moderate-high risk > 550) or Enterococci (moderate-high risk > 280).	Macroinvertebrate health index ³ (SQMCI) mean is higher, or no more than 20% lower, than the baseline mean. <i>This target was not achieved for all sampling sites in 2017</i>
To protect human health from adverse impacts of poor groundwater quality.	28 Wells are monitored at least twice annually, 24 of which are used for human consumption. The guideline of 11.3mg/L of nitrate is used to protect human health, particularly for babies. The data from the year is averaged before comparing against the 11.3mg guideline.	Scheduled swimming sites do not exceed the moderate-high risk threshold on more than 10% of sampling occasions. <i>This target was not achieved for all sampling sites in 2017</i>
To protect human health from any adverse impacts of poor air quality in Reefton.	Reefton's air is monitored in accordance with the National Environmental Standard (NES) for air quality by measuring PM ₁₀ (airborne particles smaller than ten micrometers, which affect human respiration). The threshold is a 24hr mean PM ₁₀ of 50 micrograms/m ³ .	In wells used for human consumption, nitrate levels do not exceed the health guideline of 11.3 mg/L. <i>In 2017, all 23 wells used for human consumption were within guidelines</i>
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.	NES Requirement: 24hr PM ₁₀ 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 the 2017 winter there were no exceedances of the NES standard</i>
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	Operate a 24-hour complaints service, assess and respond to all urgent complaints within 24 hours and non-urgent complaints within 5 working days in accordance with the Council's Compliance & Enforcement Policy. <i>This was achieved in the 2017 year, with 113 complaints responded to</i>
		Respond within 4 hours to all spills, using Council or MNZ spill equipment to contain spills; plus ensure at least 10 trained responders. <i>No major spills occurred in 2017.</i>

³ This macroinvertebrate index uses comparative samples of aquatic invertebrates to evaluate water quality, based on the type and tolerances of invertebrates (bugs) found at that site and how those communities of invertebrates may change over time. Some bug species are pollution tolerant while others are pollution sensitive, so the mix of species tells us a lot about the water quality at the site.

Other Resource Management Activities planned for 2018 – 2028

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

Plan & Strategy preparation & review:

1. Hold hearings for proposed Regional Policy Statement and release decisions in 2018.
2. Hold hearings and release decision on proposed Plan Change 1 to the Regional Land and Water Plan in 2018.
3. Hold hearings for proposed Regional Coastal Plan and release decisions in late 2018/early 2019.
4. Continue working with Reefton community on options for meeting the National Environmental Standards for Air Quality and develop appropriate provisions for the Regional Air Quality Plan.
5. Explore combining the Regional Policy Statement, Land and Water Plan, Regional Air Quality Plan and Regional Coastal Plan into one Regional Natural Resources Plan. This should include revamping of any old provisions and the implementation of any requirements coming from National Policy Statements.
6. Ensure policy implications of Councils science reports are formally assessed, within 6 months of science report being released.
7. Undertake any efficiency and effectiveness revisions of Regional Plans within 5 years of them being operative.
8. Implement the requirements of the National Policy Statement for Freshwater Management by 2025.

Consents Processing, Compliance Monitoring:

9. Ensure S42A reports for notified consent applications are provided to relevant parties within the RMA timeframes.
10. Respond to all written enquiries regarding consents or compliance matters within 10 working days, or 20 working days for LGOIMA requests.
11. Release all bonds within 4 months of the surrender, forfeiture or expiry of the mining licence or permit, provided rehabilitation is complete.
12. Inspect all consents for whitebait stands on the Little Wanganui, Taramakau, Hokitika, Wanganui, Paringa, and Waitoto Rivers annually and on other rivers at least every third year.
13. Assess farm compliance in the Lake Brunner catchment at least annually, to ensure full compliance in this sensitive catchment.
14. 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:

15. Complete the Lake Brunner monitoring programme and report the cumulative results annually on the Council website by December each year.
16. Report the monthly contact recreation sampling results from swimming rivers to the media, and complete follow up studies of incongruous results.
17. Prepare state of the environment reports for surface water quality and groundwater, every third year.
18. Provide monthly reports during wintertime on Reefton PM₁₀ monitoring, posted on Council's website.

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 Management Act 2003.

Council must appoint a Regional Transport Committee, with membership to include local authorities and New Zealand Transport Agency, who then prepare a Regional Land Transport Plan. The Committee also prepare a Passenger Transport Plan.

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 and oversees the Road Safety Co-ordinator.

Performance target

The performance targets included in this group of activities apply across each of the 10 years of the LTP.

Levels of Service	Measure	Performance Target
Maintain a Regional Land Transport Plan in compliance with relevant legislation and is acceptable to our West Coast community.	An Operative Regional Land Transport Plan	Compliance with statutory requirements for the preparation, review and implementation of the Regional Transport Plan and Passenger Transport Plan. <i>This was achieved in 2017.</i>

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

19 hydrometric sites are owned by Council. Another 8 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?

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

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).	Staff response to high flow events. Availability of information about high flow events.	Provide flood monitoring service for the six rivers monitored (Karamea, Buller, Mokihinui, Grey, Hokitika and Waiho) and respond in accordance with the floodwarning manual. <i>Achieved in 2017 except for 4 days in June 2017 when the Waiho site was unavailable for 4 days.</i> Ensure data on river levels (Karamea, Buller, Grey, Hokitika, Waiho and Mokihinui) is available on the Council website (updated 12 hourly, or 3 hourly during flood events) > 90% of the time. <i>New target so no comparative information available for 2017</i>

Other Hydrology and Flood Warning activities planned for 2018 - 28 years:

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

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 governed by a Joint Committee of the District Council Mayors, Regional

Council Chair and the Chief Executives of the respective organisations. The coordinating Executive Group (CEG) which is the main working group of civil defence in the region. It is made up of the CEOs of the 4 councils plus emergency services and health representatives. The CEG generally reports to the Group quarterly. There is also a lifelines group which provides advice.

The functions of the CDEM Group include the co-ordination of civil defence emergency management planning, delivering CDEM programmes and 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 November 2016, and is due for review no later than September 2021.

The LTP levels of service and performance targets reflect only the regional council's role in the CDEM work. District council LTP's and annual plans will also provide for local CDEM services.

The four Councils now co-ordinate the delivery of CDEM regionally. The regional council have employed a Director of CDEM and the district councils have seconded their part time staff to this Manager, in order to achieve a fully integrated CDEM staff group for the region.

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 is due for review in 2021</i>
	Number of trained staff	Ensure at least 30 Council staff are trained as Emergency Coordination Centre (ECC) personnel so that we have three shifts of ECC staff trained and exercised in case of a regional emergency. <i>Currently there are over 30 staff that are EOC trained</i>

Other Civil Defence Activities planned for 2018 – 28 years:

1. Maintain the Emergency Co-ordination 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 risk avoidance and preparedness activities.
4. Co-ordinate one training exercise per year to ensure EOC and ECC staff are familiar with each other and with each other's roles in an event.

River, Drainage, and Coastal Protection Work

River, Drainage and Coastal protection activities include:

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

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

There are potential adverse environmental effects as a result of installing and maintaining flood and erosion protection works, and these are managed through the Resource Management Act consents 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 administers 25 special rating districts at the following locations: Karamea, Kongahu (drainage scheme), Mokihinui, Punakaiki, Redjacks, Nelson Creek, Coal Creek, Greymouth⁴, Saltwater Creek/New River, Taramakau, Inchbonnie, Hokitika Seawall, Kanierie, Southside Hokitika, Raft Creek (drainage scheme), Kowhitirangi, Vine Creek, Wanganui, Whataroa, Matainui, Waitangitaoana, Franz Josef, Lower Waiho, Okuru and Neil's Beach.

The Regional Council also currently administers rock quarries at the following locations: Miedema Rock

Deposit (Karamea)⁵, Oparara (in abeyance), Blackball, Cobden (being rehabilitated), Kiwi Point⁶, Inchbonnie, Camelback, Whataroa, and Okuru.

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

How Council manages changes in service

Any increase in level of service provided by the protection works is primarily determined by the community that pays the targeted rate. Decisions about changes in service levels are recorded in the minutes of the rating district meeting. These minutes are then received by Council, and rate set accordingly. If requests for new works are received, Council will evaluate what additional expenditure would be required and discuss it with the rating district that would be funding the increased level of service.

Council will over-ride committee recommendations if Council feels those recommendations are unsustainable or could lead to the assets not being properly managed.

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

Will more rating districts or quarries be established?

Council formed the new Neil's Beach rating district in 2016

Coastal erosion issues are a growing concern for many communities and Council has been receiving a growing number of enquiries for advice and assistance. Council has committed to exploring long term options for these communities, as well as providing advice and assistance with short to medium term options.

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

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

Who pays for the works?

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

⁴ The Regional Council does not own the Greymouth Flood Wall but rates for its structural maintenance.

⁵ Privately owned, but Council has a licence to take rock.

⁶ Land owned by Grey District Council.

supervise the contractor that wins the tender.

Rationale for Administering Quarries

The Council manages quarries to ensure security of supply of rock for rating district protection works. Management plans have been prepared for each rock quarry. The speed of quarry development is driven by demand for rock, therefore the performance targets focus on the process for managing the quarries,

including stockpiling rock.

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.

Council intends to tender the rock production and management of the Quarries as one contract in the 2018/19 year as well as selling both Kiwi and Blackball Quarries.

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>Achieved in 2017</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>Achieved in 2017</i>

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

River cross-section studies and aerial photography of some riverbeds and coastal areas are carried out to monitor gravel build-up and changing patterns in river and beach systems. This assists to identify what, if any, maintenance or additional protection is needed for rating districts. This work will be done as needed depending on urgency and the seriousness of the risks and consequences. 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.

The Council rating districts all have different levels of flood protection according to the history of the works and affordability for the community. Several schemes also have in-river or riverbank erosion protection works such as groynes or rock rip rap. The intent is to maintain these works to their current dimensions in

accordance with each asset management plan. The following section sets out the flood protection levels of service for each scheme.

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 that they adopt a minimum level of protection against a 2% annual probability flood – protection against a 1 in 50 year flood event.

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

The Council intends managing its rating district assets as follows:

Karamea

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

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

Kongahu (Little Wanganui)

This is a drainage scheme that carries drainage flows from the Kongahu farmland to Blackwater and Granite Creeks. Maintenance of the drainage channels is

ongoing. Granite Creek has aggraded due to slips in the headwaters and that affects drainage efficiency at the northern end of the scheme. The ratepayers are currently involved in eradicating parrots feather, an invasive aquatic weed, from the scheme drains.

Mokihinui

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

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

Punakaiki

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

Greymouth Floodwalls

The Greymouth floodwalls were initially constructed in the late 1980s and early 1990s to a service level that would protect the town from a 2% annual exceedance probability (1 in 50 year flood event). More recent hydrological analysis revealed that the floodwalls needed to be raised to meet the same service level they were initially constructed for. The hydrology statistics changed with the longer flow record. Council consulted with affected ratepayers and decided to upgrade most of the wall to the new 50 year flood level, with any

concrete work upgraded to the 150 year flood level. 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.

Coal Creek (Greymouth)

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

Nelson Creek

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

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

Red Jacks Creek

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

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

Inchbonnie

Cross-section and flood flow analysis undertaken for the Inchbonnie scheme indicates that its current service potential is capable of containing 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.

Hokitika Seawall

In 2013 Council constructed a \$1.8M seawall across the frontage of the Hokitika town centre. The wall is designed to withstand tidal fluctuations and surge patterns of the Tasman Sea in the vicinity. The structure will be maintained its current dimensions.

Southside (Hokitika Bridge)

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

Kaniere

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

Raft Creek (Kokatahi)

This drainage scheme assists drainage of farmland

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

Kowhitirangi

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

Vine Creek (Kowhitirangi)

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

Wanganui River (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. It is envisaged that the suggestion for an analysis to quantify the actual levels of protection provided to the scheme will be presented to the ratepayers within the timeframe of this plan. The flood protection bank known as “Raymonds Bank” was included in the scheme in 2017.

Whataroa River

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

maintained to their current dimensions.

Matainui Creek (Whataroa)

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

Waitangitona River

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

Franz Josef

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

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

It is envisaged that within the timeframe of this plan, consultation will be undertaken on having a holistic approach to managing the issues facing Franz Josef.

This may include forming an overarching governance group formed with WCRC, WDC, DOC, Iwi and community representatives. The Rating District would be extended to include the properties on the south bank and the current members of the Lower Waiho scheme. This will greatly assist in implementing the outcomes of the community "Our Future, Our Franz Josef" consultation once it is completed.

Lower Waiho (Franz Josef)

Flood flow analysis in 2008 indicated that the Rubbish Dump stopbank could contain a theoretical 1 in 50 year return period flood. The same report indicated that 80% of the Milton and Others stopbank would contain the same flow.

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

It is envisaged that the Lower Waiho Rating District might be amalgamated with the Franz Josef Rating District during the time span of this plan.

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, causing risk of flooding nearby properties. Generally this occurs once or twice per year.

Neil's Beach

The Neil's Beach Rating District was formed in October 2016 after consultation with the community for the purpose of protecting property and assets from coastal erosion. A sacrificial bund was constructed in 2017 to prevent wave washover.

Whole of Waiho River Rating District Proposal

The Waiho River poses a major hazard to the Franz Josef Township and surrounding areas. The river has been aggrading (building up with gravel) at a rate of approximately 200mm per year for the last 60 years. Expert advice cannot predict when this will move into a degradation cycle as this is influenced by a number of factors including glacial change, the Callery River and stop banks confining the river.

The Regional Council, New Zealand Transport Agency (NZTA), Department of Conservation (DOC) and Westland District Council (WDC) all manage and maintain stop banks to protect the community and assets from the effects of flooding. The Regional Council administers the Franz Josef and Lower Waiho Rating Districts, which fund the maintenance and capital works for the structures that protect these areas.

Given the issues we are dealing with, and to avoid a future piecemeal approach in managing key protection structures, it is proposed to form a singular rating district to fund the maintenance of these assets downstream of the State Highway Bridge, as well as undertaking the necessary works in the channel to reduce the flood risk to the township and surrounding areas. NZTA and DOC would continue to administer protection works upstream of the State Highway Bridge.

The proposed Whole of Waiho Rating District would include properties on both sides of the river. It would receive a contribution from NZTA, matching that of the rating district, reflecting the protection of the State Highway network. Future capital works would be funded on the outcomes determined through discussions/consultation with the benefitting parties, similar to how the Wanganui Rating District in Hari Hari works.

Benefits in a collective joined up approach

The primary benefit of a Whole of Waiho Rating District is being able to undertake work in a consistent manner ensuring that the agencies tasked with managing the protection structures work together for the benefit of the wider community. This approach will also enable increased agility (getting work done faster), as well as being more equitable for all beneficiaries of the wider Franz Josef area and contributing parties.

How do we manage the current finances of the affected Rating Districts?

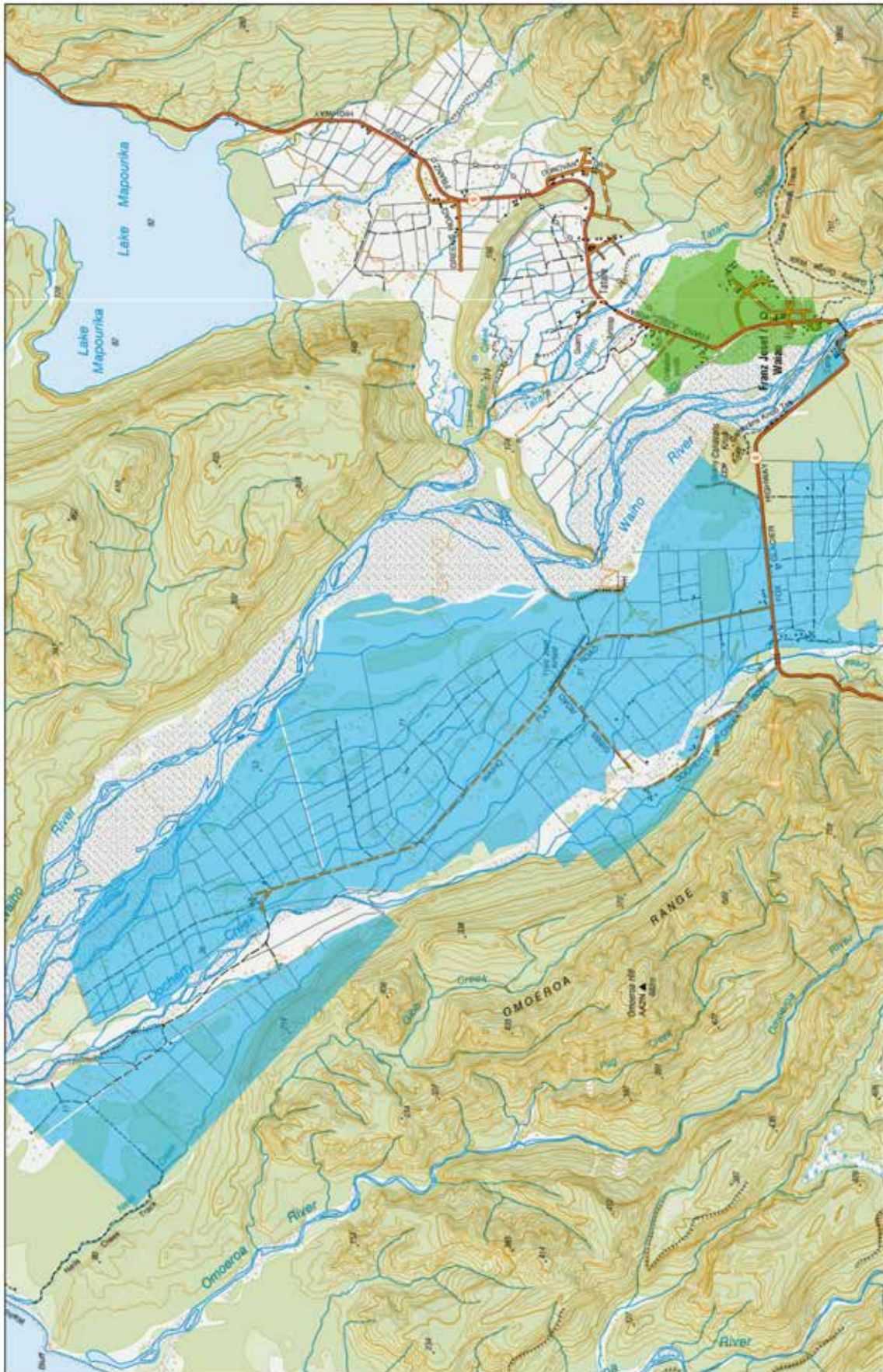
The current Franz Josef Rating District holds approximately \$450,000 in its account. This money would be ring fenced and be used in consultation with these properties for future capital works that benefit the township. The current loan for the recent capital works of the Lower Waiho Rating District would continue to be paid off through a targeted rate by the existing Lower Waiho Rating District properties.

The rating impact for the Whole of Waiho Rating District is:

Location	Differential	Rate per \$100,000 of capital value
Class A – properties north of river	1.00	\$ 122.79 GST incl.
Class B – properties south of river	0.90	\$ 110.51 GST incl.

NZTA would make an annual contribution that matches that of the Whole of Waiho Rating District.

Following consideration of public submissions Council deferred implementation of this Proposal pending further consultation with the community.



Legend

- Franz Josef
- Lower Waiho

Greater Waiho Rating Area

2018/19 AB 2022
Drawing No. 10/2018
Drawing Date: 15/02/2018
Drawing Scale: 1:5000



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 inspections, works reports, and consultation meetings (for rating districts where material works are proposed).	Complete all asset inspections, works reports, and rating district meetings. Perform all capital and maintenance works as agreed at those meetings. <i>This was achieved in 2017 however there was no formal record of monitoring for the periods between rating district annual general meetings.</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>Achieved in 2017</i>
	Meet timeframes for plan review	Review Rating District Asset Management Plans every third year or earlier where information indicates a significant change from what is stated in the asset management plan. <i>Asset Management plans were due for review in 2017/18</i>

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

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

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

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

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 and delivering on vector control and other contracts.	Achieve or exceed budgeted financial return	Tender for, and win, sufficient contracts to provide or exceed the annual budgeted return to Council. <i>Achieved in 2017</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>Achieved in 2017</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>Achieved in 2017</i>

PART 4
TEN YEAR FINANCIAL
PROJECTIONS

Significant Forecasting Assumptions

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

The assumptions underlying the preparation of these forecasts were adopted on 22 June 2018 and incorporate known financial results as at that date and estimates for the year to 30 June 2018. Events occurring subsequent to this date may have a significant effect on these forecasts.

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

- The Council will continue to perform its existing functions in accordance with present legislation. That is, there will be no significant changes to the existing statutory functions and duties of the Council, which will significantly impact on expenditure requirements.
- The Council will continue to deliver functions and services in accordance with adopted policies, plans and operational strategies.
- Economic activity and growth within the region will remain at levels consistent with those experienced over the last five years. That is, there will be no significant increase or decrease in the demand for the Council's services over the life of the 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.	High	<p>Main Investment Fund Returns of 6.50% have been budgeted for across the 10 year term of the LTP, for Council's main investment fund.</p> <p>Effect of uncertainty: An increase or decrease in returns of 1% would be + - \$106,000</p> <p>Catastrophe Fund Returns of 6.00% have been budgeted across the 10 year term of the LTP, for this conservative fund.</p> <p>Investment in Pest Control Research Limited Partnership A profit of at least \$500,000 / annum is expected from Council's investment in this business.</p> <p>Effect of uncertainty: An increase or decrease in returns of 10% would be + - \$50,000</p> <p>Commercial Property Investment @ Rolleston Council is budgeting on a 7.24% return on original cost of \$1,328 million (Market yield on revalued amount of \$1.480 million @ 30/6/17 = 6.50%)</p> <p>General Comment A significant shortfall in the returns may increase the demand on general rates. Such a shortfall would also reduce the reinvestment into the main fund and catastrophe fund portfolios and that would also impact future investment returns.</p>

Forecasting Assumption	Risk	Level of Uncertainty	Reasons and Financial Effect of Uncertainty
Vector Control Services Business Unit.	This Council business unit competes on a contestable basis for pest control contracts.	High	<p>It is uncertain what contracts might be won by the VCS business unit during the ten year period. The budget expectations are partly based on historical achievements by the VCS Business Unit. If the VCS business unit cannot meet budgeted profit expectations, there may be a need by Council to increase general rates or cut back services.</p> <p>Effect of uncertainty: An increase or decrease of the core trading surplus of + - 10% would amount to \$50,000.</p>
New Rating Districts for Flood, Drainage and Coastal Protection.	Council may receive requests from communities to build new infrastructure or extend existing works. It is not possible to predict if and when these requests will occur.	High	<p>This LTP has been prepared based on maintaining existing Infrastructure but does not predict exact funding requirements. Council may and will receive further requests for protection schemes from time to time but cannot predict when they will occur. It is not possible to budget for such requests before we know their exact shape.</p> <p>Such requested new / extended Infrastructure is paid for by the affected community, usually funded by a loan and repaid by a targeted rate.</p> <p>Attention is also drawn to the Council's Revenue & Financing Policy, Financial Strategy and 30 year Infrastructure Strategy.</p>
Change to Functions	Change to Council functions could significantly increase costs	Medium	<p>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</p>
Unforeseen environmental issues or resource management challenges.	New environmental issues requiring works that cannot be funded out of normal budgetary provisions.	Medium	<p>The potential effect of any new environmental or resource management issues is dependent upon the scale, type, location and impact upon the environment of the issue. Each issue will be addressed on its merits and any funding requirement addressed in terms of the principles outlined in the Revenue and Financing Policy.</p>
Council amalgamation proposals	Council amalgamation within the West Coast region is needed.	Medium	<p>The LTP has been prepared on the assumption that there will be close co-operation and continued investigation of shared service opportunities among the 4 West Coast Councils as per Local Government Commission (LGC) initiatives.</p> <p>At the time of preparation of this LTP the LGC were undertaking hearings with regard to their "One District Plan" proposal. The LGC issued a final reorganisation proposal on 11 September, subject only to an "Order in Council" being issued. See comments on page 2 under the heading "Collaboration continues for West Coast Councils"</p>

Forecasting Assumption	Risk	Level of Uncertainty	Reasons and Financial Effect of Uncertainty
Camelback Quarry capitalised expenditure	Council may amortise the capitalised costs of \$433,000 during the life of the LTP	Medium	Council cannot predict when the face resource (49,335 tonnes of rock) developed at Camelback Quarry during 13/14 will be used and the costs amortised. Council has not therefore allowed for any amortisation of this resource during the life of the LTP. When the face resource is used the cost of the rock used will be amortised at a cost of \$10 / tonne.
Freshwater National Policy Statement	This will involve some additional costs for Council as it the implementation is rolled out over the next 12 years	Low to medium	General water quality in the region is good, but this National Policy Statement will require some work to implement over the life of this LTP.
Climate Change	Climate change might impact adversely on estimated costs contained in this LTP.	Low to medium	There is uncertainty about the actual effects of climate change over the 10 year life of this LTP. The effects are more likely to become apparent over a longer time frame. Refer also to the discussions about coastal erosion issues in the Infrastructure Strategy.
Revaluation of River & Coastal Protection Infrastructure Assets	Movements in the value of the Infrastructure assets might be greater or lesser than the estimates.	Low to medium	Estimated future revaluations have been calculated using the BERL "Local Government Cost Index". The Infrastructure asset revaluations are a function of contracting rates prevailing at the time of revaluation. Revaluations will occur every third year. However, these revaluations have no funding impact. The next three yearly revaluation will be as at 31 December 2018.
Projected growth change factors.	Increased population and economic activity pressures Council to increase its levels of service.	Low	No significant population increases are anticipated. The Statistics NZ "medium series" forecasts only minimal increases in the Regional population over the 10 year term of the LTP.

Forecasting Assumption	Risk	Level of Uncertainty	Reasons and Financial Effect of Uncertainty																						
Cost changes.	Inflation will increase costs to Council and there will be insufficient revenue.	Low	<p>Cost changes have been included in the financial projections. Cost changes are as per BERL estimates. Revenue estimates have also been adjusted using the same BERL index.</p> <p>Interest and depreciation expenses in this LTP have not had cost change inflation applied.</p> <p>Investment income in this LTP has not had cost change inflation applied.</p> <p>Index adopted</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Local Government Cost Index (published by BERL for SOLGM)</th> </tr> </thead> <tbody> <tr> <td>2018/19</td> <td>Baseline</td> </tr> <tr> <td>2019/20</td> <td>2.1%</td> </tr> <tr> <td>2020/21</td> <td>2.2%</td> </tr> <tr> <td>2021/22</td> <td>2.2%</td> </tr> <tr> <td>2022/23</td> <td>2.3%</td> </tr> <tr> <td>2023/24</td> <td>2.3%</td> </tr> <tr> <td>2024/25</td> <td>2.4%</td> </tr> <tr> <td>2025/26</td> <td>2.5%</td> </tr> <tr> <td>2026/27</td> <td>2.5%</td> </tr> <tr> <td>2027/28</td> <td>2.6%</td> </tr> </tbody> </table>	Year	Local Government Cost Index (published by BERL for SOLGM)	2018/19	Baseline	2019/20	2.1%	2020/21	2.2%	2021/22	2.2%	2022/23	2.3%	2023/24	2.3%	2024/25	2.4%	2025/26	2.5%	2026/27	2.5%	2027/28	2.6%
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2019/20	2.1%																								
2020/21	2.2%																								
2021/22	2.2%																								
2022/23	2.3%																								
2023/24	2.3%																								
2024/25	2.4%																								
2025/26	2.5%																								
2026/27	2.5%																								
2027/28	2.6%																								
Borrowing rates	Borrowing rates could be higher than estimated.	Low	Borrowing for some protection works is at fixed rates using various interest rate swap arrangements with its banker to protect against interest rate volatility. @ 28/2/18 there were interest rate swaps in place with a notional principal amount of \$2.321 million. Other borrowing projected in the LTP is costed at 2.9%																						
Significant natural or other hazard emergencies.	Emergencies require work that cannot be funded out of normal budgetary provision.	Low	<p>The potential effect of a natural disaster on the Council's financial position is dependent upon the scale, duration and location of the event. The Government will refund most of the direct rescue costs of major emergency events. Council now has insurance cover on its \$60 million of Infrastructure (River, Drainage & Coastal protection); with an excess of \$250,000.</p> <p>The catastrophe fund of \$1.0 million will comfortably cover this excess.</p> <p>Central government will cover 60% of costs of damage to infrastructure and insurance cover the other 40%. This arrangement is being reviewed by central government and could change in the future.</p>																						
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.																						

Statement of Accounting Policies

Reporting Entity

The West Coast Regional Council is domiciled and operates in New Zealand and is a regional local authority governed by the Local Government Act 2002.

These financial statements have been prepared in accordance with that legislation which requires compliance with generally accepted accounting practice in New Zealand (NZ GAAP).

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 is a public benefit entity for the purposes of financial reporting.

West Coast Regional Council annual operating expenditure is less than \$30,000,000. Due to this and the fact that Council is not publicly accountable as defined by the NZ International Public Sector Accounting Standards (NZ IPSAS), Council has elected to report as a Tier 2 entity.

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 PBE FRS 42.

The prospective financial statements were authorised for issue by Council on 18 September 2018,

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

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) and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R).

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ Public Benefit Entity accounting standards (NZ International Public Sector Accounting Standards), 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.

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 2018, unless otherwise stated.

Investment in Associates

An associate is an entity over which the Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. The investment in an associate is initially recognised at cost and the carrying amount in the Council's financial statements is assessed, at the end of each reporting period, for any indications that its value is impaired. If there are indications that its value is impaired then a full assessment is undertaken and its carrying value reduced by the amount of the impairment.

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to Council and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value.

The following specific criteria must also be met before revenue is recognised.

Revenue from non-exchange transactions

General and targeted rates.

All rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised at the start of the year to which the resolution relates. Rates arising from late payment penalties are recognised as revenue when rates become overdue. Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.

Government Grants & Funding

Revenues from non-exchange transactions

Revenues from non-exchange transactions with the Government and government agencies is recognised when the Council obtains control of the transferred asset (cash, goods, services, or property)

Revenue from government grants and funding is measured at the fair value of the assets (cash, goods, services, or property) transferred over to the Group at the time of transfer,

To the extent that there is a condition attached that would give rise to a liability to repay the grant amount or to return the granted asset, a deferred revenue liability is recognised instead of revenue. Revenue is then recognised only once the Council has satisfied these conditions.

Fines

The Council recognises revenue from fines and infringements when the notice of infringement is issued.

Direct charges – subsidised

(i) Rendering of services - subsidised

Rendering of services at a price that is not approximately equal to the value of the service provided by the Council is considered a non-exchange transaction. This includes rendering of services where the price does not allow the Council to fully recover the cost of providing the service (such as resource consents, compliance monitoring charges), and where the shortfall is subsidised by income from other activities, such as rates. Generally there are no conditions attached to such revenue.

Revenue from such subsidised services is recognised when the Council issues the invoice or bill for the service. Revenue is recognised at the amount of the invoice or bill, which is the fair value of the cash received or receivable for the service. Revenue is recognised by reference to the stage of completion of the service to the extent that the Council has an obligation to refund the cash received from the service (or to the extent that the customer has the right to withhold payment from the Council for the service) if the service is not completed.

(ii) Sale of goods – subsidised

A sale of goods at a price that is not approximately equal to the value of the goods provided by the Council is considered a non-exchange transaction.

This includes sales of goods where the price does not allow the Council to fully recover the cost of producing the goods and where the shortfall is subsidised by income from other activities such as rates.

Revenue from the sale of such subsidised goods is recognised when the Council issues the invoice or bill for the goods.

Revenue is recognised at the amount of the invoice or bill, which is the fair value of the cash received or receivable for the goods.

Revenue from exchange transactions:**Direct charges – full cost recovery***(i) Rendering of other services – full cost recovery*

Revenue from the rendering of services (such as Vector Control Services Business Unit contract income) is recognised by reference to the stage of completion of the service. Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

(ii) Sale of goods – full cost recovery

Revenue from the sale of goods (such as Quarry rock) is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods, and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the Council.

Interest revenue

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as available-for-sale, interest income is recorded using the effective interest rate. Effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

Interest income is included in finance income in the statement of financial performance.

Dividends

Revenue is recognised when the Council's right to receive the payment is established, which is generally when shareholders approve the dividend.

Rental revenue

Rental revenue arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of financial performance due to its operating nature.

Other gains and losses

Other gains and losses includes fair value gains and losses on financial instruments at fair value through surplus or deficit, unrealised fair value gains and losses on the revaluation of investment properties, share of surplus or deficit of associates and joint venture, and realised gains and losses on the sale of PP&E held at cost.

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 net realisable value.

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

Property, plant and equipment

Property, plant and equipment consists of:

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

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

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

Additions

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

Depreciation

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

Item	Estimated life	Rate
Buildings (non-component items)	50 – 67 years	1.5% - 2%
Portable buildings	10 years	10%
Building components	6.7 – 20 years	5% - 15%
Plant and Equipment	4 - 6.7 years	15% - 25%
Office Equipment Leases	3 – 4 years	25% - 33%
Truck	6.7 years	15%
Motor Vehicle	6 - 7 years	15 %

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

Revaluation

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

Operational land:

This is revalued on a cyclical 3-year basis at fair value as determined from the most recent market based rating valuations. Valuations are as at 1 September 2015 (Grey District area land), 1 September 2016 (Westland District area land), and 1 September 2017 (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.

Investment property

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

INTANGIBLE ASSETS**Software acquisition and development**

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

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

Mining rights

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

Amortisation

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

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

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

Impairment of non-financial assets

For non-financial assets, except for those measured using a revaluation model, 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 12 June 2018 and incorporate known financial results as at that date and estimates for the year to 30 June 2018. 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 Revenue & Expense (SCRE) and the Funding Impact Statements (FIS) prepared pursuant to the Local Government (Financial Reporting) regulations 2011

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

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

Year	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
SCRE	-551,762	551,574	671,934	703,006	604,390	751,880	696,169	775,635	757,932	955,017
FIS **	-183,818	937,008	1078,675	1139,216	1077,692	1204,471	1160,155	1243,258	1237,088	1405,523
	367,944	385,434	406,741	436,210	473,302	452,591	463,986	467,623	479,156	450,506

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

Year	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Depreciation	403,470	421,712	443,806	474,095	512,076	492,254	504,607	509,269	521,862	494,341
Investment Property Revaluations	-35,526	-36,278	-37,065	-37,885	-38,774	-39,663	-40,621	-41,646	-42,706	-43,835
Total	367,944	385,434	406,741	436,210	473,302	452,591	463,986	467,623	479,156	450,506

Reserve Funds

Schedule of Movements in Reserves

		2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Rating District Balances	Opening Balance	2,750,000	2,755,522	2,888,217	3,155,544	3,477,504	3,737,449	4,096,710	4,402,883	4,892,488	5,266,668
	Deposits	600,000									
	Transfer from Surplus	-333,905	399,637	553,259	613,001	556,245	652,033	586,337	733,068	622,300	771,065
	Borrowing										
	Loan Principal Repayments	-260,573	-266,942	-285,932	-291,041	-296,300	-292,772	-280,164	-243,463	-248,120	-252,913
	Closing Balance	2,755,522	2,888,217	3,155,544	3,477,504	3,737,449	4,096,710	4,402,883	4,892,488	5,266,668	5,784,820
Investment Growth Reserve	Opening Balance	8,000,000	7,470,632	7,408,995	7,311,969	7,184,085	7,012,089	6,889,476	6,774,461	6,622,678	6,617,079
	Deposits										
	Transfer from Surplus	-529,368	-61,637	-97,026	-127,884	-171,996	-122,613	-115,015	-151,783	-5,599	42,720
	Withdrawals	0	0	0	0	0	0	0	0	0	0
	Closing Balance	7,470,632	7,408,995	7,311,969	7,184,085	7,012,089	6,889,476	6,774,461	6,622,678	6,617,079	6,659,799
Catastrophe Fund	Opening balance	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
	Deposits / Withdrawals	0	0	0	0	0	0	0	0	0	0
	Closing Balance	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total Reserves		11,226,154	11,297,212	11,467,513	11,661,589	11,749,538	11,986,186	12,177,344	12,515,166	12,883,747	13,444,619
Funded by:											
JBWere Main Portfolio		10,270,632	10,208,995	10,111,969	9,984,085	9,812,089	9,689,476	9,574,461	9,422,678	9,417,079	9,459,799
JBWere Catastrophe Fund		1,050,000	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000
Other Investments											
Commercial Property Equity		908,392	986,554	1,065,640	1,145,685	1,226,760	1,308,901	1,392,143	1,476,558	1,562,181	1,649,083
PCR LP Net of debt		710,982	752,730	794,478	836,226	877,974	919,722	961,470	1,003,218	1,044,966	1,086,714
		12,940,006	12,998,279	13,022,087	13,015,996	12,966,823	12,968,099	12,978,074	12,952,454	13,074,226	13,245,596

Reserve Funds – Purposes

Rating Districts

(River, Drainage & Coastal Protection Schemes)

Purpose

These reserves reflect the unspent balances of the targeted rates struck to fund the River, Drainage & Coastal protection schemes.

Activities the Reserve Funds relate to

- River, Drainage & Coastal Protections Group of Activities.

Investment Growth Reserve

Purpose

In 2003 Council established a separate Equity Reserve Fund called the “Investment Growth Reserve”.

The funds relating to this Reserve were originally from the 2000 Crown payment of \$7,000,000 to this Council (Council share of the \$120 million compensation payment to the West Coast following the cessation of native logging).

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

Activities the Reserve Fund relates to

This reserve fund generates income, some of which is used to fund general Council activities.

The reserve helps fund the following activities.

- Governance
- Resource Management
- Regional Transport Planning
- Hydrology & Flood-warning services
- Civil Defence Emergency Management
- River, Drainage & Coastal Protection Work

Catastrophe Fund

Purpose

This reserve was established when Council withdrew from the NZ Local Authority Protection Programme (LAPP Fund) following the 2010/11 Canterbury earthquakes.

Council had used LAPP Fund membership to insure its Rating District Infrastructure.

Continued membership in the fund by Council became unaffordable due to a quadrupling of the annual cost of membership.

Council then established a Catastrophe Fund of initially \$500,000. The current balance is now \$1,000,000.

As from 1 November 2017 Council insured its Infrastructure (River, Drainage & Coastal protection assets) through the AON Lloyds scheme which covers a grouping of South Island Councils to a total program limit of \$250 million, with an excess of \$250,000. The catastrophe fund would fund this excess.

Council cover is for \$35 million.

Activities the Reserve Fund relates to

- River, Drainage & Coastal Protections Group of Activities.

Summary of Operating Expenditure by Expenditure Type

Annual Plan 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28
265,562	241,515	203,171	167,162	153,213	138,788	125,134	111,894	100,516	91,437	82,797
316,337	403,470	421,712	443,806	474,095	512,076	492,254	504,607	509,269	521,863	494,340
3,911,751	4,322,386	4,567,084	4,718,255	4,822,718	4,935,886	5,049,054	5,170,928	5,301,507	5,436,437	5,580,077
5,527,207	8,230,527	7,560,608	7,524,717	7,587,596	7,936,800	7,943,830	8,300,146	8,387,629	8,651,429	8,760,812
10,020,857	13,197,898	12,752,575	12,853,940	13,037,622	13,523,550	13,610,272	14,087,575	14,298,921	14,701,166	14,918,026

Summary of Depreciation & Amortisation expense by Groups of Activities

Annual Plan 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28
132,044	214,146	213,365	224,109	235,646	252,197	248,797	252,107	251,068	266,092	250,938
8,799	8,944	8,944	8,944	8,944	2,931	50	0	0	0	0
10,905	28,104	40,063	47,090	58,121	66,031	64,825	64,318	59,545	52,698	54,006
67,041	54,734	64,144	75,120	85,623	93,848	99,670	107,751	109,908	100,360	112,129
7,709	17,605	27,730	27,730	20,957	24,295	18,614	29,198	29,138	29,138	21,771
11,660	11,911	11,698	11,274	3,963	68	0	0	0	0	0
78,180	68,026	55,768	49,539	60,841	72,706	60,298	51,233	59,610	73,575	55,496
316,337	403,470	421,712	443,806	474,095	512,076	492,254	504,607	509,269	521,863	494,340

Annual Plan 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28
Catastrophe Fund										
1,050,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
50,000	0	0	0	0	0	0	0	0	0	0
1,100,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
72,272,093	74446663	74998237	75670171	80521320	81125710	81877590	87297178	88072813	88830745	95326713
	Closing Balances									

Prospective Statement of Financial Position

Annual Plan 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28
Current Assets										
43,998	-97,565	-9,205	-133,790	-43,801	-237,492	-217,552	-83,892	-144,070	-18,417	148,114
1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000
700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000
69,931	70,000	65,000	75,000	70,000	40,000	0	0	0	0	0
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	1,500,000
3,913,929	3,772,435	3,855,795	3,741,210	3,826,199	3,602,508	3,582,448	3,716,108	3,656,930	3,781,583	3,948,114
Non-Current Assets										
4,192,598	4,194,080	4,177,639	4,276,715	4,173,769	4,113,935	3,989,701	3,990,685	4,184,334	4,190,941	4,142,353
58,476,890	62,221,847	62,221,847	62,221,847	66,369,991	66,369,991	66,369,991	71,093,410	71,093,410	71,093,410	76,634,360
145,745	112,393	79,041	142,194	191,835	481,014	619,896	518,739	417,582	316,425	228,309
363,670	250,000	185,000	110,000	40,000	0	0	0	0	0	0
1,455,526	1,555,526	1,591,940	1,629,278	1,667,575	1,706,902	1,747,295	1,788,789	1,831,456	1,875,331	1,920,485
215,000	212,300	212,300	212,300	212,300	212,300	212,300	212,300	212,300	212,300	212,300
696,000	1,056,000	1,056,000	1,056,000	1,056,000	1,056,000	1,056,000	1,056,000	1,056,000	1,056,000	1,056,000
10,775,000	9,826,154	9,897,212	10,067,513	10,261,589	10,349,538	10,586,186	10,777,344	11,115,166	11,483,747	12,044,619
76,320,429	79,428,300	79,420,979	79,715,847	83,973,059	84,289,680	84,581,369	89,437,267	89,910,248	90,228,154	96,238,426
80,234,358	83,200,735	83,276,774	83,457,057	87,799,258	87,892,188	88,163,817	93,153,375	93,566,178	94,009,737	100,186,540

Annual Plan 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28
Current Liabilities										
0 Borrowings	475,535	491,651	508,948	511,460	480,251	430,030	362,833	314,372	319,165	324,101
2,000,000 Payables	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
300,000 Employee Benefit Liabilities	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
2,300,000 Total Current Liabilities	2,775,535	2,791,651	2,808,948	2,811,460	2,780,251	2,730,030	2,662,833	2,614,372	2,619,165	2,624,101
Non-Current Liabilities										
0 Employee Benefit Liabilities	0	0	0	0	0	0	0	0	0	0
5,592,265 Borrowings	5,908,537	5,416,886	4,907,938	4,396,478	3,916,227	3,486,197	3,123,364	2,808,993	2,489,827	2,165,726
70,000 Quarry Aftercare Provision	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
5,662,265 Total Non-Current Liabilities	5,978,537	5,486,886	4,977,938	4,466,478	3,986,227	3,556,197	3,193,364	2,878,993	2,559,827	2,235,726
Equity										
20,550,023 Ratepayers Equity	21,187,289	21,667,805	22,169,438	22,678,367	23,194,808	23,710,040	24,215,051	24,652,864	25,042,215	25,436,361
2,610,016 Rating District equity	2,755,522	2,888,217	3,155,544	3,477,504	3,737,449	4,096,710	4,402,883	4,892,488	5,266,668	5,784,820
1,100,000 Catastrophe Fund	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
38,361,028 Revaluation Reserve	42,033,220	42,033,220	42,033,220	46,181,364	46,181,364	46,181,364	50,904,783	50,904,783	50,904,783	56,445,733
9,730,000 Investment Growth Reserve	7,470,632	7,408,995	7,311,969	7,184,085	7,012,089	6,889,476	6,774,461	6,622,678	6,617,079	6,659,799
-78,974 Quarry Account	0	0	0	0	0	0	0	0	0	0
72,272,093 Total Equity	74,446,663	74,998,237	75,670,171	80,521,320	81,125,710	81,877,590	87,297,178	88,072,813	88,830,745	95,326,713
80,234,358 Total Liabilities & Equity	83,200,735	83,276,774	83,457,057	87,799,258	87,892,188	88,163,817	93,153,375	93,566,178	94,009,737	100,186,540

Prospective Statement of Cash Flows

Annual Plan 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28
Cash Flow from Operating Activities										
Investment Income										
4,307,714	5,848,184	5,974,961	6,107,247	6,250,557	6,393,868	6,548,203	6,713,562	6,884,430	7,066,329	7,252,218
5,477,638	6,055,743	6,126,572	6,184,308	6,402,362	6,467,278	6,702,366	6,789,433	6,962,111	7,145,942	7,334,811
9,785,352	11,903,927	12,101,533	12,291,555	12,652,919	12,861,146	13,250,569	13,502,995	13,846,541	14,212,271	14,587,029
Less Cash Paid for:										
265,562	211,653	173,615	157,780	141,181	126,294	111,894	100,516	91,437	82,797	74,062
9,438,688	12,119,209	12,236,520	12,405,748	12,870,293	12,991,724	13,471,073	13,689,136	14,087,866	14,340,888	14,621,111
9,704,520	12,330,862	12,410,135	12,563,528	13,011,474	13,118,018	13,582,967	13,789,652	14,179,303	14,423,685	14,705,173
80,832	-1,030,001	-426,935	-308,602	-271,973	-358,555	-256,872	-332,398	-286,657	-332,762	-211,414
Cash Flow from Investing Activities										
Cash From:										
1,079,150	1,292,749	1,216,703	1,216,700	1,347,745	1,223,965	1,300,522	1,191,072	1,200,101	1,054,746	940,631
20,752	16,510	52,738	30,648	64,412	43,875	113,901	0	81,573	41,308	0
1,099,902	1,309,259	1,269,441	1,247,348	1,412,157	1,267,840	1,414,423	1,191,072	1,281,674	1,096,054	940,631
Cash Paid to:										
896,800	388,429	658,773	451,438	805,833	550,777	518,335	601,761	508,886	398,944	375,000
375,000	0	0	0	0	0	0	0	0	0	0
-1,271,800	388,429	658,773	451,438	805,833	550,777	518,335	601,761	508,886	398,944	375,000
-171,898	920,830	610,668	795,910	606,324	717,063	896,088	589,311	772,788	697,110	697,110
Cash Flow from Financing Activities										

Annual Plan 2017/18	LTP 2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28
439,000 Loans Raised	600,000	0	0	0	0	0	0	0	0	0
0 Loans Advanced	0	0	0	0	0	0	0	0	0	0
353,936 Loan Principal Repaid	397,100	405,535	426,651	433,948	441,460	440,251	430,030	362,833	314,372	397,100
85,064 Net Cash Flow from Financing	202,900	-405,535	-426,651	-433,948	-441,460	-440,251	-430,030	-362,833	-314,372	-319,165
-6,002 Total Changes in Cash held	-97,565	88,360	-124,585	89,989	-193,691	19,940	133660	-60179	125654	166531
50,000 Opening Cash Balance	0	-97,565	-9,205	-133,790	-43,801	-237492	-217552	-83892	-144071	-18417
43,998 Closing Cash Balances	-97,565	-9,205	-133,790	-43,801	-237,492	-217,552	-83,892	-144,071	-18,417	148,114

Projected Capital Expenditure

Annual Plan 2017/18	2018/19	LTP 2019/20	LTP 2020/21	LTP 2021/22	LTP 2022/23	LTP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28
65,000	20,000	0	0	0	0	0	0	0	0	0
0	20,000	61,270	62,599	21,328	21,829	22,329	22,868	23,446	24,042	24,678
0	70,000	0	0	74,649	0	0	80,039	0	0	86,372
61,500	60,000	61,270	62,599	106,641	109,143	111,646	114,341	117,228	120,212	123,388
20,000	157,125	70,640	45,201	46,202	47,286	48,371	163,878	168,017	52,082	53,458
0	0	0	104,331	106,641	360,173	223,292	0	0	0	0
57,800	57,800	42,072	39,750	0	0	0	0	0	0	0
420,000	0	0	0	0	0	0	0	0	0	0
0	135,000	0	0	0	49,115	145,140	0	0	0	0
127,500	0	122,542	166,930	95,977	43,657	0	137,209	187,565	48,085	110,049
0	0	30,635	73,032	0	0	0	0	0	0	0
145,000	160,000	0	104,331	0	174,629	0	0	105,505	264,466	0
896,800	679,925	388,429	658,773	451,438	805,832	550,778	518,335	601,761	508,887	398,945

PART 5
FUNDING IMPACT
STATEMENTS

Targeted Rates

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

Notes:

- Differential with regard to River, Drainage & Coastal protection activity scheme rates means that there may be several different classes of land with the Separate Rating Area, eg Classes A, B, C, D etc. These different classes reflect the different degrees of benefit that the different classes of land receive from the protection works.
- Copies of maps setting out the boundaries of the various separate rating areas may be accessed on Council website www.wcrc.govt.nz
- Council does not invite nor will it accept lump sum contributions in lieu of any targeted rate.

Activity Group	Types of Rates	Types of land	Different categories
River, Drainage & Coastal Protection	Scheme maintenance rate	Land within the boundaries of the Vine Creek Separate Rating area	Differential Land Value
River, Drainage & Coastal Protection	Scheme maintenance rate	Land within the boundaries of the Wanganui Separate Rating area	Differential Land Value
River, Drainage & Coastal Protection	Scheme maintenance rate	Land within the boundaries of the Kanieri Separate Rating area	Differential Land Value
River, Drainage & Coastal Protection	Scheme loan repayment rate	Land within the boundaries of the Kanieri Separate Rating area	Differential Land Value
River, Drainage & Coastal Protection	Scheme maintenance rate	Land within the boundaries of the Kowhitirangi Separate Rating area	Differential Capital Value
River, Drainage & Coastal Protection	Scheme maintenance rate	Land within the boundaries of the Coal Creek Separate Rating area	Capital Value
River, Drainage & Coastal Protection	Scheme maintenance rate	Land within the boundaries of the Karamea Separate Rating area	Differential Capital Value
River, Drainage & Coastal Protection	Scheme maintenance rate	Land within the boundaries of the Inchbonnie Separate Rating area	Differential Capital Value
River, Drainage & Coastal Protection	Scheme maintenance rate	Land within the boundaries of the Greymouth Floodwalls Separate Rating area	Capital Value
River, Drainage & Coastal Protection	Scheme loan repayment rate	Land within the boundaries of the Greymouth Floodwalls Separate Rating area	Capital Value
River, Drainage & Coastal Protection	Scheme maintenance rate	Land within the boundaries of the Okuru Separate Rating area	Capital Value
River, Drainage & Coastal Protection	Scheme maintenance rate	Land within the boundaries of the Redjacks Separate Rating area	Differential Land Area
River, Drainage & Coastal Protection	Scheme maintenance rate	Land within the boundaries of the Raft Creek Separate Rating area	Land Area
River, Drainage & Coastal Protection	Scheme maintenance rate	Land within the boundaries of the Nelson Creek Separate Rating area	Differential Land Area
River, Drainage & Coastal Protection	Scheme maintenance rate	Land within the boundaries of the Taramakau Separate Rating area	Differential Land Area
River, Drainage & Coastal Protection	Scheme maintenance rate	Land within the boundaries of the Kongahu Separate Rating area	Differential Land Area
River, Drainage & Coastal Protection	Scheme maintenance rate	Land within the boundaries of the Waitangi-taona Separate Rating area	Differential Land Area
River, Drainage & Coastal Protection	Scheme maintenance rate	Land within the boundaries of the Punakaiki Separate Rating area	Differential Capital Value
River, Drainage & Coastal Protection	Scheme loan repayment rate	Land within the boundaries of the Punakaiki Separate Rating area	Differential Capital Value
River, Drainage & Coastal Protection	Scheme maintenance rate	Land within the boundaries of the Hokitika River South Bank Separate Rating area	Differential Capital Value
River, Drainage & Coastal Protection	Scheme loan repayment rate	Land within the boundaries of the Hokitika River South Bank Separate Rating area	Differential Capital Value
River, Drainage & Coastal Protection	Scheme maintenance rate	Land within the boundaries of the Franz Josef Separate Rating area	Capital Value

Activity Group	Types of Rates	Types of land	Different categories
River, Drainage & Coastal Protection	Scheme maintenance rate	Land within the boundaries of the Lower Waiho 2010 Separate Rating area	Capital Value
River, Drainage & Coastal Protection	Scheme loan repayment rate	Land within the boundaries of the Matainui Creek Separate Rating area	Capital Value
River, Drainage & Coastal Protection	Scheme maintenance rate	Land within the boundaries of the Mokihinui Separate Rating area	Per rating unit
River, Drainage & Coastal Protection	Scheme maintenance rate	Land within the boundaries of the Whataroa River Separate Rating area	Differential Capital Value
River, Drainage & Coastal Protection	Scheme maintenance rate	Land within the boundaries of the New River/Saltwater Creek catchment Separate Rating area	Differential Capital Value
River, Drainage & Coastal Protection	Scheme loan repayment and maintenance rates	Land within the boundaries of the Hokitika Seawall Separate Rating area	Differential Capital Value
River, Drainage & Coastal Protection	Scheme maintenance rate	Land within the boundaries of the Neil's Beach Separate Rating Area	Capital Value
Regional Emergency Management	Emergency Management	All rateable land in the region	Capital Value
Warm West Coast	Repayment of insulation / clean heating funding	Only levied on individual properties that have received Council funding to install insulation and/or clean heating appliances.	Amount of Council funding provided * 14.9286% per annum for the term of the funding agreement.

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

2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
20,000	20,200	20,400	20,600	20,800	21,000	21,200	21,400	21,600	21,800

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 on Capital Value	\$37.77 incl GST
Uniform Annual General Charge	\$83.38 incl GST
Emergency Management Targeted Rate	\$11.00 incl GST

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 (Loan & Maintenance)
 - Mokihinui Separate Rating Area

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

Rate type	Rate per \$100,000 of Capital value
General Rate on Capital Value	\$39.96 incl GST
Uniform Annual General Charge	\$83.38 incl GST
Emergency Management Rate	\$11.00 incl GST

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 (Loan & Maintenance)
 - Redjacks Separate rating Area
 - Nelson Creek Separate Rating Area
 - Taramakau Separate Rating Area
 - New River/Saltwater Creek Catchment Separate Rating Area

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

Rate type	Rate per \$100,000 of Capital value
General Rate	\$34.19 incl GST
Uniform Annual General Charge	\$83.38 incl GST
Emergency Management Rate	\$11.00 incl GST

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

- e.g.
- Hokitika River South Bank Separate Rating Area
 - Hokitika Seawall Separate Rating Area (Loan & Maintenance)
 - 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
 - Lower Waiho Separate Rating Area
 - Matainui Creek Separate Rating Area
 - Okuru (Maintenance) Separate Rating Area

Some Typical Properties

	Westport Dwelling	Buller District Farm Property
Capital Value	\$ 200,000	\$ 2,000,000
General Rate	\$ 75.54	\$ 755.40
Emergency Management Rate	\$ 22.00	\$ 219.96
Uniform Annual General Charge	\$ 83.38	\$ 83.38
Total	<u>\$ 180.91</u>	<u>\$ 1,058.73</u>

Capital Value	\$ 350,000	\$ 3,500,000
General Rate	\$ 132.19	\$ 1,321.94
Emergency Management Rate	\$ 38.49	\$ 384.93
Uniform Annual General Charge	\$ 83.38	\$ 83.38
	\$ -	\$ -
Total	<u>\$ 254.06</u>	<u>\$ 1,790.25</u>

Other targeted rates (relating to River, Drainage & Coastal protection Rating Districts)
may be payable depending on where the property is located

	Greymouth Dwelling	Grey District Farm Property
Capital Value	\$ 200,000	\$ 2,000,000
General Rate	\$ 79.91	\$ 799.15
Emergency Management Rate	\$ 22.00	\$ 219.96
Uniform Annual General Charge	\$ 83.38	\$ 83.38
Total	<u>\$ 185.29</u>	<u>\$ 1,102.48</u>

Capital Value	\$ 350,000	\$ 3,500,000
General Rate	\$ 139.85	\$ 1,398.51
Emergency Management Rate	\$ 38.49	\$ 384.93
Uniform Annual General Charge	\$ 83.38	\$ 83.38
Total	<u>\$ 261.72</u>	<u>\$ 1,866.81</u>

Other targeted rates (relating to River, Drainage & Coastal protection Rating Districts)
may be payable depending on where the property is located

	Hokitika Dwelling	Westland District Farm Property
Capital Value	\$ 200,000	\$ 2,000,000
General Rate	\$ 68.38	\$ 683.77
Emergency Management Rate	\$ 22.00	\$ 219.96
Uniform Annual General Charge	\$ 83.38	\$ 83.38
	\$ -	\$ -
Total	<u>\$ 173.75</u>	<u>\$ 987.11</u>

Capital Value	\$ 350,000	\$ 3,500,000
General Rate	\$ 119.66	\$ 1,196.60
Emergency Management Rate	\$ 38.49	\$ 384.93
Uniform Annual General Charge	\$ 83.38	\$ 83.38
Total	<u>\$ 241.53</u>	<u>\$ 1,664.90</u>

Other targeted rates (relating to River, Drainage & Coastal protection Rating Districts)
may be payable depending on where the property is located

Funding Impact Statement - Rates for the Year Ending 30 June 2018

Note: All amounts are stated inclusive of GST.

Rating Instalment Information

Rates will be payable by two instalments;

First instalment	Due date 26 October 2018	Penalty date 27 October 2018
Second instalment	Due date 20 April 2019	Penalty date 21 April 2019

A penalty for late payment will be applied at the amount allowed by the Local Government Rating Act 2002 of 10% on any part of an instalment that remains unpaid after the due dates of 26 October 2018 and 20 April 2019, on the penalty dates of 27 October 2018 and 21 April 2019. A further 10% penalty will be charged on all accumulated rate arrears as at 30 June 2019, on 1 July 2019.

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.

	Differential	Estimated Rateable Capital Value	Factor per \$ of Capital Value	Estimated to Yield	GST Exclusive
Rateable Value of Land in the Buller District Local authority Area	31%	\$2,246,423,925	0.00037770	\$848,470	\$737,800
Rateable Value of Land in the Grey District Local authority Area	39%	\$2,671,417,250	0.00039957	\$1,067,430	\$928,200
Rateable Value of Land in the Westland District Local authority Area	30%	\$2,401,680,700	0.00034189	\$821,100	\$714,000
	100%	\$7,319,521,875		\$2,737,000	\$2,380,000

2. Uniform Annual General Charge

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

Estimated number of rating units	Amount per rating unit	Estimated Yield	GST Exclusive
20,000	\$83.38	\$1,667,500	\$1,450,000

3. Targeted Rates

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

Vine Creek Rating District	Estimated Rateable Land Value	Differential Based on Benefits	Factor per \$ of Land Value	Estimated to Yield	GST Exclusive
Class A	\$4,157,900	1.00	0.0031810	\$13,227	\$11,502
Class B	\$5,182,000	0.70	0.0022267	\$11,539	\$10,034
Class C	\$6,893,000	0.50	0.0015905	\$10,963	\$9,533
Class D	\$17,436,700	0.20	0.0006362	\$11,093	\$9,646
Class E	\$15,495,000	0.10	0.0003181	\$4,929	\$4,285
				\$51,751	\$45,000

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

Wanganui River Rating District	Estimated Rateable Land Value	Differential Based on Benefits	Factor per \$ of Land Value	Estimated to Yield	GST Exclusive
Class A	\$22,145,200	1.00	0.0023225	\$51,433	\$44,726
Class B	\$18,738,100	0.70	0.0016258	\$30,464	\$26,490
Class C	\$26,428,200	0.45	0.0010451	\$27,621	\$24,019
Class D	\$4,616,100	0.10	0.0002323	\$1,072	\$932
Class U1	\$2,782,900	0.50	0.0011613	\$3,232	\$2,810
Class U2	\$1,014,000	0.50	0.0011613	\$1,178	\$1,023
				\$115,000	\$100,000

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

Kaniere Rating District (Maintenance)	Estimated Rateable Land Value	Differential Based on Benefits	Factor per \$ of Land Value	Estimated to Yield	GST Exclusive
Class A	\$329,900	1.00	0.0056636	\$1,868	\$1,624
Class B	\$113,000	0.60	0.0033982	\$384	\$334
Class C	\$272,000	0.40	0.0022655	\$616	\$536
Class D	\$1,706,000	0.15	0.0008495	\$1,449	\$1,260
Class E	\$498,000	0.10	0.0005664	\$283	\$246
				\$4,600	\$4,000

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

Kaniere Rating District (Loan)	Estimated Rateable Land Value	Differential Based on Benefits	Factor per \$ of Land Value	Estimated to Yield	GST Exclusive
Class A	\$329,900	1.00	0.0091638	\$3,023	\$2,629
Class B	\$113,000	0.60	0.0054983	\$621	\$540
Class C	\$272,000	0.40	0.0036655	\$997	\$867
Class D	\$1,706,000	0.15	0.0013746	\$2,345	\$2,039
Class E	\$498,000	0.10	0.0009164	\$456	\$397
				<u>\$7,443</u>	<u>\$6,472</u>

(e) A targeted rate set differentially in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on all rateable land situated in the Kowhitirangi Separate Rating Area and calculated on the capital value of each rating unit, for repaying the loan raised in 2017 to extend the protection works.

Kowhitirangi Flood Control Rating District	Estimated Rateable Capital Value	Differential Based on Benefits	Factor per \$ of Capital Value	Estimated to Yield	GST Exclusive
Class A	\$16,486,600	1.00	0.0002032	\$3,350	\$2,913
Class C	\$35,054,900	0.50	0.0001016	\$3,561	\$3,097
Class E	\$33,695,000	0.29	0.0000593	\$1,997	\$1,736
Class F	\$76,546,700	0.17	0.0000339	\$2,592	\$2,254
				<u>\$11,500</u>	<u>\$10,000</u>

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

Coal Creek Rating District	Estimated Rateable Capital Value	Factor per \$ of Capital Value	Estimated to Yield	GST Exclusive
	\$6,445,300	0.0017842	\$11,500	\$10,000
			<u>\$11,500</u>	<u>\$10,000</u>

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

Karamea Rating District	Estimated Rateable Capital Value	Differential Based on Benefits	Factor per \$ of Capital Value	Estimated to Yield	GST Exclusive
Class A	\$2,681,300	1.00	0.0013102	\$3,513	\$3,055
Class B	\$30,865,150	0.80	0.0010482	\$32,352	\$28,133
Class C	\$4,538,870	0.60	0.0007861	\$3,568	\$3,103
Class D	\$115,055,290	0.10	0.0001310	\$15,075	\$13,109
Class E	\$45,659,690	0.05	0.0000655	\$2,992	\$2,602
				<u>\$57,500</u>	<u>\$50,000</u>

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

Inchbonnie Rating District	Estimated Rateable Capital Value	Differential Based on Benefits	Factor per \$ of Capital Value	Estimated to Yield	GST Exclusive
Class A	\$4,139,000	1.00	0.0010571	\$4,375	\$3,805
Class B	\$17,884,000	0.75	0.0007928	\$14,179	\$12,329
Class C	\$6,594,000	0.50	0.0005285	\$3,485	\$3,031
Class D	\$2,470,000	0.30	0.0003171	\$783	\$681
Class F	\$1,119,000	0.15	0.0001586	\$178	\$154
				<u>\$23,000</u>	<u>\$20,000</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	GST Exclusive
	\$708,758,700	0.0003570	\$253,000	\$220,000

(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	GST Exclusive
	\$708,758,700	0.0001623	\$115,000	\$100,000

(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 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	GST Exclusive
	\$14,302,000	0.0004020	\$5,750	\$5,000

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

Red Jacks Rating District	Estimated Rateable Land Area (ha.)	Differential Based on Benefits	Rates per Hectare	Estimated to Yield	GST Exclusive
Class A	0.10	6.73%	\$6191.60	\$619	\$538
Class B	1.06	35.55%	\$3081.13	\$3,266	\$2841
Class C	0.11	3.56%	\$2977.45	\$328	\$285
Class D	2.28	17.54%	\$707.75	\$1,614	\$1403
Class E	1.48	14.23%	\$884.57	\$1,309	\$1138
Class F	1.84	4.73%	\$236.50	\$435	\$378
Class G	21.97	7.40%	\$30.99	\$681	\$592
Class H	49.18	8.60%	\$16.09	\$791	\$688
Class I	77.00	1.71%	\$2.04	\$157	\$137
		100%		\$9,200	\$8,000

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

Raft Creek	Estimated Rateable Land Area (ha.)	Rates per Hectare	Estimated to Yield	GST Exclusive
	762.24	\$12.07	\$9,200	\$8,000

(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.)	Differential Based on Benefits	Rates per Hectare	Estimated to Yield	GST Exclusive
Class A	1.14	8.40%	\$1482.63	\$1,690	\$1,470
Class B	2.90	13.21%	\$916.60	\$2,658	\$2,311
Class C	10.76	9.99%	\$186.94	\$2,011	\$1,749
Class D	10.30	9.15%	\$178.78	\$1,841	\$1,601
Class E	18.55	13.04%	\$141.48	\$2,625	\$2,282
Class F	63.34	28.14%	\$89.40	\$5,663	\$4,924
Class G	18.11	8.89%	\$98.78	\$1,789	\$1,556
Class H	20.03	9.18%	\$92.25	\$1,848	\$1,607
		100%		\$20,125	\$17,500

(o) A targeted rate set differentially in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on all rateable land situated in the 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.)	Differential Based on Benefits	Rates per Hectare	Estimated to Yield	GST Exclusive
Class A	306.25	33.16%	\$74.71	\$22,880	\$19,896
Class B	130.00	11.54%	\$61.25	\$7,963	\$6,924
Class C	111.98	6.83%	\$42.09	\$4,713	\$4,098
Class D	127.13	6.54%	\$35.50	\$4,513	\$3,924
Class E	174.42	8.63%	\$34.14	\$5,955	\$5,178
Class F	140.29	5.89%	\$28.97	\$4,064	\$3,534
Class G	392.73	13.40%	\$23.54	\$9,246	\$8,040
Class H	429.48	13.77%	\$22.12	\$9,501	\$8,262
Class I	48.66	0.24%	\$3.40	\$166	\$144
		100%		\$69,000	\$60,000

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

Kongahu Rating District	Estimated Rateable Land Area (ha.)	Differential Based on Benefits	Rates per Hectare	Estimated to Yield	GST Exclusive
Class A	733.86	1.00	\$14.94	\$10,963	\$9,533
Class B	68.60	0.52	\$7.83	\$537	\$467
				\$11,500	\$10,000

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

Waitangitona Rating District	Estimated Rateable Land Area (ha.)	Differential Based on Benefits	Rates per Hectare	Estimated to Yield	GST Exclusive
Class A	604.20	25.80%	\$14.73	\$8,900	\$7,740
Class B	721.23	23.48%	\$11.23	\$8,101	\$7,044
Class C	1705.84	46.84%	\$9.47	\$16,159	\$14,051
Class D	708.22	3.88%	\$1.89	\$1,340	\$1,165
		100%		\$34,500	\$30,000

(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 maintenance of the sea wall protection works.

Punakaiki (Maintenance) Rating District	Estimated Rateable Capital Value	Differential Based on Benefits	Factor per \$ of Capital Value	Calculated Yield	GST Exclusive
Class A (Camping Ground)	\$720,000	1.00	0.0110113	\$7,928	\$6,894
Class A (Other)	\$4,605,000	1.00	0.0110113	\$50,708	\$44,093
Class B	\$2,364,000	0.65	0.0071574	\$16,920	\$14,713
Class C	\$2,320,000	0.60	0.0066068	\$15,328	\$13,328
Class D	\$5,560,000	0.30	0.0033034	\$18,367	\$15,972
				\$109,251	\$95,000

(s) 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 maintenance of the sea wall protection works.

Punakaiki (Loan) Rating District	Estimated Rateable Capital Value	Differential Based on Benefits	Factor per \$ of Capital Value	Calculated Yield	GST Exclusive
Class A (Camping Ground)	\$720,000	1.00	0.0423677	\$30,505	\$26,525
Class A (Other)	\$4,605,000	1.00	0.0014778	\$6,806	\$5,919
Class B	\$2,364,000	0.65	0.0009606	\$2,272	\$1,976
Class C	\$2,320,000	0.60	0.0008867	\$2,057	\$1,789
Class D	\$5,560,000	0.30	0.0004434	\$2,465	\$2,141
				\$44,105	\$38,350

(t) 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 repayment of the loan raised in 2017 to finance the cost of the extension of the seawall.

Hokitika River South Bank Mtce	Estimated Rateable Capital Value	Differential Based on Benefits	Factor per \$ of Capital Value	Calculated Yield	GST Exclusive
Area A	\$2,643,000	1.00	0.0004865	\$1,287	\$1,119
Area B	\$3,115,500	0.10	0.0000487	\$152	\$131
				\$1,438	\$1,250

(u) 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	GST Exclusive
	\$107,563,500	0.0005346	\$57,500	\$50,000

(v) 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	Estimated Rateable Capital Value	Factor per \$ of Capital Value	Calculated Yield	GST Exclusive
	\$20,711,000	0.0046642	\$96,600	\$84,000

(w) 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	GST Exclusive
	\$7,167,000	0.0008023	\$5,750	\$5,000

(x) A Targeted rate in accordance with sections 16, 17 and 18 of the Local Government Rating Act 2002

The Targeted Rate will be a uniform rate in the dollar set for all rateable land within the region and calculated on the Capital value of each rating unit. The rate will be used to fund Emergency Management activities within the Region.

Regional Emergency Management	Estimated Rateable Capital Value	Factor per \$ of Capital Value	Calculated Yield	GST Exclusive
Rateable Value of Land in the Buller District Local authority Area	\$2,246,423,925			
Rateable Value of Land in the Grey District Local authority Area	\$2,671,417,250			
Rateable Value of Land in the Westland District Local authority Area	\$2,401,680,700			
	<u>\$7,319,521,875</u>	0.0001100	<u>\$805,000</u>	<u>\$700,000</u>

(y) 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	GST Exclusive
	42	\$306.67	<u>\$12,880</u>	<u>\$11,200</u>

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

Whataroa River	Estimated Rateable Capital Value	Differential Based on Benefits	Factor per \$ of Capital Value	Calculated Yield	GST Exclusive
Area A	\$ 8,654,000	1.00	0.0024679	\$21,357	\$18,572
Area B	\$12,261,000	0.40	0.0009872	\$12,104	\$10,525
Area C	\$30,063,500	0.20	0.0004936	\$14,839	\$12,903
				<u>\$48,300</u>	<u>\$42,000</u>

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

New River/Saltwater Creek Catchment	Estimated Rateable Capital Value	Differential Based on Benefits	Factor per \$ of Capital Value	Calculated Yield	GST Exclusive
Area A	\$19,404,000	25.00	0.0000970	\$1,882	\$1,637
Area B	\$ 255,882,500	1.00	0.0000039	\$993	\$863
				<u>\$2,875</u>	<u>\$2,500</u>

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

Neil's Beach	Estimated Rateable Capital Value	Factor per \$ of Capital Value	Calculated Yield	GST Exclusive
	\$12,386,000	0.0004642	\$5,750	\$5,000
			<u>\$5,750</u>	<u>\$5,000</u>

(ac) Warm West Coast Targeted Rate

A targeted rate in accordance with sections 16, 17 and 18 of the Local Government Rating Act 2002 on properties that have received Council funding to instal insulation and/or clean heating appliances.

The rate is calculated as a % of the GST inclusive funding provided by Council to the property.

Funding provided by Council includes interest at 5.25%.

The rate will be used to repay funding that Council has borrowed to fund this work and will be levied over a 10 year term from 1 July 2013 or 1 July 2014, depending on the year that the funding was approved.

Warm West Coast Funding Received During years to 30 June 2013 and 30 June 2014	Council Funding Provided	Factor as a % of Council Funding Provided	Calculated Yield	GST Exclusive
	\$708,707	0.1492860	<u>89,700</u>	<u>78,000</u>

(ad) Hokitika Seawall (Loan Repayment)

A targeted rate set differentially in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on all rateable land within the boundaries of the Hokitika Township calculated on the capital value of each rating unit for maintenance of the seawall protection works.

The targeted rate set on Classes A, B, C and D is based on differentiated capital value.

	Estimated rateable Capital Value	Differential Based on Benefits	Factor per \$ of Capital Value	Calculated Yield	GST Exclusive
A	\$19,865,000	1.00	0.0013614	\$27,045	\$23,517
B	\$51,689,000	0.75	0.0010211	\$52,778	\$45,894
C	\$16,480,000	0.60	0.0008169	\$13,462	\$11,706
D	\$383,354,500	0.10	0.0001361	\$52,190	\$45,383
				<u>\$145,475</u>	<u>\$126,500</u>

(ae) Hokitika Seawall (Maintenance)

A targeted rate set differentially in accordance with sections 16, 17, 18 of the Local Government Rating Act 2002 on all rateable land within the boundaries of the Hokitika Township calculated on the capital value of each rating unit for repayment of the loan raised by the Council to construct the seawall protection works.

The targeted rate set on Classes A, B, C and D is based on differentiated capital value.

	Estimated Rateable Capital Value	Differential Based on Benefits	Factor per \$ of Capital Value	Calculated Yield	GST Exclusive
A	\$19,865,000	1.00	0.0003229	\$6,414	\$5,577
B	\$51,689,000	0.75	0.0002422	\$12,515	\$10,883
C	\$16,480,000	0.60	0.0001937	\$3,193	\$2,776
D	\$383,354,500	0.10	0.0000323	\$12,378	\$10,764
				<u>\$34,500</u>	<u>\$30,000</u>
			Total Rates	<u>\$6,673,192</u>	<u>\$5,802,772</u>

**FUNDING IMPACT STATEMENTS
PREPARED PURSUANT TO THE LOCAL
GOVERNMENT (Financial Reporting)
REGULATIONS 2014
WHOLE OF COUNCIL and
GROUPS OF ACTIVITIES**

PART 6 POLICIES

Revenue and Financing Policy

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

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

- General Rates, including information regarding choice of valuation system or differential rating, and uniform annual general charges.
- Targeted Rates
- Fees and Charges
- Income from Investments
- Borrowing
- Proceeds from Asset Sales
- Financial contributions under the Resource Management Act 1991
- Grants and Subsidies
- Other Sources

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

Available Funding Sources/Mechanisms

Investment Income

Council at present has funds of approximately \$11M under management with its Fund Manager. Council is currently using 100% of this income.

Council also has a Catastrophe fund of \$1million invested with its Fund Manager. Interest earned on this fund is retained 100% within the Catastrophe Fund. The Council has in place insurance cover on its infrastructure (River, Drainage & Coastal protection assets) with a grouping of South Island Councils. The catastrophe fund of \$1million will fund the \$250,000 excess on any claim under that cover.

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

General Rates and Choice of Rating System for General Rate.

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

Council will use a Uniform Annual General Charge of \$72.50 + GST as well as a general rate in the \$ of Capital Value. Council sees including the setting and assessing of a Uniform Annual General Charge as being a fairer way of spreading the imposition of the general rate over ratepayers in the Region. This recognises that all ratepayers receive a base level of service regardless of the Capital Value of their property. The Uniform Annual General Charge will be set and assessed on all rating units.

Councils sets its rate on a differential basis and it has decided for the 2018/19 year that the differential relationship for the categories are;

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

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

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

Targeted Rates

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

1. Various river, drainage and coastal protection schemes. These rates are only set and assessed over properties that have a direct beneficiary or cause/effect relationship with the service being provided.
2. A Regional Emergency Management rate will be set and assessed across the region to fund Emergency Management responsibilities.
3. The Warm West Coast targeted rate scheme requires homeowners who borrowed money from the Council to improve their home heating and insulation, pay this amount back via Regional rates.

Rating District Balances

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

Fees and Charges

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

Borrowing

The Council's LTP only envisages borrowing to fund scheme works where a clear majority of the contributing community (of those who reply to a postal survey) want 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 for up to a 20 year period.

Funding of Operating and Capital Expenditure

Operating Costs

Council policy is to fund Operating expenditure from current revenues and retained credit balances (eg Rating District Targeted rate Credit Balances).

Capital Expenditure

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

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

Group of Activities	Activity	Funding Source
The cost of Governance; elections and the democratic process yields regional benefits that are appropriately funded from general rates.	<ul style="list-style-type: none"> • Democracy • Community Consultation • Maori Capacity 	100% General Rate/ UAGC
Regional Policies & Plans involve completing the plan process for various plans under the Resource Management Act & the Biosecurity Act. These plans yield region wide benefits and are funded 100% by the General Rate.	<ul style="list-style-type: none"> • Plan changes and reviews • Policy analysis reports • Responses 	100% General Rate/ UAGC
Monitoring the State of the Environment documents trends in environmental quality, and helps indicates effectiveness of policies & plans. This activity is assessed as yielding regional benefits and it is 100% funded by the General Rate.	<ul style="list-style-type: none"> • Water quality monitoring • Hazardous substances sites • Air quality monitoring • Ground water monitoring 	100% General Rate/ UAGC
Resource consents are required under the Resource Management Act to allow activities that otherwise are restricted. Consent processing are funded 75% by user charges and 25% by general rates, which represents a fair assessment of private and public benefit.	<ul style="list-style-type: none"> • Consent Processing • Consent Support • Consent Enquiries 	60%-70% user charges 30%-40% General Rate/ UAGC
Consent Appeals and Enquiries costs are not recoverable from any particular applicant and are therefore funded 100% by the General rate.	<ul style="list-style-type: none"> • Consent Appeals 	100% General Rate/ UAGC
The monitoring of resource consents and mining licences ensures compliance with resource consent and mining licence conditions and is a duty of the Council under section 35 of the RMA.	<ul style="list-style-type: none"> • Compliance monitoring • Dairy Sheds • Compliance enquiries • Compliance Support 	75%-85% User charges 15%-25% General Rate/ UAGC
Compliance Enquiries, Complaints and Enforcement Appeals costs are not recoverable from any specific persons and are therefore General Rate funded.	<ul style="list-style-type: none"> • Incident complaints • Enforcement 	100% General Rate/UAGC (less any recoveries from fines etc.)
Oil Spill Response planning and capability is funded 100% by User Charges from Maritime NZ	<ul style="list-style-type: none"> • Oil spill response capability and planning 	100% User Charges (MNZ)
Civil Defence & Emergency Management response activities include Civil Defence Plan review and implementation activities funded by targeted rate. Hazard research is funded by general rate.	<ul style="list-style-type: none"> • Civil Defence Response • Hazards Research 	55%-60% Targeted Rate 35%-40% UAGC 0-5% General Rate
Transport activities involve various transport related responsibilities which the Council receives approximately various subsidies from NZTA.	<ul style="list-style-type: none"> • Total Mobility • Regional Transport Planning • Community Road Safety 	40%-50% Subsidy 50%-60% General Rate/ UAGC

Group of Activities	Activity	Funding Source
<p>The Council administers 25 special rating districts under the Soil Conservation and Rivers Control Act. Expenditure on works directly attributable to a specific rating district is funded on a user pays basis by way of targeted rates onto those communities that benefit.</p> <p>Other expenditure is funded by the General rate recognising indirect benefits to the wider community. River cross-sections work is paid 50-50.</p>	<ul style="list-style-type: none"> • Rating Districts • Rating District Management • River Cross section Studies 	<p>100% Targeted Rates</p> <p>100% General Rate 50% targeted rate 50% general rate</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 (rock sales)</p>

Investment and Borrowing Policy

Introduction

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

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

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

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

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

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

Treasury Objectives

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

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

Organisational and responsibility Structure

An effective policy requires a clear understanding and definition of the structure of the treasury function and the responsibilities of all personnel involved in treasury management.

The following personnel are primarily responsible for the management of the treasury activities of the Council:

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

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

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

Full Council

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

Chief Executive

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

Corporate Services Manager

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

Management Accountant

- Undertakes short term borrowing transactions with the bank or from the LGFA for terms not exceeding 90 days.
- Invests surplus cash for terms not exceeding 90 days.
- Checks external counterparty advices on treasury transactions to records generated internally by other staff.
- Assists the CSM with the preparation of treasury reports.

INTEREST RATE RISK AND Borrowing Policy**Interest Rate Risk Management**

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

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

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

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

Fixed Rate Cover Percentages		
Period	Minimum	Maximum
0 to 2 years	50%	100%
2 to 4 years	25%	80%
4 to 7 years	0%	60%

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

Approved Derivative Interest Rate Risk Management Instruments

The approved derivative interest rate risk management instruments are as follows with definitions and examples of these instruments contained in Appendix 3.

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

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

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

Funding Risk Management

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

Funding risk covers both working capital requirements and core debt.

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

Liquidity Risk Management

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

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

Counterparty Risk Management for Borrowing and Interest Rate Risk Management

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

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

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

Local Government Funding Agency

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

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

Borrowing Limits

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

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

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

FINANCIAL MARKET INVESTMENTS

Introduction

The Council may invest surplus funds in financial market instruments, generally on a short term basis, and these funds are to be managed according to the parameters contained in Appendix 2. These funds are separate from the 'Main Portfolio' and the 'Catastrophe Fund' both of which are managed externally.

Restrictions on Investments

In addition to the parameters contained in Appendix 2 the following restrictions apply to investments in financial market instruments.

- No investment shall have a maturity date exceeding one year from the date of inception of the investment.
- No investments shall be made in Council Controlled organisations.
- If a short term security is downgraded below 'A1' then that security must be sold within one month of the date of the downgrade. The exceptions to this are Term Deposits due to the inability in some cases to effect early repayment.
- If a long term security is downgraded below 'BBB' that security must be sold within three months of the date of the downgrade.
- All financial market investment transactions must be carried out with one of the following.
 - A New Zealand Registered Bank or financial institution with a minimum S&P Global Ratings ("S&P") long term rating of 'A-' or the Moody's or Fitch equivalent, as per Section 4.6 of this policy.
 - A full trading member or an advising member of the NZX.

Local Government Funding Agency

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

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

Because of this dual objective, the Council may invest in LGFA shares in circumstances in which the return on that investment is potentially higher than the return it could achieve with alternative investments.

If required in connection with the investment, the Council may also subscribe for uncalled capital in the LGFA.

OPERATIONS AND PROCEDURES

Introduction

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

Transaction Origination

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

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

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

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

Interest Rate Derivative Products

Transacting interest rate derivative products with an approved counterparty entails the personnel of the Council who are authorised to undertake these activities, verbally or by email agreeing with the counterparty the amount, term selection and rate accepted.

- Once the deal is agreed details of the transaction shall be entered on the relevant internal system.
- Once the bank confirmation of the transaction is received, the details should be checked by someone other than the person who entered into the transaction in the first place to ensure that the bank confirmation is in accordance with the details on the internal system.

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

Settlement Procedures

All transactions are to be confirmed and reconciled to external confirmations and internal documentation before settlement.

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

CASH MANAGEMENT

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

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

REPORTING

Quarterly Funding and Debt Profile Report

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

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

Quarterly Investment Report

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

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

Appendix 1: Authorised Investment Criteria for short term funds

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

Appendix 2: APPROVED derivative interest rate risk management INSTRUMENTS

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

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

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

Examples of the use of Derivative Risk Management Instruments

Forward Rate Agreement

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

Objective

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

Example

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

Outcome

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

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

Interest Rate Swap

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

Objective

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

Example

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

Outcome

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

Forward Start Interest Rate Swap**Objective**

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

Example

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

Outcome

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

Options on a Swap - Swaption**Objective**

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

Example

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

Outcome

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

Interest Rate Options

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

Objective

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

Example

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

Outcome

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

Interest Rate Collar

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

Objective

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

Example

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

Outcome

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

Council Controlled Organisations and Council Organisations

Council Controlled Organisations

A Council Controlled Organisation (CCO) can be a company, partnership, trust, arrangement for the sharing of profits, union of interest, co-operation joint venture or other similar arrangement in which one or more local authorities, directly or indirectly, controls the organisation.

Regional Software Holdings Ltd – owner of Integrated Regional Information Software – (IRIS)

Council is part owner of a CCO with five other regional councils for the purposes of collaboratively developing and maintaining a software application suite for use by regional councils. Regional Software Holdings Ltd (RSHL) is the name of the company.

The CCO is a limited liability company. The shareholders are the six regional councils that have developed the IRIS suite of software. The West Coast Regional Council's Director is one of the six Directors of RSHL.

Council Organisations

The West Coast Regional Council has interests in two organisations which meet the definition of a Council Organisation as per the above definition: The West Coast Development Trust and Pest Control Research LP.

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.

Pest Control Research Limited Partnership is also a Council Organisation, with Council having a minority shareholding in this small Christchurch business, and appoints one of the three directors.

Policy on Appointments and Remuneration of Directors for Council Organisations and Council Controlled Organisations

This policy details the skills sought from potential appointees and the appointment process to be followed by Council.

The Local Government Act 2002 requires that the Council may appoint a person to directorship of Council Organisations (CO's) or Council Controlled Organisations (CCO's) only if the Council considers the person has the skills, knowledge and experience to:

- Guide the organisation given the nature and scope of its activities.
- Contribute to the achievement of the objectives of the organisation.

The Council is required to adopt a policy setting out the objectives and transparent process for identifying and considering the skills required and appointing the Directors of COs and CCO's.

Skills

The Council considers that any person that it appoints to be a Director of a CO or CCO should as a minimum have the following skills:

- 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

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

Significance and Engagement Policy

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

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

The Policy

1. Engaging with the community enables the Council to understand the views and preferences of people likely to be affected by or interested in a proposal or decision. The Council wishes to apply a consistent and transparent approach to engagement.
2. An assessment of the degree of significance of proposals and decisions, and the appropriate level of engagement, will therefore be considered in the early stages of a proposal before decision making occurs and, if necessary, reconsidered as a proposal develops.
3. The Council will take into account all of the following matters when assessing the degree of significance of proposals and decisions and the appropriate level of engagement:
 - Whether there is a legal requirement to engage with the community.
 - Whether community interest is high or the likely consequences are controversial.
 - Whether the proposal affects the level of service of a significant activity, and if so, to what extent.
 - The level of financial consequences of the proposal or decision.
 - Whether the proposal or decision will affect a large portion of the community.
 - Any likely impact Māori cultural values and their relationship to land and water.
 - The form of engagement used in the past for similar proposals and decisions.
 - Whether community views are already known, including preferences on the form of engagement.
4. If a proposal or decision is affected by a number of the above considerations, it is more likely to have a higher degree of significance. In general, the more significant an issue, the greater the need for community engagement.
5. Council is required to undertake a special consultative procedure as set out in Section 83 of the Local Government Act 2002 or to carry out consultation in accordance with or giving effect to Section 82 of that Act on certain matters (regardless of whether they are considered significant as part of this policy).
6. For all other issues requiring a decision, Council will determine the appropriate level of engagement on a case by case basis.

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

When the Council will engage

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

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

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

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

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

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

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

When the Council may not engage

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

The Council will not engage when:

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

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

Principles of engagement

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

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

- What is being proposed.
- Why it is being proposed.
- What options we have.
- What the impacts are (if any).
- How you can have a say.
- The timeframes for responding.

Engagement tools and techniques

Council may use a variety of engagement techniques on any issue or proposal based on a range of other factors, including history and public awareness of the issue, stakeholder involvement, and timing related to other events and budgets.

Should an identifiable resident or group of residents be affected by any action proposed to be taken, such residents will be consulted specifically in addition to the formal consultation undertaken with the general public.

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

Definitions

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

Schedule 1: West Coast Regional Council Strategic Assets

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

- Okuru Seawall
- Franz Josef rating district protection works
- Lower Waiho rating district protection works
- Matainui Creek rating district protection works
- Waitangitona River rating district protection works
- Whataroa River rating district protection works
- Wanganui River rating district protection works
- Kowhitirangi rating district protection works
- Vine Creek rating district protection works
- Raft Creek rating district drainage works
- Kaniere rating district protection works
- Hokitika Southside rating district protection works
- Hokitika Seawall & groynes
- Taramakau rating district protection works
- Inchbonnie rating district protection works
- Greymouth Floodwall rating district protection works
- Coal Creek rating district protection works
- Red Jacks rating district protection works
- Nelson Creek rating district protection works
- Punakaiki Seawall rating district protection works
- Mokihinui rating district protection works
- Kongahu rating district drainage works
- Karamea rating district protection works
- Neil's Beach rating district protection works
- Saltwater Creek / New River rating district protection works

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, 7840”

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. Council may request the documents outlined below from organisations wishing to receive a continuing remission.

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 will be granted where the ratepayer has contacted Council prior to a penalty date to advise that he/she would not have funds available to pay the instalment charge until after the penalty date, as long as payment is then completed within fourteen (14) days of the penalty date.

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.

The Corporate Services Manager is delegated authority to consider applications for the remission of any rates in terms of this policy and if appropriate to approve or decline them.

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 Rūnanga to attend the Resource Management Committee, and in Resource Management Committee workshops developing the new proposed Regional Policy Statement and Regional Coastal Plan.

In the past the two Rūnanga have also assisted with developing Iwi sections of regional plans, and Iwi have also participated in making submissions on consent applications and making submissions on Council's proposed plans and strategies.

Council forwards new resource consent application information to each Rūnanga regularly, and in the past Council has assisted both Rūnanga in developing Iwi management plans.

Making submissions on the Long Term Plan is one way that other Maori not affiliated to Ngāti Waewae or Makaawhio can communicate their views to the Council.

- Council will continue to invite representation on its Resource Management Committee from representatives of both local Rūnanga: Te Rūnanga o Ngāti Waewae and Te Rūnanga o Makaawhio.
- Council will continue to involve Iwi in preparing 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 so they are well informed of natural resource development that is occurring in the region, on a timely 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	\$520
Land Use Consent & associated consents for river protection works	\$700
Discharge Permits for dairy effluent discharges	\$700
Land Use Consent & associated consents for humping & hollowing/flipping earthworks	\$950
Land Use Consent & associated consents for land based alluvial gold mining operations	\$1,150
Land Use Consent & associated consents for alluvial gold mining operations involving watercourse diversions	\$2,300
Coastal Permits for municipal sewage, industrial discharges, large scale infrastructure and marine farms	\$6,400
Application for a change or cancellation of consent conditions	\$380.
Application for a Certificate of Compliance or an Existing Use Certificate	\$380
Application for Transfer of a Water Permit	\$520
Application to extend the lapsing period for a consent	\$380
All other Resource Consents	\$570

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 a 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, permitted activities under s87BB RMA, 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	\$125 per hour
Council senior officers	\$145 per hour
Council managers	\$200 per hour
Council clerical support staff	\$90 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 \$80 / hour for Councillors and \$100 / 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)
- 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) Annual Consent holder administration fee

Once a resource consent is granted under A above, an annual consent administration fee is set at \$55 per consent file. This covers the on-going cost of compiling and monitoring of accounts, dealing with general enquiries, maintaining consents and compliance databases and other general administration relating to each resource consent file held. This applies to all current consents held.

(C) Notwithstanding (A) above, the following the fees apply for certain consent transfers:

- Transfer of consents and permits to another person: \$50
- Transfer of whitebait consents and permits to another site, or another person: \$100

NB: 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.

(D) Supervision and monitoring of resource consents and permitted activities, including the preparation and service of any abatement or enforcement proceedings required to ensure compliance with the terms and conditions of resource consents and permitted activity rules.

Council officers	\$125 per hour
Council senior officers	\$145 per hour
Council managers	\$200 per hour
Council clerical support staff	\$90 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.
- 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.

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.

(E) Notwithstanding D above, the following fixed compliance monitoring charge will apply to all holders of whitebait stand resource consents:

An annual Consent Monitoring fee of \$150 per annum applies to each consent holder.

(F) Notwithstanding D above, the following fixed compliance monitoring charge applies to all holders of gravel extraction consents.

The annual charge applies to anyone holding a current consent for gravel extraction, according to the table below. This charge covers compliance inspection visits and any advice needed from in-house river engineers. Charges under D above will also apply if additional staff time needs to be spent dealing with any non-compliance with consent conditions.

Volume of consented take (m3)	Annual monitoring fee
Less than 2,000	\$150
2,000 – 3,999	\$300
4,000 – 7,999	\$500
8,000 -15,000	\$750
Over 15,000	\$1,000

(G) Notwithstanding D above, the following fixed compliance monitoring charge applies to all holders of resource consents for discharge of dairy effluent.

Council charges \$300 + GST for Dairy Shed inspections associated with farms holding consents for the discharge of dairy effluent. This charge covers the annual compliance inspection visit. Charges under D above will also apply if additional staff time needs to be spent dealing with any non-compliance with consent conditions or additional costs (for example, laboratory costs for water samples collected).

(H) Application for preparation or change of 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.

(I) 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	\$125 per hour
Council senior officers	\$145 per hour
Council managers	\$200 per hour
Council clerical support staff	\$ 90 per hour

In addition:

- 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 half hour of Council time or for the first 10 A4 photocopies.

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

All Regional Plans and Strategies and the Regional Policy Statement (operative and/or proposed) will be supplied at a price of \$35 per volume.

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 \$300 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 \$125 + 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 \$250 + 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	\$125 per hour
Council senior officers	\$145 per hour
Council managers	\$200 per hour
Council clerical support staff	\$90 per hour

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

In addition:

- Laboratory charges 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	\$125 per hour
Council senior officers	\$145 per hour
Council managers	\$200 per hour
Council clerical support staff	\$90 per hour

Independent consultants and legal advisors at 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
- 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 half hour of staff time not charged)

Council officers	\$125 per hour
Council senior officers	\$145 per hour
Council managers	\$200 per hour
Council clerical support staff	\$90 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	\$125 per hour
Council senior officers	\$145 per hour
Council managers	\$200 per hour
Council clerical support staff	\$90 per hour

In addition:

- Consultants at cost
- Legal advice at cost
- 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 December 2010.

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.



Cover photo: Lake Mahinapua

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THE WEST COAST
REGIONAL COUNCIL