

West Coast Regional Council

Annual Report

2020/21



THE WEST COAST
REGIONAL COUNCIL



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Message from the Chairman



I am pleased to present the West Coast Regional Council's 2020/2021 Annual Report.

It has been a turbulent year as our communities have started to work through what the long term impacts of Covid-19 mean for us here on the West Coast. These impacts will continue to be felt for the foreseeable future and will remain challenging for many of our people and businesses. As a Council, we remain committed to supporting our people and their livelihoods, as well as to our work in sustainably managing the environment for our future West Coast generations.

The signing of the Mana Whakahono ā Rohe Arrangement with Te Rūnanga o Ngāti Waewae, Te Rūnanga o Makaawhio and Te Rūnanga o Ngāi Tahu at the Arahura Marae has been a particular highlight for Council. The first of its kind in New Zealand, the Arrangement strengthens the ties we have had with Poutini Ngāi Tahu for many years now and sends a strong signal to central government of regional alignment and strategic collaboration between Council and Iwi.

At the end of the financial year, Council realised an unexpectedly large surplus of \$16.6 million. This was mainly due to taking over ownership of the Greymouth Floodwall, which had recently been valued at \$15.6 million, from the Grey District Council. Successful applications to the Infrastructure Resilience Group also resulted in \$0.9 million of grant income in this financial year to fund flood resilience projects across the Hokitika, Greymouth and Westport Rating Districts. Additional grant income will be received over the next two years. The funding significantly reduces the contribution required from the respective rating districts and increases the affordability of the works required.

The inclusion of the Greymouth Floodwall, has increased the value of total infrastructure assets to \$103.7 million (excluding work in progress). This class of assets continues to dominate Council's balance sheet. These are arguably one of the region's most important assets protecting our communities as well as providing for our economic, social and cultural wellbeing. The 24 rating districts encompass some \$5,624,324,250 of capital value (based on property valuations as at 30 June 2020).

The sale of the Whataroa Quarry was concluded in this financial year, as well as Council's interest in Pest Control Research LP.

I recognise the commitment of my fellow Councillors and the work they have undertaken over this past year, helping to manage the upheavals through diligence and sound governance. On behalf of Councillors I would also like to acknowledge the efforts and achievements of staff during the year. They have worked tirelessly through these challenges and realised a high level of achievement for both the organisation and the community we work for.

Allan Birchfield

Chairman, West Coast Regional Council

Highlights

69.6

FTE as at 30 June 2021

Undertaken works across

15 rating districts

2



submissions on key Govt policy

Environmental Compliance

131

incidents and complaints recorded

generated

108

site visits

resulting in

28

non-compliances

1

Enforcement order

10

Formal warnings

0

Exceedances of the National Environmental Standard for Air Quality in Reefton

36

properties cleared of invasive plants

between 1 February 2021 and 30 June 2021

15

Abatement notices

1

major oil spill responded to

17

Infringement notices

Inspections

229

mine inspections (coal and alluvial gold)



100%



of the 69 mining work programmes received were processed within the 20-day timeframe

290

dairy inspections



99.5%

of resource consents processed

including variations, within RMA timeframes

Hydrology

35

sites maintained for flood warning and hydrology monitoring

Flood Warning

28

alarms issued on rivers which rose above alarm threshold levels

Engineering

69km

of flood and erosion infrastructure maintained

24/7



pollution response, flood warning service and CDEM response capability maintained

Quarry sales

4,670t

of rock from Camelback Quarry

1,254t

of rubble from Camelback Quarry

24,049t

of rubble from Okuru Quarry

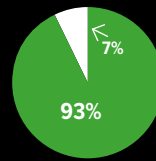
Water quality

704

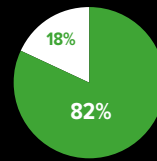
samples were taken at 84 sites for water quality

Water quality trends

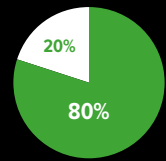
● Improving or maintained ● Deteriorating



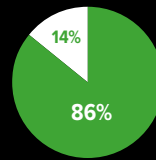
Ammonia-N



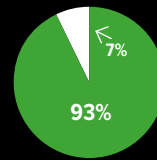
Nitrate-N



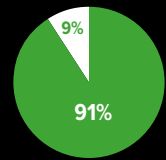
Total nitrogen



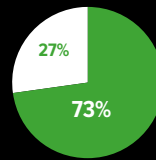
Dissolved reactive phosphorus



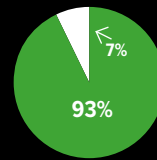
Total phosphorus



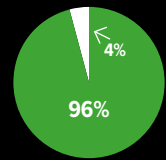
E. Coli



Clarity



Turbidity



Conductivity

Monitored swim sites

78%*

met guidelines in Summer 2021

*recent rainfall events affect sampling outcomes

Total Mobility

We co-funded

20,037

trips made by 679 clients



Governance

The publicly elected Councillors have overall responsibility and accountability for the direction and control of the Council's functions.

Structure of the Council

The Council is made up of seven Councillors, elected as follows:

Buller constituency Two members Councillors John Hill and Laura Coll McLaughlin	Grey constituency Three members Councillors Allan Birchfield (Chair), Peter Ewen and Brett Cummings	Westland constituency Two members Councillors Stuart Challenger (Deputy Chair) and Debra Magner
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*Back row from the left – Cllr Brett Cummings, Cllr Stuart Challenger, Cllr John Hill, Cllr Peter Ewen
Front row from the left – Cllr Debra Magner, Cllr Allan Birchfield (Chair), Cllr Laura Coll McLaughlin*

Mission

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.

Council Committee Structure

In formulating its committees, Council is obliged to take into account the requirements of the Local Government Act 2002. This Act requires a local authority to ensure that, so far as is practicable, decision-making in relation to regulatory responsibilities is separated from decision-making for non-regulatory responsibilities.

Governance systems

The full Council and Resource Management Committee meet on a four-weekly cycle. The Risk and Assurance Committee and West Coast Civil Defence Emergency Management Group meet quarterly with other committee meetings convened as necessary. Agendas and minutes from all meetings are made available to the public. The adopted structure and approach provides an efficient basis for the sound consideration of issues and the making of good decisions.



Division of responsibility

There is a clear division of responsibility between the role of the Council and that of management as required by the Local Government Act 2002. The Council's focus is on setting strategy and policy together with monitoring its implementation. Management is responsible for the implementation of the Council's policy and strategy. While many of the functions have been delegated, the overall responsibility for maintaining effective systems of internal control rests with the Council. Internal control referring to the policies, systems and procedures to ensure that the specific objectives of Council are achieved.

Legislative compliance

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

Environmental compliance

In addition to its overall environmental management role in the region, the Council occasionally engages in resource use activities in undertaking its functions. Where that occurs, systems and procedures are in place to ensure that its own actions comply with the standards expected of all other resource users. These include requirements to apply for and obtain the necessary consents. Monitoring and reporting on these are required. There are also other activities undertaken to promote the sustainable use, development and protection to the environment using both regulatory and non-regulatory methods.

Working together with Māori

The Council recognises the importance of working together with Māori across the region including Māori involvement in decision making processes.

Schedule 10 of the Local Government Act 2002 requires the Council to set out in its Long-term Plan any steps it intends to take to foster the development of Māori capacity to contribute to the decision making processes over the period covered by the plan.

There are two recognised iwi in the region, collectively referred to as Poutini Ngāi Tahu; Te Rūnanga o Ngāti Waewae and Te Rūnanga o Makaawhio.

Policy development

Opportunities for Poutini Ngāi Tahu to be involved in the development of policy includes, but is not limited to:

- Input in the early stages of the process for identifying Outstanding Water Bodies for the West Coast, including being part of a stakeholder workshop on this matter
- Being part of the team overseeing the Moana Private Plan Change Request to the Grey District Plan
- Representation on Freshwater Management Unit Groups (FMUs) (Hokitika and South Westland). This has included attending monthly meetings, and having input into each Groups' recommendations to Council's Resource Management Committee, and the long-term vision for these FMUs. Presentations from Poutini Ngāi Tahu to the respective Groups on cultural values of freshwater including explanation of the use of cultural indicators
- Input to Council submissions on Government policy
- Key appointments on the Te Tai o Poutini Committee and the Technical Advisory Team. Both of these groups have met monthly to work through issues and options for topics to be covered in the new combined district plan for the West Coast.
- Hui with Poutini Ngāi Tahu in the development of the Regional Land Transport Plan 2021-2031.

Poutini Ngāi Tahu staff have also provided support to the Council staff Freshwater Implementation Team.



Mana Whakahono ā Rohe

Council and Poutini Ngāi Tahu marked a significant milestone in October 2020 with New Zealand's first signing of a Mana Whakahono ā Rohe (Iwi Participation Arrangement) at Arahura Marae.

The Arrangement, signed by representatives from Te Rūnanga o Ngāti Waewae, Te Rūnanga o Makaawhio, Te Rūnanga o Ngāi Tahu, and the West Coast Regional Council sets out a framework for iwi and Council to work together on processes and protocols for the future – an expression of the strong relationship between the parties. Many of these already existed but the Mana Whakahono ā Rohe brings them together in one place. The Arrangement signing will continue to strengthen the existing relationships between Council and Poutini Ngāi Tahu, improving collaborative work and guiding future work programmes for better outcomes on the West Coast.

The signing sends a strong signal to central government of regional alignment and strategic collaboration between the Regional Council and Poutini Ngāi Tahu.

Two parts to the document:

1. The Partnership Protocol (Paetae Kotahitanga ki Te Tai Poutini) relates to broad relationship matters
2. The Iwi Participation Arrangement (Mana Whakahono ā Rohe) sets out how Poutini Ngāi Tahu participate in regional resource management including processes, procedures and other arrangements.



Resource consent processes

Council has continued to provide and develop processes for Poutini Ngāi Tahu to be involved in and contribute to resource consent processing and administration. This included:

- Notification of summaries of consent applications received by Council for activities within, adjacent to, or likely to be impacting directly on a Ngāi Tahu Tribal Settlement Instrument.
- Weekly provision of consent application summaries
- Provision to comment on a resource consent application within 5 working days from the time Poutini Ngāi Tahu are notified that it is received
- Engagement with Poutini Ngāi Tahu to review the discharge of dairy effluent to water consents which has resulted in a change to the renewal period of a dairy discharge consent to 8 years (this was previously set at 15 years). Council is also encouraging farmers to look at alternative methods of treating dairy effluent to avoid it being discharged to water in the future.
- Confirming with Poutini Ngāi Tahu a list of approved hearing commissioners
- For a recent consent application hearing, and a pending publicly notified hearing, Poutini Ngāi Tahu nominated a preferred commissioner from the approved Hearing Commissioner list.

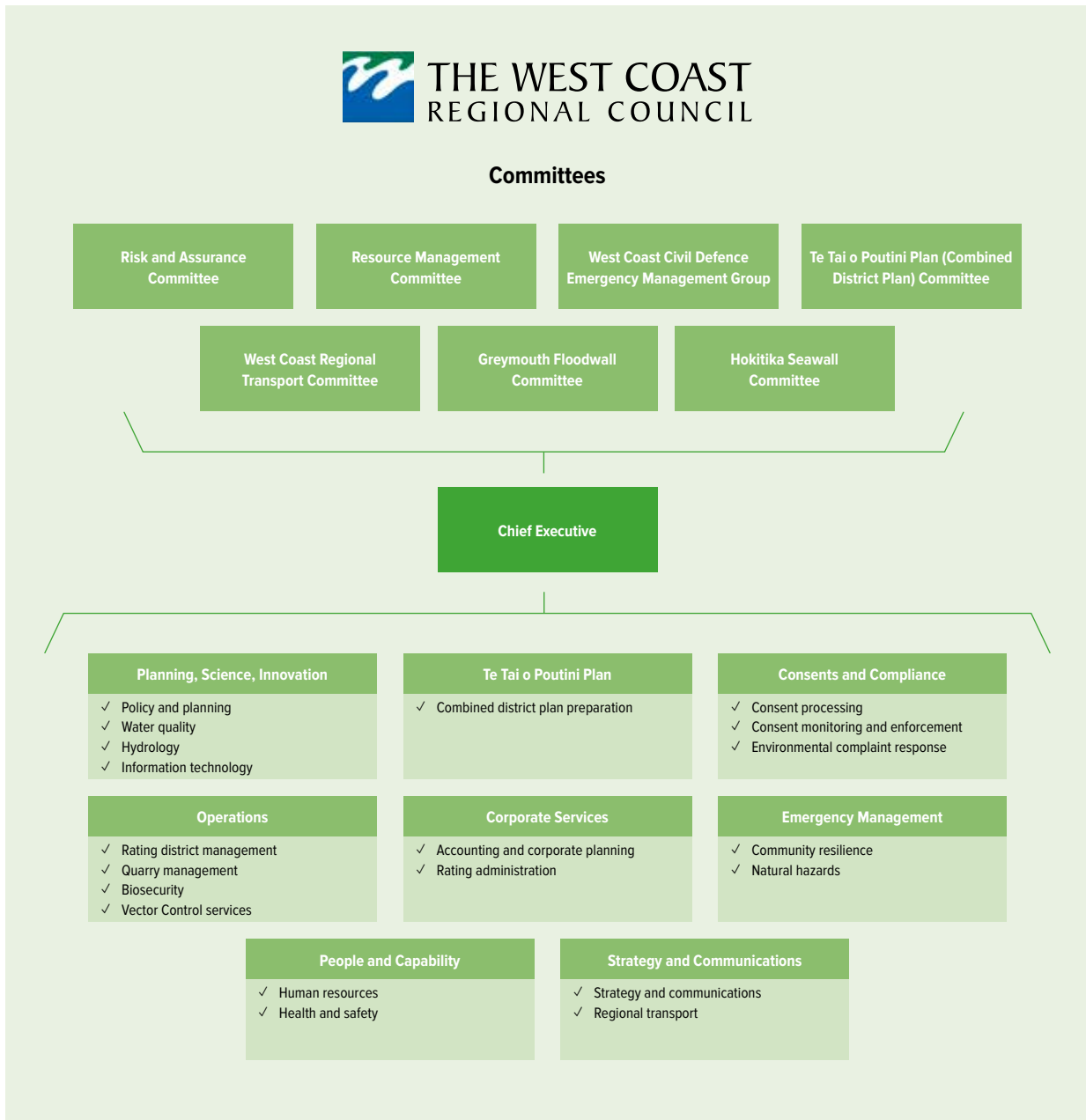
Representation

Poutini Ngāi Tahu is invited to, or have been appointed to, the following:

- Resource Management Committee
- Te Tai o Poutini Plan Committee
- Co-ordinating Executive Group (Civil Defence Emergency Management)

Staff capacity

To undertake its activities, the Council employs a permanent staff with wide-ranging professional, technical and administrative skills. In addition, the Council owns the necessary property, equipment and facilities.



Organisational structure

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

Organisational values

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



Community First

We make decisions, and measure outcomes, based on how **well they serve our community.**



Acting with integrity

We **do what's right**, not what is easy, using good judgement and **respecting all.**



Valuing each other

Empowering/enabling/supporting each other to **grow and succeed.**



Leading the Way

Achieving positive change for our organisation, our communities and our region.



Own it

We take **responsibility** for what we say and do; **owning** the things that go well, and those that don't.

Health and safety

The health and safety of staff, contractors and the public is taken seriously. All staff are provided with training and other services to promote health and safety in the workplace. The Council is committed to a process of continuous improvement in order to achieve excellence in the management of health and safety wherever we work. Council recognises the positive impact that the values and benefits of enhanced health and safety bring to the organisation, our employees and our communities.

Training and experience

Council is committed to ensuring staff are appropriately qualified, experienced and trained. Council is committed to professional development, as well qualified and trained staff are critical to good performance.

Statement of compliance and responsibility

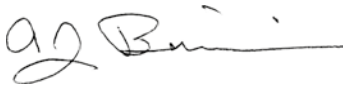
West Coast Regional Council hereby confirms that all statutory requirements contained in the Local Government Act 2002, in relation to the Annual Report 2020/21 have been complied with except for what is disclosed in Note 26 of the financial statements on page 68.

Responsibility

The Council and management of the West Coast Regional Council accept responsibility for the preparation of the annual financial statements and the judgements used in them.

The Council and management of the West Coast Regional Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and management of the West Coast Regional Council, the annual financial statements for the year ended 30 June 2021 fairly reflects the financial position and operations of the West Coast Regional Council.



Allan Birchfield
Chairman



Heather Mabin
Chief Executive

Dated: 14 June, 2022

Audit Report

Independent Auditor's Report

To the readers of West Coast Regional Council's annual report for the year ended 30 June 2021

The Auditor-General is the auditor of West Coast Regional Council (the Regional Council). The Auditor-General has appointed me, Chantelle Gernetzky, using the staff and resources of Audit New Zealand, to report on the information in the Regional Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

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

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

Our audit was completed late

Our audit was completed on 14 June 2022. This is the date at which our opinion is expressed. We acknowledge that our audit was completed later than required by the section 98(7)(a) of the Local Government Act 2002. This was due to an auditor shortage in New Zealand and the consequential effects of Covid-19, including lockdowns.

Opinion

Qualified opinion on the financial statements

In our opinion, except for the possible effects of the matter described in the Basis for our opinion section of or report:

- the financial statements on pages 42 to 69:
 - present fairly, in all material respects:
 - the Regional Council's financial position as at 30 June 2021;
 - the results of its operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards Reduced Disclosure Regime.

Unmodified opinion on the audited information, excluding the financial statements

In our opinion:

- the funding impact statement on page 16, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the Regional Council's long-term plan;
- the statement of service performance ("Our activities in depth") on pages 18 to 40:
 - presents fairly, in all material respects, the Regional Council's levels of service for each group of activities for the year ended 30 June 2021, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 18 to 40, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the Regional Council's long-term plan; and
- the funding impact statement for each group of activities on pages 18 to 40, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the Regional Council's long-term plan.

Basis for our opinion

Financial statements: Our work was limited over the comparative year financial information relating to the associate

The Regional Council has included in the comparative year financial statements information relating to a former investment in an associate, Pest Control Research Limited Partnership (the associate). The Regional Council's statement of comprehensive revenue and expense for the year ended 30 June 2020 includes the share of the associate's surplus of \$124,490 and associate investment impairment of \$696,611. The statement of financial position as at 30 June 2020 includes an investment in the associate balance of \$414,248 and loan advances to the associate of \$374,783. The Regional Council sold its interest in the associate on 4 December 2020. Further information about the associate is disclosed in note 16 to the financial statements.

The associate's auditor issued a disclaimer of opinion on the associate's financial statements for the year ended 31 March 2020. This was because the auditor was unable to obtain sufficient appropriate audit evidence to form an opinion whether the application of the going concern assumption in the preparation and presentation of the associate's financial statements was appropriate.

We issued a qualified audit opinion on the 30 June 2020 financial statements. This was because of the effects of the above matter we were unable to obtain sufficient appropriate audit evidence to support the financial information relating to the associate for the year ended 30 June 2020. This includes the investment in associate, impairment of associate, share of the associate's surplus/(deficit), loan advance, and any possible impairment of loan advances. Any misstatement of this financial information could affect the Regional Council's comparative year statement of financial position and statement of comprehensive revenue and expense.

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

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

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

Report on the disclosure requirements

We report that the Regional Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 70 to 75, which represent a complete list of required disclosures and accurately reflects the information drawn from the Regional Council's audited information and, where applicable, the Regional Council's long-term plan and annual plans.

Responsibilities of the Council for the audited information

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

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

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

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

Responsibilities of the auditor for the audited information

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

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

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

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

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

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Regional Council's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service performance, as a reasonable basis for assessing the levels of service achieved and reported by the Regional Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the Regional Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Regional Council to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

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

Other information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 3 to 12, but does not include the audited information, the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

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

Independence

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

In addition to our audit and our report on the disclosure requirements, we have audited the Regional Council's 2021-2031 long-term plan, and are carrying out a limited assurance engagement related to the Regional Council's debenture trust deed. These engagements are compatible with those independence requirements. Other than these engagements, we have no relationship with or interests in the Regional Council.



Chantelle Gernetzky
Audit New Zealand
On behalf of the Auditor-General Christchurch, New Zealand

Achievement of Community Outcomes

The Local Government Act 2002 defines community outcomes as the outcomes that a local authority aims to achieve in order to promote the social, economic, environmental and cultural well-being of its district or region in the present and for the future.

Council aims to achieve the broad community outcomes set out below through its activities. These achievements are set out on the following pages.



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.

Whole of Council Funding Impact Statement for the year ended 30 June 2021

	2020/21 Actual	2020/21 Budget	2019/20 Actual
Sources of operating funding			
General rates	4,008,487	3,936,177	3,932,278
Targeted rates	2,155,413	2,128,133	2,196,810
Subsidies and grants	209,141	116,199	531,790
Fees and charges	6,412,789	6,777,338	9,050,311
Income from investments	1,502,671	1,068,680	717,747
Fines, infringement fees and other receipts	58,150	-	-
Total operating funding (A)	14,346,651	14,026,527	16,428,936
Applications of operating funding			
Payments to staff and suppliers	14,599,323	13,319,382	16,142,622
Finance costs	198,233	200,602	176,840
Other operating funding applications	-	-	-
Total applications of operating funding (B)	14,797,556	13,519,984	16,319,462
Surplus / (deficit) of operating funding (A-B)	(450,905)	506,543	109,474
Sources of capital funding			
Subsidies and grants	1,056,613	-	1,345,807
Development and financial contributions	-	-	-
Other dedicated capital funding	289,393	73,358	1,327,626
Increase / (decrease) in debt	(721,733)	660,000	980,000
Gross proceeds from sale of assets	-	25,141	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	624,274	758,499	3,653,433
Applications of capital funding			
Capital expenditure:			
- to meet additional demand	-	-	-
- to improve the level of service	760,305	690,000	321,237
- to replace existing assets	665,007	665,000	3,225,442
Increase / (decrease) in investments	(411,163)	750,000	(528,971)
Increase / (decrease) in reserves	(840,781)	(839,958)	745,198
Total applications of capital funding (D)	173,368	1,265,042	3,762,907
Surplus / (deficit) of capital funding (C-D)	450,905	(506,543)	(109,474)
Funding balance ((A-B)+(C-D))	-	-	-

Our activities



Our activities in depth

Set out on the following pages are the activities we undertook and the associated financial budgets and actuals for the year ended 30 June 2021.

Groups of activities, levels of service and performance measures

Within this document we report on our proposed output targets under groups of activities, which we believe summarises the key issues we need to address, or the key activities we undertake. The groups of activities are:

- **Governance**
- **Resource Management**
- **Regional Transport**
- **Hydrology and Flood Warning Services**
- **Civil Defence Emergency Management**
- **River, Drainage and Coastal Protection**
- **Vector Control Services**
- **Warm West Coast Scheme**

We manage our work through these activity groupings. Statements of achievement have been made for the Levels of Service for each of the respective activity groups as to how our activities have delivered on the programmes of work. This is complemented with a statement detailing the cost thereof, and the combined funding sources involved. The funding arrangements are in accordance with the Revenue and Financing Policy as set out in the 2018-2028 Long-Term Plan.

Overall, the year-end result for the 2020/21 performance targets is 80% (23 of 29) achievement level, with 20% not achieved (6 of 29).

Governance

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

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



Economy

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



Environment

The high quality and distinctive character of our environment is retained.



Safety

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

Signing of the Paetae Kotahitanaga ki Te Tai Poutini (Partnership Protocol) and Mana Whakahono ā Rohe (Resource Management Act Iwi Participation Agreement) in October 2020 will further strengthen the role of Poutini Ngāi Tahu in the decision-making of Council.

Key changes from the 2018/2028 Long-term Plan: None

Levels of Service	Measure	Performance Target	Progress achieved
Maintain a Council of elected representatives in accordance with statutory requirements and in a manner that promotes effective decision-making, transparency, and accountability to the West Coast regional community.	Number of public meetings held and individual Councillor attendance.	Conduct eleven monthly meetings of Council and the Resource Management Committee, plus other scheduled meetings and scheduled workshops during the year with at least 80% attendance by all Councillors.	<p>✔ Achieved</p> <p>Five Councillors attended 17/17 meetings of Council and the Resource Management Committee, plus other scheduled meetings and workshops.</p> <p>Two Councillors attended 16/17 of the above.</p>
	Compliance with statutory timeframes.	Prepare and notify the Council's Annual Plan Statement of Proposal by 31 May each year, and the Annual Report by 31 October, in accordance with the procedures outlined in the Local Government Act 2002.	<p>✘ Not achieved</p> <p>Annual Plan 2020/21 was adopted by Council on 30 June 2020.</p> <p>The audited Annual Report 2020 was adopted on 9 June 2021.</p>
	Timing and number of newsletters, and internet website based information related to public consultation processes.	Publish an informative Council newsletter twice a year to be circulated to all ratepayers, with their rate demand, in March and September and ensure required information is posted on the Council website when Council invites submissions on a new or revised policy document.	<p>✔ Achieved</p> <p>Newsletters accompanied both rates invoices in March and September. Council's website, and Facebook, continue to be updated whenever submissions are invited on a new or revised policy document.</p>
Continue to support the contribution our two West Coast Runanga make to Council's decision-making processes; and continue to seek contributions from other Māori.	Attendance of Iwi appointees at Resource Management Committee meetings.	Continue to invite attendance of Te Rūnanga o Makaawhio and Te Rūnanga o Ngāti Waewae representatives as appointees to the Council's resource management committee, to enable Māori participation in resource management decision-making.	<p>✔ Achieved</p> <p>Council has continued to invite both Te Rūnanga o Makaawhio and Te Rūnanga o Ngāti Waewae representatives to attend all Resource Management Committee meetings.</p>

Governance Funding Impact Statement for the year ended 30 June 2021

	2020/21 Actual	2020/21 Budget	2019/20 Actual
Sources of operating funding			
General rates	438,799	443,129	375,111
Targeted rates	-	-	-
Subsidies and grants	-	-	-
Fees and charges	-	166,917	16,707
Income from investments	207,259	-	-
Fines, infringement fees and other receipts	-	171,751	77,219
Total operating funding (A)	646,057	781,797	469,037
Applications of operating funding			
Payments to staff and suppliers	721,738	569,343	359,104
Finance costs	141,722	75,695	113,642
Other operating funding applications	-	-	-
Total applications of operating funding (B)	863,460	645,038	472,746
Surplus / (deficit) of operating funding (A-B)	(217,403)	136,759	(3,708)
Sources of capital funding			
Subsidies and grants	-	-	-
Development and financial contributions	-	-	-
Other dedicated capital funding	-	68,221	-
Increase / (decrease) in debt	-	(205,719)	-
Gross proceeds from sale of assets	-	52,738	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	-	(84,760)	-
Applications of capital funding			
Capital expenditure:			
- to meet additional demand	-	-	-
- to improve the level of service	66,279	-	105,012
- to replace existing assets	296,415	316,463	215,846
Increase / (decrease) in investments	(411,163)	566,730	204,405
Increase / (decrease) in reserves	(168,934)	(831,194)	(528,971)
Total applications of capital funding (D)	(217,403)	51,999	(3,708)
Surplus / (deficit) of capital funding (C-D)	217,403	(136,759)	3,708
Funding balance ((A-B)+(C-D))	-	-	-

Income from investments has been separately disclosed in 2020/21 Actual. It was included within Fines, Infringement fees and other receipts in the 2020/21 Budget and 2019/20 Actual.

Resource Management

The Resource Management Act 1991 (RMA) requires regional councils to have specific 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 a resource consent, and also provide policy guidance on assessing activities with greater potential effects. Council also has a Regional Pest Plant Management Plan to take a strategic and prioritised approach to managing pest plants in the region. All Plans are required to be reviewed within the ten-year period of their adoption and include public involvement through inviting submissions.

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 West Coast communities.

Council continues to monitor the state of our environment to detect trends in environmental quality and emerging issues. This information is fundamental for assessing the effectiveness of resource management policies and plans. It also assists Council to make decisions based on sound factual, and up-to-date, information. Reporting on this parameter will resume in the future with a change in the reporting narrative and when a long enough data record has been obtained (5 years).

Resource consents allow for activities that are otherwise restricted by the RMA. Our Consents Team processed 230 consents (including variations) in 2020/21. The level of demand can, and does, vary.

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

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



Economy

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



Environment

The high quality and distinctive character of our environment is retained.



Safety

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

Key changes from the Long-term Plan 2018/28: None

Planning

Levels of Service	Measure	Performance Target	Progress achieved
Complete current regional plans to operative stage, and review them to maintain their community acceptability.	Statutory requirements for review.	Compliance with statutory requirements for the review of Council's plans and strategies.	<p>✔ Achieved</p> <p>The Regional Policy Statement became operative on 24 July 2020.</p> <p>Plan Change 1 to the Regional Land and Water Plan, excluding the Lake Kini wetland boundaries on Māori reserve land, was made operative on 22 October 2020.</p> <p>Preliminary work on freshwater plan changes to the Regional Policy Statement and Regional Land and Water Plan commenced in January 2021.</p>
Advocate for the West Coast interests when external environmental policymaking may affect the West Coast.	Number of submissions made and number of successful advocacy outcomes.	Submit on all central or local government discussion documents, draft strategies, policies or Bills that may impact on West Coast interests, within required timeframes.	<p>✔ Achieved</p> <p>Two submissions were lodged on:</p> <ul style="list-style-type: none"> • The Water Services Bill • MFE Discussion Document: "Phasing out fossil fuels in process heat".

Freshwater management

Levels of Service	Measure	Performance Target	Progress achieved																				
<p>To maintain or enhance water quality in the West Coast's rivers.</p>	<p>State of the Environment Monitoring:</p> <p>Ammoniacal nitrogen, clarity, turbidity and faecal coliforms are measured quarterly at 38 river sites. These parameters characterise the water quality of West Coast rivers and have been measured since 1996.</p>	<p>Maintaining or improving trends for these parameters.</p> <p>Improvements of these parameters, when compared with a baseline of 1996 data on water quality.</p>	<p>✘ Not achieved</p> <table border="1"> <thead> <tr> <th></th> <th>% sites improving</th> <th>% sites declining</th> <th>% sites no change</th> </tr> </thead> <tbody> <tr> <td>Ammonia-N</td> <td>48.6</td> <td>0</td> <td>51.4</td> </tr> <tr> <td>Clarity</td> <td>21.6</td> <td>18.9</td> <td>59.5</td> </tr> <tr> <td>Faecal Coliforms</td> <td>8.1</td> <td>24.3</td> <td>67.6</td> </tr> <tr> <td>Turbidity</td> <td>21.6</td> <td>8.1</td> <td>70.3</td> </tr> </tbody> </table> <p>Notes:</p> <p>Ammoniacal nitrogen, clarity, turbidity and faecal coliforms trends are assessed using seasonal Kendal trend testing (four seasons beginning in March; no medians).</p> <p>Only sites with 20 or more data points will be considered for this assessment.</p> <p>An important change is one that has a P value of less than 0.05, and a percent annual change of the median of more than 1%. The whole data record is used for each site.</p>		% sites improving	% sites declining	% sites no change	Ammonia-N	48.6	0	51.4	Clarity	21.6	18.9	59.5	Faecal Coliforms	8.1	24.3	67.6	Turbidity	21.6	8.1	70.3
		% sites improving	% sites declining	% sites no change																			
Ammonia-N	48.6	0	51.4																				
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Faecal Coliforms	8.1	24.3	67.6																				
Turbidity	21.6	8.1	70.3																				
<p>Compliance Monitoring for Discharges:</p> <p>The number of compliant or non-compliant point source discharges to water, or discharges likely to enter water; and council's response to any non-compliance.</p>	<p>All significant consented discharges¹ are monitored at least annually, and all dairy sheds at least every second year depending on individual compliance record. All non-compliances publicly reported to the Resource Management Committee and responded to using Council's Compliance and Enforcement Policy.</p>	<p>✔ Achieved</p> <p>All mining operations have been inspected throughout the reporting period. This amounts to 229 mine site inspections. Alluvial mines are inspected 6 monthly and coal mines 3 monthly.</p> <p>The dairy target has been achieved with 290 inspections undertaken within the 20/21 milking season.</p> <p>All non-compliances have been dealt with in line with the Compliance and Enforcement Policy and reported to the Resource Management Committee. There were 17 infringement notices, 10 formal warnings and 15 abatement notices issued.</p>																					
<p>To maintain or enhance the water quality in Lake Brunner.</p>	<p>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.</p>	<p>The annual (rolling 5-year mean) TLI of Lake Brunner is less than the 2002-2006 TLI baseline mean of 2.79.</p>	<p>✘ Not achieved</p> <p>The TLI for Apr 2016 – Apr 2021 (latest results) is 2.82. (The TLI for Jan 2015 - Dec 2019 was 2.78.)</p>																				

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

Levels of Service	Measure	Performance Target	Progress achieved
<p>To maintain or enhance the life supporting capacity and amenity value of the West Coast's rivers.</p>	<p>Stream ecosystem health:</p> <p>Instream macroinvertebrate community health (SQMCI) scores are measured at 29 river sites. The values for each site are calculated using five year rolling means and comparing them to baseline means calculated from data from 2005-2009.</p>	<p>Macroinvertebrate health index² (SQMCI) mean is higher, or no more than 20% lower, than the baseline mean.</p>	<p>✘ Not achieved</p> <p>Four out of 29 sites have not met the criteria and have declined (in 2019 this was five, in 2020 this was three).</p> <p>Macroinvertebrate data is collected twice a year in spring and autumn.</p> <p>Macroinvertebrates are to an extent dynamic and respond to many environmental factors such as climate variability, habitat and water quality. It is possible that a reduction in habitat and water quality has led to deterioration in stream health. The magnitude of change and the duration it occurs at will be informative.</p>
	<p>Bathing beach sampling:</p> <p>18 swimming sites are sampled, ten times per summer season (fortnightly) for E coli (moderate-high risk > 550) or Enterococci (moderate-high risk > 280).</p>	<p>Scheduled swimming sites do not exceed the moderate-high risk threshold on more than 10% of sampling occasions.</p>	<p>✘ Not achieved</p> <p>Four out of 18 sites have not met the target (in 2019 this was two, and in 2020 this was four).</p> <p>During 2020-2021 season Hokitika Beach, Seven Mile Creek, Rapahoe Beach, and Shingle Beach, exceeded the moderate-high risk category more than 10% of the time.</p> <p>E. Coli comes from all land, including urban, agricultural and forested. Urban and agricultural land use normally lead to higher concentrations. Higher E. Coli concentrations will always occur during wet weather. The region, having high rainfall, is prone to E. Coli exceedances. Anthropogenic sources of E. Coli (e.g. livestock and urban stormwater) are the most likely sources of exceedances, however, there are examples when water birds in large congregations have led to E. Coli spikes.</p>
<p>To protect human health from adverse impacts of poor groundwater quality.</p>	<p>28 Wells are monitored at least twice annually, 24 of which are used for human consumption.</p> <p>The guideline of 11.3mg/L of nitrate is used to protect human health, particularly for babies. The data from the year is averaged before comparing against the 11.3mg/L guideline.</p>	<p>In wells used for human consumption, nitrate levels remain below the health guideline of 11.3 mg/L.</p>	<p>✔ Achieved</p> <p>Averaged over Summer 2021 and Winter 2021, all 24 wells used for human consumption were within guidelines. Data for National Groundwater Management Programme wells only available up to Autumn 2021 (in 2019 this was 24, in 2020 this was 24).</p>

² This macroinvertebrate index uses comparative samples of aquatic invertebrates to evaluate water quality, based on the type and tolerances of invertebrates (bugs) found at that site and how those communities of invertebrates may change over time. Some 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.

Air quality

Levels of Service	Measure	Performance Target	Progress achieved
To protect human health from any adverse impacts of poor air quality in Reefton.	<p>Reefton’s air is monitored in accordance with the National Environmental Standard (NES) for air quality by measuring PM₁₀ (airborne particles smaller than ten micrometers, which affect human respiration).</p> <p>The threshold is a 24hr mean PM₁₀ of 50 micrograms/m³.</p>	<p>NES Requirement: 24hr PM₁₀ values do not exceed the NES threshold more than three times in one year, between 2016 and 2020; whereas after 2020 only 1 exceedance per year is allowed.</p>	<p>✔ Achieved</p> <p>There have been no exceedances of the National Environmental Standard for Air Quality so far in Winter 2021 (in 2019-2020 year there were two exceedances).</p>

Consenting and Compliance

Levels of Service	Measure	Performance Target	Progress achieved
Respond to all genuine incident complaints received by the Council and take enforcement action where needed.	<p>Number of complaints received and number of enforcement actions resulting from these.</p>	<p>Operate a 24-hour complaints service, assess and respond to all genuine complaints within 24 hours and non-urgent complaints within 5 working days in accordance with Council’s Compliance and Enforcement Policy.</p>	<p>✔ Achieved</p> <p>Council’s 24 hours’ complaint service has operated throughout the reporting period and all complaints received and enforcement actions resulting from them reported to the Resource Management Committee.</p> <p>There were 17 infringement notices, 15 abatement notices and 10 formal warnings issued throughout the reporting period.</p>
Compliance with the consent processing timeframes in the RMA and mining legislation.	<p>Compliance with discounting regulations and mining timeframes.</p>	<p>Process all resource consent applications without incurring any cost to Council due to the RMA discounting regulations; and process at least 95% of mining work programmes³ within 20 working days of receipt.</p>	<p>✘ Not achieved – but substantially accomplished</p> <p>Discounting was applied to one resource consent. This was a historic application which has now been resolved. All other consent applications (230, including variations) were processed within the RMA timeframes.</p> <p>100% of the 69 mining work programmes received were processed within the 20-day timeframe.</p>
Respond to marine oil spills in coastal waters in accordance with the Tier 2 Oil Spill Response Plan and maintain readiness for spill response.	<p>Timing of responses and number of trained staff.</p>	<p>Respond within 4 hours to all spills, using Council or Maritime NZ spill equipment to contain spills; plus ensure at least 10 trained responders.</p>	<p>✔ Achieved</p> <p>There was one major marine oil spill during the reporting period – the June 2021 sinking of the Humma fishing vessel. Council staff responded to the event within 4 hours.</p> <p>Council has 12 trained Maritime NZ responders available.</p>

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

Resource Management Funding Impact Statement for the year ended 30 June 2021

	2020/21 Actual	2020/21 Budget	2019/20 Actual
Sources of operating funding			
General rates	1,639,634	1,655,815	1,909,332
Targeted rates	255,156	-	254,618
Subsidies and grants	30,000	-	200,000
Fees and charges	796,250	1,391,134	842,163
Income from investments	603,370	-	-
Fines, infringement fees and other receipts	58,150	641,772	393,050
Total operating funding (A)	3,382,559	3,688,721	3,599,163
Applications of operating funding			
Payments to staff and suppliers	4,413,442	3,793,656	4,464,228
Finance costs	-	-	-
Other operating funding applications	-	-	-
Total applications of operating funding (B)	4,413,442	3,793,656	4,464,228
Surplus / (deficit) of operating funding (A-B)	(1,030,883)	(104,935)	(865,065)
Sources of capital funding			
Subsidies and grants	-	-	-
Development and financial contributions	-	-	-
Other dedicated capital funding	-	-	-
Increase / (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	-	-	-
Applications of capital funding			
Capital expenditure:			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	51,214
- to replace existing assets	-	62,600	-
Increase / (decrease) in investments	-	-	-
Increase / (decrease) in reserves	(1,030,883)	(167,535)	(916,278)
Total applications of capital funding (D)	(1,030,883)	(104,935)	(865,064)
Surplus / (deficit) of capital funding (C-D)	1,030,883	104,935	865,064
Funding balance ((A-B)+(C-D))	-	-	-

Income from investments has been separately disclosed in 2020/21 Actual. It was included within Fines, Infringement fees and other receipts in the 2020/21 Budget and 2019/20 Actual.

Regional Transport

The Regional Transport group of activities contributes to community outcomes by contributing to an effective, efficient and safe land transport system in the public interest by facilitating growth and economic development, reducing safety risk, maintaining and improving accessibility, ensuring a regionally and nationally integrated transport network that is resilient and responsive.

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



Economy

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



Safety

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

One variation to the Regional Land Transport Plan 2015-2021 from Waka Kotahi Transport Agency was received and approved to secure funding from the National Land Transport Programme to enable the Franz Josef Glacier Access Resilience Single Stage Business Case to be undertaken.

The Regional Land Transport Plan underwent a full review for the 2021-27 period. The Regional Land Transport Plan has two core parts – one relating to policy and strategy, the other to the programme matters of projects, funding, priorities and timing. The strategic direction component informs the projects and activities proposed for funding.

The Regional Public Transport Plan remained operative throughout the year and will be reviewed in 2021/2022 now the Regional Land Transport Plan 2021 has been adopted.

Council, in partnership with Waka Kotahi, has continued to fund the Total Mobility Scheme operating through the taxi companies in Westport, Greymouth and Hokitika. The Total Mobility Scheme assists eligible people, with long-term impairments to access appropriate transport to meet their daily needs and enhance their community participation. This assistance is provided in the form of subsidised door to door transport services wherever scheme transport providers operate. Over the past year 20,037 trips were made by 679 clients.

Key changes from the Long-term Plan 2018/28: None

Levels of Service	Measure	Performance Target	Progress achieved
Maintain a Regional Land Transport Plan in compliance with relevant legislation and 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.	<p>✔ Achieved</p> <p>Variations to the Regional Land Transport Plan have been made as required to ensure that transport activities can be undertaken in a timely manner.</p> <p>The Regional Land Transport Plan underwent a full review as per Section 13(1)(a) of the Land Transport Management Act 2002, and was adopted by Council on 9 June 2021.</p>

Transport Funding Impact Statement for the year ended 30 June 2021

	2020/21 Actual	2020/21 Budget	2019/20 Actual
Sources of operating funding			
General rates	83,786	84,613	116,166
Targeted rates	-	-	-
Subsidies and grants	102,213	85,896	111,216
Fees and charges	-	-	-
Income from investments	39,575	-	-
Fines, infringement fees and other receipts	-	32,795	23,914
Total operating funding (A)	225,574	203,304	251,296
Applications of operating funding			
Payments to staff and suppliers	189,167	211,071	196,639
Finance costs	-	-	-
Other operating funding applications	-	-	-
Total applications of operating funding (B)	189,167	211,071	196,639
Surplus / (deficit) of operating funding (A-B)	36,407	(7,767)	54,657
Sources of capital funding			
Subsidies and grants	-	-	-
Development and financial contributions	-	-	-
Other dedicated capital funding	-	-	-
Increase / (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	-	-	-
Applications of capital funding			
Capital expenditure:			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase / (decrease) in investments	-	-	-
Increase / (decrease) in reserves	36,407	(7,767)	54,657
Total applications of capital funding (D)	36,407	(7,767)	54,657
Surplus / (deficit) of capital funding (C-D)	(36,407)	7,767	(54,657)
Funding balance ((A-B)+(C-D))	-	-	-

Income from investments has been separately disclosed in 2020/21 Actual. It was included within Fines, Infringement fees and other receipts in the 2020/21 Budget and 2019/20 Actual.

Hydrology and Flood Warning Services

Section 35 of the Resource Management Act 1991 requires Council 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.

Accurate and timely flood warning provides information to civil defence, police, local communities and other stakeholders that enables them to assess the risk of flood events so appropriate action can be taken. Over the reporting period, rainfall events have resulted in 18 alarms being issued on rivers which have risen above alarm threshold levels.

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

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



Economy

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



Environment

The high quality and distinctive character of our environment is retained.



Safety

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

Key changes from the Long-term Plan 2018/28: None

Levels of Service	Measure	Performance Target	Progress achieved
Continue to provide flood warning to assist communities to assess risk of impending floods, for the six rivers (Karamea, Mokihinui, Buller, Grey, Hokitika, and Waiho).	Staff response to high flow events.	Provide flood monitoring service for the six rivers monitored (Karamea, Buller, Mokihinui, Grey, Hokitika, Waiho) and respond in accordance with the floodwarning manual.	<p>✔ Achieved</p> <p>The flood monitoring service was provided for the rivers monitored (Karamea, Buller, Mokihinui, Grey, Hokitika, Waiho). Calls were made alerting necessary parties as required by the respective Flood Warning Manuals.</p>
	Availability of information about high flow events.	Ensure data on river levels (Karamea, Buller, Grey, Hokitika, Waiho, Mokihinui) is available on the Council website (updated 12 hourly, or 3 hourly during flood events) > 90% of the time.	<p>✔ Achieved</p> <p>As part of the hydrology monitoring system, data is automatically updated on Council's website for the Karamea, Buller, Mokihinui, Grey, Hokitika and Waiho flood warning sites at intervals of no less than 12 hourly, or 3 hourly during flood events.</p>

Hydrology and Flood Warning Services Funding Impact Statement for the year ended 30 June 2021

	2020/21 Actual	2020/21 Budget	2019/20 Actual
Sources of operating funding			
General rates	770,014	777,613	450,044
Targeted rates	-	-	-
Subsidies and grants	17,000	-	-
Fees and charges	-	-	17,000
Income from investments	363,704	-	-
Fines, infringement fees and other receipts	-	301,394	92,645
Total operating funding (A)	1,150,718	1,079,007	559,689
Applications of operating funding			
Payments to staff and suppliers	995,292	1,075,281	729,562
Finance costs	-	-	-
Other operating funding applications	-	-	-
Total applications of operating funding (B)	995,292	1,075,281	729,562
Surplus / (deficit) of operating funding (A-B)	155,426	3,726	(169,873)
Sources of capital funding			
Subsidies and grants	-	-	-
Development and financial contributions	-	-	-
Other dedicated capital funding	-	-	-
Increase / (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	-	-	-
Applications of capital funding			
Capital expenditure:			
- to meet additional demand	-	-	-
- to improve the level of service	50,591	39,750	10,827
- to replace existing assets	3,040	62,600	59,321
Increase / (decrease) in investments	-	-	-
Increase / (decrease) in reserves	101,794	(98,624)	(240,020)
Total applications of capital funding (D)	155,426	3,726	(169,872)
Surplus / (deficit) of capital funding (C-D)	(155,426)	(3,726)	169,872
Funding balance ((A-B)+(C-D))	-	-	-

Income from investments has been separately disclosed in 2020/21 Actual. It was included within Fines, Infringement fees and other receipts in the 2020/21 Budget and 2019/20 Actual.

Civil Defence Emergency Management

Civil Defence Emergency Management (CDEM) is delivered through a single organisational CDEM Group structure on the West Coast. The region’s four Council’s form the Group, which is supported by a number of advisory and coordination groups. The Co-ordinating Executive Group (CEG) comprises Iwi, staff representatives of the local authorities, emergency services, district health board, Department of Conservation and the Chairs of the advisory groups.

The four key areas of activity are hazard identification and risk reduction, community readiness, response capability and delivery, and recovery planning and implementation. There is increasing emphasis on the first two activity areas so that the likelihood and/or scale of consequences of a major event are reduced. The emphasis is always on enabling communities to take responsibility for their own well-being rather than be reliant on outside or agency assistance.

The Civil Defence Emergency Management Act 2002 requires an all hazards approach to emergency management, encompassing not only natural hazards but also events such as human and animal pandemics, and technological failures and catastrophes.

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

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



Economy

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



Safety

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

The progress achieved against the Levels of Service and Performance Targets reflect only this Council’s role in CDEM across the West Coast. District Council Annual Reports will outline progress achieved for local CDEM services.

Key changes from the Long-term Plan 2018/28: None

Levels of Service	Measure	Performance Target	Progress achieved
<p>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.</p>	<p>Civil Defence Plan always operative.</p>	<p>Compliance with statutory requirements for the preparation, review and implementation of the Group CDEM Plan.</p>	<p>✔ Achieved</p> <p>The West Coast is due to commence a review of its Plan in October 2021.</p> <p>Groups are advised to hold off any significant review until the work on reviewing legislation, National Plans and strategies is completed. In the mean-time, work is commencing on the Risk Profile section of the CDEM Group Plan.</p>
	<p>Number of trained staff.</p>	<p>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.</p>	<p>✔ Achieved</p> <p>Forty-four staff are enrolled in the training register. Thirty-three staff have completed either Foundation or CIMS 4 training as at June 2021.</p> <p>Staff continue to work across Councils’ to ‘team-up’ in order to deploy staff to support a response regardless of the part of the region affected.</p>

Emergency Management Funding Impact Statement for the year ended 30 June 2021

	2020/21 Actual	2020/21 Budget	2019/20 Actual
Sources of operating funding			
General rates	464,897	469,485	477,531
Targeted rates	730,281	730,318	728,843
Subsidies and grants	59,928	-	220,574
Fees and charges	(19,597)	-	110,360
Income from investments	-	-	-
Fines, infringement fees and other receipts	-	-	6,562
Total operating funding (A)	1,235,509	1,199,803	1,543,870
Applications of operating funding			
Payments to staff and suppliers	1,348,685	1,228,027	1,533,350
Finance costs	-	-	-
Other operating funding applications	-	-	-
Total applications of operating funding (B)	1,348,685	1,228,027	1,533,350
Surplus / (deficit) of operating funding (A-B)	(113,176)	(28,224)	10,520
Sources of capital funding			
Subsidies and grants	-	-	-
Development and financial contributions	-	-	-
Other dedicated capital funding	-	-	-
Increase / (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	-	-	-
Applications of capital funding			
Capital expenditure:			
- to meet additional demand	-	-	-
- to improve the level of service	22,331	-	145,107
- to replace existing assets	-	-	37,096
Increase / (decrease) in investments	-	-	-
Increase / (decrease) in reserves	(135,507)	(28,224)	(171,683)
Total applications of capital funding (D)	(113,176)	(28,224)	10,520
Surplus / (deficit) of capital funding (C-D)	113,176	28,224	(10,520)
Funding balance ((A-B)+(C-D))	-	-	-

River, Drainage and Coastal Protection

The Soil Conservation and Rivers Control Act 1941 requires Council to prevent and mitigate soil erosion, and prevent damage by floods. River control, flood protection and coastal protection are focused on ensuring that risks associated with flooding and river control are appropriately managed. The activities include flood, drainage and coastal protection schemes for 24 rating districts across the region.

Each rating district has a different level of protection according to the history of the works and the affordability for the funding community. During this reporting period, works have been carried out across 15 rating districts to ensure assets are at agreed service levels. Inspections of assets following heavy rainfall events ensure that any repairs required can be identified and undertaken so they continue to perform to their agreed level of service.

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

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



Economy

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



Safety

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

Key changes from the Long-term Plan 2018/28: None

Levels of Service	Measure	Performance Target	Progress achieved
<p>Meet or exceed the flood protection, drainage or erosion protection levels as described in the levels of service described in the Long Term Plan.</p>	<p>Completion of rating district inspections, works reports and consultation meetings (where material works are proposed).</p>	<p>Complete all asset inspections, works reports, and rating district meetings. Perform all capital and maintenance works as agreed at those meetings.</p>	<p>✔ Achieved</p> <p>All inspections were undertaken before the 2020 Rating District meetings.</p> <p>Works have been carried out during the year in the following areas to return assets to agreed service levels:</p> <ul style="list-style-type: none"> • Mokihinui • Karamea • Inchbonnie • Coal Creek • Greymouth • Vine Creek • Nelson Creek • Kongahu • Taramakau • Raft Creek • Punakaiki • Wanganui • Matainui • Hokitika • Neils Beach
	<p>Proportion of schemes performing to their agreed service level.</p>	<p>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.</p>	<p>✔ Achieved</p> <p>Infrastructure is re-inspected following heavy rainfall events to ensure it will perform to agreed levels of service.</p>
	<p>Meet timeframes for plan review</p>	<p>Review Rating District Asset Management Plans every third year, or earlier where information indicates a significant change from what is stated in the Plan.</p>	<p>✔ Achieved</p> <p>The Asset Management Plans were reviewed as part of the development of the Long-term Plan 2021-2031.</p>

River, Drainage and Coastal Protection Funding Impact Statement for the year ended 30 June 2021

	2020/21 Actual	2020/21 Budget	2019/20 Actual
Sources of operating funding			
General rates	611,358	617,391	604,093
Targeted rates	1,169,975	1,248,762	1,213,349
Subsidies and grants	-	-	-
Fees and charges	745,651	373,297	694,299
Income from investments	288,764	-	-
Fines, infringement fees and other receipts	-	239,293	124,357
Total operating funding (A)	2,815,748	2,478,743	2,636,099
Applications of operating funding			
Payments to staff and suppliers	2,795,236	1,879,427	2,927,243
Finance costs	53,666	91,467	59,617
Other operating funding applications	-	-	-
Total applications of operating funding (B)	2,848,902	1,970,894	2,986,859
Surplus / (deficit) of operating funding (A-B)	(33,154)	507,849	(350,760)
Sources of capital funding			
Subsidies and grants	1,056,613	-	1,345,807
Development and financial contributions	-	-	-
Other dedicated capital funding	236,394	-	1,251,702
Increase / (decrease) in debt	(721,733)	(285,932)	980,000
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	571,275	(285,932)	3,577,509
Applications of capital funding			
Capital expenditure:			
- to meet additional demand	-	-	-
- to improve the level of service	604,873	-	7,143
- to replace existing assets	273,483	-	2,865,004
Increase / (decrease) in investments	-	-	-
Increase / (decrease) in reserves	(340,237)	221,917	354,602
Total applications of capital funding (D)	538,120	221,917	3,226,749
Surplus / (deficit) of capital funding (C-D)	33,154	(507,849)	350,760
Funding balance ((A-B)+(C-D))	-	-	-

Income from investments has been separately disclosed in 2020/21 Actual. It was included within Fines, Infringement fees and other receipts in the 2020/21 Budget and 2019/20 Actual.

Quarries

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

Management plans have been prepared for each quarry. The speed of quarry development is driven by demand for rock, therefore the performance targets focus on the process for managing the quarries. There generally appears to be sufficient rock in the existing quarries to supply the anticipated level of maintenance or additions to existing protection works in the existing rating districts, however there are not always rock sources close by to the coastal or river protection works that need repair or maintenance. Large areas of the West Coast are not serviced by the existing quarries and rely on other rock sources other than from formed quarries.

The Whataroa Quarry was sold during this reporting period.

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

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



Economy

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



Safety

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

Key changes from the Long-term Plan 2018/28: None

Levels of Service	Measure	Performance Target	Progress achieved
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.	<p>✔ Achieved</p> <p>All requests for rock were delivered within the specified timeframe.</p>
	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.	<p>✔ Achieved</p> <p>Each quarry was visited twice a year while contractors were working. The necessary permits and health and safety standards required of the contractors were observed and deemed satisfactory.</p>

Vector Control Services

The Council’s business unit, Vector Control Services, exists to provide a suitable return to Council, to ensure there is capacity for delivering TB possum control work, and to assist with other Council and contracted work as appropriate such as providing support for biosecurity, and marine oil and pollution responses.

Council’s business unit contributes to the community outcomes and well-being of the public by providing economic opportunities as an employer of permanent and casual staff, and pest control programmes contributing to the eradication of bovine TB. Such programmes also contribute to the environmental wellbeing of the natural environment. The successful operation and management of the business will provide a financial return to the Council reducing rates.

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



Economy

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



Environment

The high quality and distinctive character of our environment is retained.

Levels of Service	Measure	Performance Target	Progress achieved
To produce a financial surplus (to offset general rates) by tendering for and delivering on vector control contracts 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.	<p>✔ Achieved</p> <p>The budgeted financial return was \$520,896 (income of \$4,925,850 less expenditure of \$4,404,954).</p> <p>The actual return was \$754,663 (income of \$4,890,425 less expenditure of \$4,135,762).</p>
	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.	<p>✔ Achieved</p> <p>All staff available for spill events have received the necessary training.</p>
To provide marine oil spill and terrestrial hazardous substance spill support, and biosecurity response services for the Maritime NZ, MAF and the Regional Council.	Availability of trained staff.	Have 4 staff plus a vehicle available for biosecurity emergencies, as per the National Biosecurity Capability Network agreement 2011.	<p>✔ Achieved</p> <p>The required staffing and vehicle are available if requested to respond.</p>

Vector Control Services Business Unit Funding Impact Statement for the year ended 30 June 2021

	2020/21 Actual	2020/21 Budget	2019/20 Actual
Sources of operating funding			
General rates	-	-	-
Targeted rates	-	-	-
Subsidies and grants	-	-	-
Fees and charges	4,890,425	4,057,436	7,359,958
Income from investments	-	-	-
Fines, infringement fees and other receipts	-	-	-
Total operating funding (A)	4,890,425	4,057,436	7,359,958
Applications of operating funding			
Payments to staff and suppliers	4,135,762	3,486,166	5,931,980
Finance costs	-	-	-
Other operating funding applications	-	-	-
Total applications of operating funding (B)	4,135,762	3,486,166	5,931,980
Surplus / (deficit) of operating funding (A-B)	754,662	571,270	1,427,978
Sources of capital funding			
Subsidies and grants	-	-	-
Development and financial contributions	-	-	-
Other dedicated capital funding	-	-	-
Increase / (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	-	-	-
Applications of capital funding			
Capital expenditure:			
- to meet additional demand	-	-	-
- to improve the level of service	16,230	-	1,935
- to replace existing assets	92,069	73,031	48,175
Increase / (decrease) in investments	-	-	-
Increase / (decrease) in reserves	646,364	498,239	1,377,868
Total applications of capital funding (D)	754,662	571,270	1,427,978
Surplus / (deficit) of capital funding (C-D)	(754,662)	(571,270)	(1,427,978)
Funding balance ((A-B)+(C-D))	-	-	-

Warm West Coast Scheme

In the 2011/12 financial year, Council launched the Warm West Coast scheme, which in collaboration with EECA, assisted homeowners to insulate any house built before 2000. Council provided finance for the insulation to be undertaken with this amount being recovered via the property's regional rates over a ten-year period.

Properties in Reefton, the regions only identified airshed, were also able to replace older burners with new wood burners reducing emissions.

From 1 July 2014, the scheme was scaled back to properties within the Reefton airshed only for insulation funding assistance.

In total, 161 properties utilised funding support through Council. The final repayments will be made in the 2023/24 financial year.

The Warm West Coast Scheme has assisted with making homes warmer and healthier, as well as reducing the impact of emissions on the environment and the health and wellbeing of our communities.

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



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.

Warm West Coast Funding Impact Statement for the year ended 30 June 2021

	2020/21 Actual	2020/21 Budget	2019/20 Actual
Sources of operating funding			
General rates	-	-	-
Targeted rates	-	-	-
Subsidies and grants	-	-	-
Fees and charges	61	-	9,824
Income from investments	-	-	-
Fines, infringement fees and other receipts	-	-	-
Total operating funding (A)	61	-	9,824
Applications of operating funding			
Payments to staff and suppliers	-	-	519
Finance costs	2,845	-	3,582
Other operating funding applications	-	-	-
Total applications of operating funding (B)	2,845	-	4,101
Surplus / (deficit) of operating funding (A-B)	(2,784)	-	5,723
Sources of capital funding			
Subsidies and grants	-	-	-
Development and financial contributions	-	-	-
Other dedicated capital funding	52,999	-	75,924
Increase / (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	52,999	-	75,924
Applications of capital funding			
Capital expenditure:			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase / (decrease) in investments	-	-	-
Increase / (decrease) in reserves	50,215	-	81,647
Total applications of capital funding (D)	50,215	-	81,647
Surplus / (deficit) of capital funding (C-D)	2,784	-	(5,723)
Funding balance ((A-B)+(C-D))	-	-	-

Finances



Financial statements

The following pages present the financial results of the Council for the 2020/2021 year compared against the budget set in the 2020/2021 Annual Plan and the financial results for 2019/2020.

In particular, the following information is presented:

- the practices and assumptions used in preparing the financial information
- where the Council's income came from and where it was subsequently spent
- the effect of the income and expenditure on the overall net worth of Council
- what the Council owes and owns
- the cash payments and receipts during the year
- additional supporting information.

Statement of Comprehensive Revenue and Expense for the year ended 30 June 2021

	Notes	2020/21 Actual	2020/21 Budget	2019/20 Actual
Revenue				
Rates	2	6,163,900	6,098,298	6,129,088
Subsidies and grants	2	1,265,755	116,199	1,877,597
User fees and charges	2	6,470,939	6,743,350	9,337,312
Commercial property rental income		96,183	-	96,183
Commercial property revaluation		44,000	-	106,000
Gain / (loss) on disposal of assets		3,196	-	16,707
Gain / (loss) on disposal of associate		(35,011)	-	-
Insurance recoveries		236,394	-	947,994
Investment income		1,502,671	823,680	497,074
Share of associate's surplus		-	245,000	124,490
Vested land and infrastructure assets		15,648,000	-	-
Total revenue		31,396,026	14,026,527	19,132,445
Expenditure				
Economic development		-	-	16,580
Emergency management		1,348,685	1,147,494	1,559,389
Governance		862,301	642,132	634,965
Hydrology and floodwarning services		995,292	1,051,096	778,807
Resource management		4,413,442	4,758,954	4,495,784
River, drainage and coastal protection		2,848,902	1,796,285	3,025,791
Transport		189,167	154,484	196,639
Vector Control Services business unit		4,135,762	4,404,954	6,004,850
Warm West Coast scheme		2,845	3,385	4,104
Impairment of associate		-	-	696,611
Loss on investment in other entities		-	-	14,462
Other		1,159	29,426	46,670
Total expenditure	3, 4, 5	14,797,556	13,988,210	17,474,652
Net surplus / (deficit) for the year		16,598,470	38,317	1,657,793
Other comprehensive revenue and expense				
Revaluation reserve movement		0	-	13,625,074
Total other comprehensive revenue and expense		0	-	13,625,074
Total comprehensive revenue and expense		16,598,470	38,317	15,282,867

Explanations of major variances against budget are provided in Note 30.

The accompanying notes form part of these financial statements.

Statement of Changes in Equity for the year ended 30 June 2021

	Notes	2020/21 Actual	2020/21 Budget	2019/20 Actual
Balance at 1 July		96,192,643	84,801,787	80,909,776
Net surplus / (deficit) for the year		16,598,470	38,317	1,657,793
Revaluation reserve movement		0	250,000	13,625,074
Balance at 30 June		112,791,113	85,090,104	96,192,643

The accompanying notes form part of these financial statements.

Statement of Financial Position as at 30 June 2021

	Notes	2020/21 Actual	2020/21 Budget	2019/20 Actual
ASSETS				
Current assets				
Cash and cash equivalents	6	599,499	56,684	-
Receivables	7	3,103,845	1,600,000	3,854,046
Inventory	8	956,154	400,000	224,802
Contracted inventory held for sale	9	-	-	126,000
Quarry development asset held for sale	9	-	-	220,546
Loan advances	10	76,323	50,000	73,524
Other financial assets	10	1,166,369	1,000,000	757,526
Total current assets		5,902,190	3,106,684	5,256,444
Non-current assets				
Property, plant and equipment	11	109,045,973	80,086,244	92,525,282
Receivables	7	-	-	263,880
Intangible assets	12	57,867	694,116	78,950
Investment property	15	1,750,000	1,600,000	1,706,000
Loan advances	10	367,125	445,000	471,118
Investment in associates	16	-	1,115,000	414,248
Investment in other entities	17	152,571	210,000	193,486
Other financial assets	10	12,646,635	9,929,600	9,613,858
Total non-current assets		124,020,170	94,079,960	105,266,822
Total assets		129,922,361	97,186,644	110,523,266
LIABILITIES				
Current liabilities				
Bank overdraft	6	-	-	135,489
Borrowings	20	3,568,267	2,896,251	2,890,000
Payables and deferred revenue	18	7,441,653	1,500,000	3,661,649
Future quarry restoration held for sale	9	-	-	140,881
Employee entitlements	19	560,977	500,000	459,802
Total current liabilities		11,570,897	4,896,251	7,287,821
Non-current liabilities				
Borrowings	20	5,200,000	6,623,749	6,600,000
Future quarry restoration	21	360,351	576,540	442,802
Total non-current liabilities		5,560,351	7,200,289	7,042,802
Total liabilities		17,131,248	12,096,540	14,330,623
Equity				
Ratepayers equity	22	32,874,113	23,759,520	20,519,395
Rating district equity	22	2,901,633	1,823,829	2,476,438
Revaluation reserves	22	63,381,828	49,756,755	63,381,828
Investment growth reserve	22	12,611,093	9,000,000	9,581,000
Catastrophe fund	22	1,022,446	750,000	233,982
Total equity		112,791,113	85,090,104	96,192,643
Total liabilities and equity		129,922,361	97,186,644	110,523,266

Explanations of major variances against budget are provided in Note 30.

The accompanying notes form part of these financial statements.

Statement of Cash Flows for the year ended 30 June 2021

	Notes	2020/21 Actual	2020/21 Budget	2019/20 Actual
Cash flows from operating activities				
Rates revenue		6,333,036	6,098,298	6,205,220
Other investment income		288,683	-	447,814
Other income		11,430,595	7,200,729	12,779,757
Payments to suppliers		(6,989,234)	(13,319,382)	(17,020,041)
Payments to employees		(6,561,484)		
Interest paid		(198,233)	(200,602)	(176,840)
GST (net)		292,732	-	146,967
Net cash flow from operating activities		4,596,095	(220,957)	2,382,877
Cash flows from investing activities				
Sale of investments		379,237	1,537,500	582,366
Sale of property, plant, and equipment		127,362	25,141	146,599
Purchase of property, plant, and equipment		(1,236,482)	(1,355,000)	(3,546,771)
Purchase of investments		(2,409,491)	(750,000)	-
Miscellaneous		-	-	(374,781)
Net cash flow from investing activities		(3,139,374)	(542,359)	(3,192,587)
Cash flows from financing activities				
Proceeds from borrowing		-	750,000	3,690,000
Repayment of borrowing		(721,733)	(30,000)	(2,709,996)
Net cash flow from financing activities		(721,733)	720,000	980,004
Net increase in cash and cash equivalents		734,988	(43,316)	170,294
Opening cash and cash equivalents		(135,489)	100,000	(305,783)
Closing cash and cash equivalents		599,499	56,684	(135,489)

The accompanying notes form part of these financial statements.

Notes to the Financial Statements



Note 1: Statement of accounting principles

Reporting entity

The West Coast Regional Council (WCRC) is a public benefit entity (PBE) for financial reporting purposes. The financial statements of WCRC are for the year ended 30 June 2021. The financial statements were authorised for issue by Council on June 14, 2022.

Basis of preparation

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period. The financial statements have been prepared in accordance with the requirements of the Local Government Act 2002 (LGA 2002), which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

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

These financial statements are presented in New Zealand dollars.

Goods and Services Tax (GST)

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

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position. The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

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

Cost allocation

WCRC has derived the cost of service for each significant activity of WCRC using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity. Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

Critical accounting estimates and assumptions

In preparing these financial statements WCRC has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

There are estimates and assumptions of fair value of Infrastructure, Quarry Restoration Provision and Capitalised Quarry Development costs that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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

Note 2: Revenue

Revenue is measured at the fair value of consideration received or receivable. The specific accounting policies for significant revenue items are explained below:

Rates revenue

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

Recoveries from Ministry of Civil Defence and Emergency Management

Recoveries from the Ministry of Civil Defence and Emergency Management are recognised following the grant approach. Revenue is recognised as eligible costs are incurred.

Other revenue

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

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

Sale of goods

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

Breakdown of rates revenue

	2020/21 Actual	2019/20 Actual
Rates revenue comprises:		
General rates	4,008,487	3,932,278
Targeted Rates attributable to activities:		
River, Drainage and Coastal Erosion	1,169,975	1,213,349
One District Plan	255,156	254,618
Regional Emergency Management	730,281	728,843
Total rates revenue	6,163,900	6,129,088
Rates remissions	-	-
Rates revenue net of remissions	6,163,900	6,129,088

Breakdown of subsidies and grants

	2020/21 Actual	2019/20 Actual
Buller District Council	155,000	-
Department of Conservation	30,000	-
Land Transport NZ	102,213	111,215
Local Government Commission	-	200,000
Ministry Civil Defence and Emergency Management	-	220,575
Ministry of Business, Innovation and Employment	901,613	162,132
National Emergency Management Agency	59,928	1,183,675
Westland Dairy Company Ltd	17,000	-
Total subsidies and grants	1,265,755	1,877,597

Breakdown of user fees and charges

	2020/21 Actual	2019/20 Actual
Infringements and Fines	58,150	26,563
Other Fees and Charges	144,915	691,507
Rendering of services (Business Unit income)	4,890,425	7,359,959
Resource Consents and Compliance Monitoring	776,770	817,163
Sale of goods (Quarry rock)	600,679	442,120
Total user fees and charges	6,470,939	9,337,312

Note 3: Personnel costs

Short-term employee 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. Council does not hold any long-term employee benefits.

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.

Defined benefit schemes

Council does not operate any defined benefit schemes.

Breakdown of personnel costs and further information

	2020/21 Actual	2019/20 Actual
Salaries and wages	6,338,151	5,823,503
(Decrease) / increase in alternative holiday provision	(1,314)	1,655
Increase in annual Leave liability	139,601	109,812
(Decrease) in accrued bonus	(43,227)	(15,190)
(Decrease) / increase in long service leave provision	(23,798)	7,451
Increase / (decrease) in accrued payroll	35,061	(109,433)
(Decrease) in time in lieu liability	(5,146)	(2,396)
Total employee benefits	6,439,327	5,815,402

Chief Executive remuneration

The total remuneration (including any non-financial benefits) paid or payable for the year ended 30 June 2021 to the Chief Executive was \$168,115 (2019/20 \$255,729). This did not cover a full year.

Elected representatives' remuneration

Elected representatives received the following remuneration:

	2020/21 Actual	2019/20 Actual
Chairman Councillor Birchfield	83,500	66,934
Councillor Ewen	51,022	44,334
Deputy Chairman Councillor Challenger	62,627	52,170
Councillor Cummings	51,022	36,198
Councillor Hill	51,022	38,623
Councillor Magner	51,022	36,387
Councillor Coll McLaughlin	51,022	37,225
Chairman Councillor Robb	-	24,455
Deputy Chairman Councillor Clementson	-	12,569
Councillor Archer	-	12,712
Councillor McDonnell	-	11,112
Total elected representatives' remuneration	401,237	372,718

Council employee remuneration by band

Council employees received the following remuneration:

	2020/21 Number	2019/20 Number
Total annual remuneration by band for employees as at 30 June:		
< \$60,000	27	30
\$60,000 - \$79,999	22	18
\$80,000 - \$99,999	13	10
\$100,000 - \$159,999	8	14
\$160,000 - \$280,000	3	3
Total employees	73	75

Total remuneration includes any non-financial benefits provided to employees. At balance date, the Council employed 55 (2019/20 59) full-time employees, with the balance of staff representing 14 (2019/20 5) full-time equivalent employees. A full-time employee is determined on the basis of a 40-hour working week.

Severance payments

There were no severance payments made in the year to 30 June 2021 (2019/20 nil).

Note 4: Finance costs

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

Breakdown of finance costs

	2020/21 Actual	2019/20 Actual
Interest on borrowings	198,233	176,840
Total finance costs	198,233	176,840

Note 5: Other expenses

Breakdown of other expenses and further information

	2020/21 Actual	2019/20 Actual
Fees to auditors:		
Audit New Zealand fees for audit of 2020/21 financial statements	85,534	-
Audit New Zealand fees for audit of 2019/20 financial statements	47,506	73,807
Audit New Zealand fees for audit of 2021 – 2031 Long term Plan	62,742	-
Audit New Zealand fees for other services	4,000	6,800
Contractors and Consultants	3,065,456	3,048,524
Impairment of associate	-	696,611
Insurance premiums	223,038	200,596
Inventory movements	(591,208)	179,796
Legal fees	275,979	135,596
Operating lease costs	46,686	12,044
Research and development costs	131,931	-
Other operating expenses	4,808,332	7,128,636
Total other expenses	8,159,996	11,482,410

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.

Operating leases as lessee

Council leases plant and equipment in the normal course of its business. The majority of these leases have a non-cancellable term of 36 months. The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows:

	2020/21 Actual	2019/20 Actual
Not later than one year	2,124	-
Later than one year and not later than five years	1,408	-
Later than five years	-	-
Total non-cancellable operating leases	3,532	-

Note 6: Cash and cash equivalents

Accounting policy

Cash and cash equivalents include cash on 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 separately in current liabilities in the statement of financial position.

Breakdown of cash and cash equivalents

	2020/21 Actual	2019/20 Actual
Cash at bank and on hand	599,499	(135,489)
Total cash and cash equivalents	599,499	(135,489)

Note 7: Receivables

Short-term receivables

Trade and other receivables are recorded at the amount due, less any provision for uncollectability. A receivable is considered to be uncollectable when there is evidence that the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected.

Breakdown of receivables and further information

	2020/21 Actual	2019/20 Actual
Current receivables		
Rates receivables	625,356	611,819
Other receivables	1,628,991	910,074
GST receivable	-	-
Accrued other receivables	652,647	2,162,844
Prepayments	250,692	150,450
Unbilled revenue	-	60,004
	3,157,687	3,895,192
Less provision for uncollectability	(53,842)	(41,146)
Total current receivables	3,103,845	3,854,046
Non-current receivables	-	263,880
Total receivables	3,103,845	4,117,926

Total receivables comprise:

Receivables from non-exchange transactions – this includes outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates	625,356	1,754,905
Receivables from exchange transactions - this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	2,478,489	2,363,020

Movements in the provision for uncollectability of receivables are as follows:

	2020/21 Actual	2019/20 Actual
Balance at 1 July	41,146	22,814
Additional provisions made during the year	49,397	18,332
Provisions reversed during the year	(36,701)	-
Receivables written-off during the year	-	-
Balance at 30 June	53,842	41,146

Note 8: Inventory

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

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

Breakdown of inventory and further information

	2020/21 Actual	2019/20 Actual
Poison and pest supplies	317,298	59,246
Rock in quarries	623,862	152,530
Stationary and office supplies	14,994	13,026
Total inventory	956,154	224,802

The write-down of inventory during the year was \$107,254 (2019/20: \$nil). There were no reversals of write-downs (2019/20: \$nil).

Note 9: Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs 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 are not depreciated or amortised while they are classified as held for sale (including those that are part of a disposal group).

Breakdown of non-current assets held for sale and further information

	2020/21 Actual	2019/20 Actual
Inventory (rock in quarries)	-	126,000
Mining rights	-	140,881
Quarry development capitalised costs	-	79,665
	-	346,546

The Whataroa Quarry was held for sale at 30 June 2020. The sale was settled on 20 July 2020.

Note 10: Other financial assets

Financial assets (other than shares in subsidiaries) are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. Council fund manager JBWere obtains independent verified market prices from third parties such as trading banks, broking houses and originating companies for all assets/securities. Managed funds are valued at the value date price used as the exit price at month end and can be deemed to be fair value. JBWere valuations use the redemption unit price to value unit trust products. The value of a unit is based on the net value of the relevant fund.

Financial assets at fair value through surplus or deficit

A financial asset is classified as a financial asset held for trading 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 and the LGFA borrower notes.

Loans and receivables

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

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

Impairment of other 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.

Breakdown of other financial assets and further information

	2020/21 Actual	2019/20 Actual
Current other financial assets		
Financial assets at fair value through profit or loss	1,166,369	757,526
Loan advances (Pest Control Research LP)	29,359	46,008
Loan advances (Warm West Coast scheme)	46,964	27,516
	1,242,692	831,050
Non current financial assets		
Financial assets at fair value through profit or loss	12,646,636	9,613,858
Loan advances (Pest Control Research LP)	317,908	347,267
Loan advances (Warm West Coast scheme)	49,217	123,851
	13,013,761	10,084,976
Total other financial assets	14,256,453	10,916,026
Other financial assets by asset class		
Australasian equities	3,656,916	2,702,550
Fixed interest	6,939,749	5,192,180
International equities	3,021,227	2,315,422
Loans	443,448	544,642
LGFA borrower notes	105,600	105,600
Property equities	89,512	55,633
Total other financial assets	14,256,453	10,916,027

Council lent \$374,783 to its Associate, Pest Control Research Limited (PCR), to fund specialised lease improvements carried out at 8 Centrum Lane Rolleston. PCR is the tenant of 8 Centrum Lane, Rolleston. The Loan is repayable over 10 years from 30 June 2020 at 6.5% and Council received a monthly specialised lease improvement rental to fund the repayments.

There was no impairment provision for Other Financial Assets.

These investments are held by Council in accordance with its Investment Policy to create income to be used to fund council activities and to be able to be reinvested to ensure portfolio growth over time.

Note 11: Property, plant and equipment

Property, plant, and equipment consist of:

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

Land and infrastructure assets are measured at fair value. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

Revaluation

Land, buildings, and infrastructure assets are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years. Revaluation movements are accounted for on a class-of-asset basis. The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class-of-asset.

Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses 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 recognised in other comprehensive revenue and expense.

Additions

The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and group and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

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 the Council and group 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.

Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net 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 accumulated funds.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant, and equipment other than land and infrastructure assets, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Asset Class	Useful Life	Rate
Buildings (non-component)	50 - 67 years	1.5% - 2%
Building components	6.7 - 20 years	5% - 15%
Portable buildings	10 years	10%
Plant and equipment	4 - 6.7 years	15% - 25%
Trucks	6.7 years	15%
Motor vehicles	6 - 7 years	15%
Capitalised quarry costs	Based on pattern of benefits from the specific quarries	N/A

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each balance date.

Impairment of property, plant and equipment

Property, plant, and equipment that have a finite useful life are reviewed for impairment at each balance date and 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 its value in use.

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

The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. 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.

If an asset’s carrying amount exceeds its recoverable amount, the asset is regarded as 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 reversal of an impairment loss is recognised in the surplus or deficit.

Movements in the carrying value for each class of property, plant, and equipment are as follows:

Property, plant and equipment 2020/21	1-Jul-20	Cost / valuation	Accumulated depreciation / impairment	Carrying amount	1-Jul-20	Disposals (cost)	Impairment	Disposals (accumulated depreciation)	Depreciation	Revaluation surplus	Cost / valuation	Accumulated depreciation / impairment	Carrying amount
	1-Jul-20	1-Jul-20	1-Jul-20	1-Jul-20	1-Jul-20	1-Jul-20	1-Jul-20	1-Jul-20	1-Jul-20	1-Jul-20	1-Jul-20	1-Jul-20	1-Jul-20
Operational assets													
Land	1,250,000	-	-	1,250,000	-	-	-	-	-	-	1,250,000	-	1,250,000
Quarry development	870,204	(67,925)	-	802,279	-	(76,451)	-	(13,346)	-	-	793,753	(81,271)	712,482
Buildings	1,537,228	(552,469)	-	984,759	-	-	-	(31,443)	-	-	1,537,228	(583,912)	953,316
Plant and equipment	2,968,187	(1,903,903)	-	1,064,284	185,323	-	-	(259,003)	-	-	3,153,510	(2,162,906)	990,604
Vehicles	1,077,125	(474,713)	-	602,411	349,362	(50,911)	-	(140,914)	-	-	1,375,576	(583,911)	791,664
Total operational assets	7,702,744	(2,999,010)	-	4,703,733	534,686	(127,362)	-	(444,706)	-	-	8,110,068	(3,412,000)	4,698,066
Infrastructure assets													
Canavans Knob	349,549	-	-	349,549	-	-	-	-	-	-	349,549	-	349,549
Coal Creek	3,254,000	-	-	3,254,000	-	-	-	-	-	-	3,254,000	-	3,254,000
Franz Josef	4,316,000	-	-	4,316,000	-	-	-	-	-	-	4,316,000	-	4,316,000
Greymouth	-	-	-	-	15,648,000	-	-	-	-	-	15,648,000	-	15,648,000
Hokitika Seawall	3,322,999	-	-	3,322,999	120,324	-	-	-	-	-	3,443,324	-	3,443,324
Hokitika South Bank	928,000	-	-	928,000	-	-	-	-	-	-	928,000	-	928,000
Inchbonnie	4,101,000	-	-	4,101,000	20,000	-	-	-	-	-	4,121,000	-	4,121,000
Kaniere	772,001	-	-	772,001	-	-	-	-	-	-	772,001	-	772,001
Karamea	8,930,000	-	-	8,930,000	-	-	-	-	-	-	8,930,000	-	8,930,000
Kongahu Swamp	1,411,000	-	-	1,411,000	-	-	-	-	-	-	1,411,000	-	1,411,000
Kowhitirangi	5,526,000	-	-	5,526,000	-	-	-	-	-	-	5,526,000	-	5,526,000
Lower Waitohi	8,724,000	-	-	8,724,000	-	-	-	-	-	-	8,724,000	-	8,724,000
Mataimui Creek	91,000	-	-	91,000	-	-	-	-	-	-	91,000	-	91,000
Nelson Creek	3,970,000	-	-	3,970,000	-	-	-	-	-	-	3,970,000	-	3,970,000
Okuru	997,000	-	-	997,000	-	-	-	-	-	-	997,000	-	997,000
Punakaiki	4,133,000	-	-	4,133,000	-	-	-	-	-	-	4,133,000	-	4,133,000
Raft Creek	338,000	-	-	338,000	2,450	-	-	-	-	-	340,450	-	340,450
Redjacks	995,000	-	-	995,000	-	-	-	-	-	-	995,000	-	995,000
Taramakau Settlement	10,614,000	-	-	10,614,000	70,700	-	-	-	-	-	10,684,700	-	10,684,700
Vine Creek	2,645,000	-	-	2,645,000	-	-	-	-	-	-	2,645,000	-	2,645,000
Waitangitaoana	3,797,000	-	-	3,797,000	-	-	-	-	-	-	3,797,000	-	3,797,000
Wanganui	18,607,000	-	-	18,607,000	60,009	-	-	-	-	-	18,667,009	-	18,667,009
Whataroa	-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure capital work in progress	-	-	-	-	604,873	-	-	-	-	-	604,873	-	604,873
Total infrastructure assets	87,821,549	-	-	87,821,549	16,526,356	-	-	-	-	-	104,347,906	-	104,347,906
Total property, plant & equipment	95,524,293	(2,999,010)	-	92,525,282	17,061,041	(127,362)	-	31,715	(444,706)	-	112,457,974	(3,412,000)	109,045,972

During the year Council had infrastructure asset additions amounting to \$16,526,356. The additions were made up of the Greymouth Floodwall (\$15,648,000), which was transferred from the Grey District Council, additions to existing assets (\$273,483) and in progress builds of new assets (\$604,873).

Movements in the carrying value for each class of property, plant, and equipment are as follows:

Property, plant and equipment 2019/20	1-Jul-19	1-Jul-19	1-Jul-19	Carrying amount	Additions	Disposals (cost)	Impairment	Disposals (accumulated depreciation)	Depreciation	Revaluation surplus	Cost/valuation	Accumulated depreciation / impairment	Carrying amount
	1-Jul-19	1-Jul-19	1-Jul-19	1-Jul-19							30-Jun-20	30-Jun-20	30-Jun-20
Operational assets													
Land	1,250,000	-	-	1,250,000	-	-	-	-	-	-	1,250,000	-	1,250,000
Quarry development	1,093,497	(52,232)	-	1,041,265	7,143	(230,436)	-	9,890	(25,583)	-	870,204	(67,925)	802,279
Buildings	1,537,228	(521,035)	-	1,016,193	-	-	-	315	(31,749)	-	1,537,228	(552,469)	984,759
Plant and equipment	2,507,380	(1,685,635)	-	821,745	468,817	(8,010)	-	1,185	(219,453)	-	2,968,187	(1,903,903)	1,064,284
Vehicles	1,011,275	(452,310)	-	558,964	205,806	(139,956)	-	125,947	(148,350)	-	1,077,125	(474,713)	602,411
Total operational assets	7,399,380	(2,711,212)	-	4,688,167	681,766	(378,402)	-	137,337	(425,135)	-	7,702,744	(2,999,010)	4,703,733
Infrastructure assets													
Canavans Knob	349,549	-	-	349,549	-	-	-	-	-	-	349,549	-	349,549
Coal Creek	2,867,810	-	-	2,867,810	-	-	-	-	-	386,190	3,254,000	-	3,254,000
Franz Josef	3,159,695	-	-	3,159,695	108,974	-	-	-	-	1,047,331	4,316,000	-	4,316,000
Hokitika Seawall	2,531,538	-	-	2,531,538	197,350	-	-	-	-	594,111	3,322,999	-	3,322,999
Hokitika South Bank	793,722	-	-	793,722	-	-	-	-	-	134,278	928,000	-	928,000
Inchbonnie	3,606,817	-	-	3,606,817	35,150	-	-	-	-	459,033	4,101,000	-	4,101,000
Kaniere	636,262	-	-	636,262	57,938	-	-	-	-	77,801	772,001	-	772,001
Karamea	6,168,894	-	-	6,168,894	114,722	-	-	-	-	2,646,384	8,930,000	-	8,930,000
Kongahu Swamp	1,348,773	-	-	1,348,773	-	-	-	-	-	62,227	1,411,000	-	1,411,000
Kowhitirangi	4,728,236	-	-	4,728,236	-	-	-	-	-	797,764	5,526,000	-	5,526,000
Lower Waiti	3,361,666	-	-	3,361,666	1,878,418	-	-	-	-	3,483,916	8,724,000	-	8,724,000
Matainui Creek	64,425	-	-	64,425	-	-	-	-	-	26,575	91,000	-	91,000
Nelson Creek	3,986,453	-	-	3,986,453	-	-	-	-	-	(16,453)	3,970,000	-	3,970,000
Okuru	875,847	-	-	875,847	-	-	-	-	-	121,153	997,000	-	997,000
Punakaiki	3,511,632	-	-	3,511,632	-	-	-	-	-	621,368	4,133,000	-	4,133,000
Raft Creek	315,750	-	-	315,750	-	-	-	-	-	22,250	338,000	-	338,000
Redjacks	959,955	-	-	959,955	-	-	-	-	-	35,045	995,000	-	995,000
Taramakau Settlement	10,356,125	-	-	10,356,125	-	-	-	-	-	257,875	10,614,000	-	10,614,000
Vine Creek	2,182,655	-	-	2,182,655	-	-	-	-	-	462,345	2,645,000	-	2,645,000
Waitangitaoa	2,896,836	-	-	2,896,836	110,490	-	-	-	-	789,674	3,797,000	-	3,797,000
Wanganui	16,628,831	-	-	16,628,831	361,962	-	-	-	-	1,616,207	18,607,000	-	18,607,000
Total infrastructure assets	71,331,471	-	-	71,331,471	2,865,004	-	-	-	-	13,625,074	87,821,549	-	87,821,549
Total property, plant & equipment	78,730,851	(2,711,212)	-	76,019,638	3,546,770	(378,402)	-	137,337	(425,135)	13,625,074	95,524,293	(2,999,010)	92,525,282

Note 12: Intangible assets

Software acquisition and development

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

Costs that are directly attributable to the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs, costs associated with maintaining computer software, and costs associated with development and maintenance of the Council's website are all recognised as expenses when incurred.

Amortisation

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

Asset Class	Useful Life Rate
Computer software	3 - 5 years 20% - 33.3%

Amortisation

Intangible assets that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment.

For further details, refer to the policy for impairment of property, plant, and equipment in Note 11. The same approach applies to the impairment of intangible assets.

Breakdown of intangible assets and further information

Movements in the carrying value for computer software intangible assets are as follows:

Computer software	2020/21 Actual	2019/20 Actual
Cost		
Balance at 1 July	333,524	333,524
Additions	12,270	-
Disposals	-	-
Balance at 30 June	345,794	333,524
Accumulated amortisation and impairment		
Balance at 1 July	(254,574)	(221,130)
Amortisation charge	(33,352)	(33,444)
Disposals	-	-
Balance at 30 June	(287,926)	(254,574)
Carrying amounts		
Balance at 1 July	78,950	112,394
Balance at 30 June	57,868	78,950

Note 13: Depreciation and amortisation expense by groups of activities

	2020/21 Actual	2019/20 Actual
Directly attributable depreciation and amortisation expense by group of activity		
Emergency Management	27,645	26,039
Hydrology and Flood Warning Services	53,641	49,246
Quarries	13,713	25,583
Resource Management	39,053	31,556
River, Drainage and Coastal Protection	12,409	13,352
Regional Transport	-	-
Vector Control Services	80,661	72,871
Other	-	543
Total directly attributable depreciation and amortisation	227,122	219,190
Depreciation and amortisation not directly attributable	250,937	239,389
Total depreciation and amortisation expense	478,058	458,579

Note 14: Statement of significant capital acquisitions

Breakdown of capital acquisitions by groups of activities and further information

			2020/21 Actual	2020/21 Budget	2019/20 Actual
Group of activities					
Emergency Management	Plant	Level of service	22,331	-	145,107
Emergency Management	Vehicles	Replacement	-	-	37,096
Hydrology	Plant	Level of service	50,591	40,000	10,917
Hydrology	Plant	Replacement	3,040	60,000	59,321
River, Drainage, Coastal	Infrastructure	Level of service	16,252,873	650,000	-
River, Drainage, Coastal	Infrastructure	Replacement	273,483	-	2,865,494
River, Drainage, Coastal	Quarry	Level of service	-	-	7,143
VCS Business Unit	Buildings	Replacement	-	150,000	-
VCS Business Unit	Plant	Level of service	16,230	-	-
VCS Business Unit	Plant	Replacement	-	30,000	-
VCS Business Unit	Vehicles	Level of service	-	-	1,935
VCS Business Unit	Vehicles	Replacement	92,069	60,000	48,175
VCS Business Unit	Infrastructure	Replacement	-	60,000	-
Water Quality	Plant	Level of service	-	-	51,214
			16,710,618	1,050,000	3,226,402
Not directly related to groups of activities					
Corporate	F & F	Level of service	1,641	-	-
Corporate	Land impvts	Level of service	-	-	19,111
Corporate	Plant	Level of service	64,638	-	85,411
Corporate	Plant	Replacement	76,286	145,000	97,246
Corporate	Vehicles	Replacement	207,859	160,000	118,600
			350,424	305,000	320,368
Total significant capital acquisitions			17,061,042	1,355,000	3,546,770
Summary by type of capital acquisition					
Level of service			16,408,305	690,000	320,838
Replacement			652,737	665,000	3,225,932
			17,061,042	1,355,000	3,546,770

Note 15: Investment property

Properties 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 its cost, including transaction costs. After initial recognition, all investment property is measured at fair value at each reporting date. Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

Breakdown of investment property and further information

	2020/21 Actual	2019/20 Actual
Balance at 1 July	1,706,000	1,600,000
Additions from acquisitions	-	-
Additions from subsequent expenditure	-	-
Disposals	-	-
Transfer to inventory	-	-
Fair value gains / (losses) on valuation	44,000	106,000
Balance at 30 June	1,750,000	1,706,000

Investment properties are valued at fair value, which shall reflect market conditions at the reporting date. The most recent valuation was dated 14 January 2021.

Gary Sellars FNZIV, FPINZ, an independent registered valuer from Colliers International Valuation (ChCh) Limited, performed the most recent valuation. Colliers International Valuation (ChCh) Limited is an experienced valuer with extensive market knowledge in the type and location of investment property owned by the West Coast Regional Council.

Note 16: 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 Council's associate investment is accounted for in the financial statements using the equity method. The investment in an associate is initially recognised at cost and the carrying amount in the financial statements is increased or decreased to recognise Council's share of the surplus or deficit of the associate after the date of acquisition. Distributions received from an associate reduce the carrying amount of the investment in the financial statements.

Council's investment in Pest Control Research Limited Partnership (49%) is an investment in an Associate in terms of PBE IPSAS 36 Investments in Associates and Joint Ventures.

Breakdown of investment in associates and further information

	2020/21 Actual	2019/20 Actual
Investment in Pest Control Research Limited Partnership	-	414,248
Total investment in associates	-	414,248

On 4 December 2020 Council sold its 49% interest in Pest Control Research Limited Partnership to the 51% majority shareholder for \$1. As the subscribed capital sold had a value of \$696,612 this resulted in a loss of \$696,611. This loss was included in the Statement of Comprehensive Revenue and Expense for the year to 30 June 2020.

Council share of retained profits at 31 March 2020 less share of loss 1 April to 31 October 2020 were paid out to Council on 4 December 2020. The total payment received on 4 December 2020 amounted to \$379,237.

Note 17: Investment in other entities

Breakdown of investment in other entities

	2020/21 Actual	2019/20 Actual
Investment in Regional Software Holdings Limited	152,571	193,486
Total investment in other entities	152,571	193,486

Note 18: Payables and deferred revenue

Short-term creditors and other payables are recorded at their face value.

Breakdown of payables and further information

	2020/21 Actual	2019/20 Actual
Trade Payables	1,093,591	1,219,371
Deposits and bonds	3,271,088	1,805,684
Accrued Expenses	599,636	207,633
Other Revenue in Advance	2,158,225	290,756
Rates in advance	319,113	138,205
Total payables and deferred revenue	7,441,653	3,661,649

Payables are generally non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying value of payables approximates their fair value.

Note 19: Employee entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, leave earned to, but not yet taken at balance date.

A liability and an expense are recognised for bonuses where the Council has a contractual obligation or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

Council has no long-term employee entitlements.

Breakdown of employee entitlements and further information

	2020/21 Actual	2019/20 Actual
Alternative holiday provision	14,795	16,109
Annual leave provision	394,969	255,368
Bonus accrual	40,000	83,227
Long service leave provision	10,466	34,264
Payroll accrual	74,313	39,252
Time in Lieu liability	26,436	31,582
Total current employee entitlements	560,977	459,802
Non-current employee entitlements	-	-
Total employee entitlements	560,977	459,802

Note 20: Borrowings

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

Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, Council recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether WCRC will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Breakdown of borrowings and further information

	2020/21 Actual	2019/20 Actual
Current portion		
Secured loans	3,568,267	2,890,000
	3,568,267	2,890,000
Non-current portion		
Secured loans	5,200,000	6,600,000
	5,200,000	6,600,000
Total borrowings	8,768,267	9,490,000

All bank borrowing is secured to LGFA and secured over the Debenture Trust Deed. Council operates a \$2m limit multi option credit line facility with Westpac, which it renews annually. The current facility expires on 1 July 2022.

Note 21: Provisions

A provision is recognised 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 an outflow of future economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

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.

Critical accounting estimates and assumptions

The provision for restoration requires estimates of the future costs of restoration of seven mining sites (2019/20 eight mining sites). Discounted cash flow analysis is used to assess the future liability using a model which was peer reviewed. The major assumption inputs into the estimate that could have a material impact on the provision amount in the next 12 months are outlined below:

Discount rate

The discount rate applied to the provision is 2.08% to 3.60% depending on the life of the quarry. This is the New Zealand Treasury risk free rate and is updated if required each year. Management consider it unlikely that the Treasury risk free rate will change materially in the next 12 months.

Expected costs

The expected costs of restoration are considered for each site and estimated based on current requirements and usage of the assets. This estimate is reviewed each year and management considers it highly unlikely that this assumption will materially change in the next 12 months. However, if the regulation of environment restoration changed during the year, this could have a material impact on the provision.

Timing of outflows

The estimates are based on cash outflows being required at the end of the remaining life of the permit. This is between 12 to 47 years depending on the site. It is highly unlikely that the timing of these cash outflows will change within the next 12 months. However, if the cash out flows were required significantly earlier (for example the remaining life of permits were shortened) this could have a material impact on the provision balance, due to the discounted cash flow model used.

Breakdown of future quarry restoration liability

	2020/21 Actual	2019/20 Actual
Balance at 1 July	442,802	576,540
Disposal of mining permits	-	(140,881)
Time value adjustments	(82,451)	7,143
Balance at 30 June	360,351	442,802

Note 22: Equity

Equity

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

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

Restricted and Council created reserves

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

Breakdown of equity and further information

	2020/21 Actual	2019/20 Actual
Ratepayers equity		
Balance at 1 July	20,519,395	18,880,001
Net surplus / (deficit) for the year	16,598,470	1,657,793
Transfers (to) / from rating district equity	(425,196)	(18,399)
Transfers (to) / from investment growth reserve	(3,030,093)	-
Transfers (to) / from catastrophe fund reserve	(788,465)	-
Balance at 30 June	32,874,112	20,519,395
Rating district equity *		
Balance at 1 July	2,476,438	2,458,040
Revenue	1,548,678	4,125,917
Expenditure	(914,632)	(4,501,405)
Insurance claim excess credited	-	187,834
Loans raised	453,000	460,000
Loan principal repaid	(247,647)	(253,948)
Franz Josef credit balance to be refunded next year **	414,204	-
Balance at 30 June	2,901,634	2,476,438
<p>* Rating district equity represents the unspent credit balances of the 27 (2019/20 26) River, Drainage and Coastal Protection rating districts. These balances, originally raised by targeted rates, can only be spent within these Rating Districts.</p> <p>** After public consultation with the Franz Josef and Lower Waiho communities in September 2020, Council resolved to merge both rating districts. A condition of the merger was that Council repay the Franz Josef rating district credit balance to the Franz Josef rate payers. The credit balance at 30 June 2021, when the districts were merged, was \$414,204. This amount is reflected as a payable in these financial statements and will be paid to the rate payers in 2022.</p>		
Revaluation reserves		
<i>Infrastructure assets</i>		
Balance at 1 July	63,381,829	49,756,755
Net revaluation gains / (losses)	0	13,625,074
Balance at 30 June	63,381,829	63,381,829
Land		
Balance at 1 July	-	-
Net revaluation gains / (losses)	-	-
Balance at 30 June	-	-
Total revaluation reserves	63,381,829	63,381,829
Investment growth reserve		
Balance at 1 July	9,581,000	9,581,000
Transfers (to) / from ratepayers equity	3,030,093	-
Balance at 30 June	12,611,093	9,581,000
Catastrophe fund reserve ^		
Balance at 1 July	233,981	233,981
Transfers (to) / from ratepayers equity	788,465	-
Balance at 30 June	1,022,446	233,981

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

Note 23: Contingencies

Contingent liabilities

	2020/21 Actual	2019/20 Actual
Scenic Circle Hotel Group claim	30,000,000	30,000,000
Total contingent liabilities	30,000,000	30,000,000

Scenic Circle Hotel Group claim

Council is the subject of a claim by Scenic Circle Hotel Group Limited. The claim is denied and will be defended by Council with the backing of its public liability insurer.

Riskpool

Riskpool, until June 2017, provided public liability and professional indemnity insurance for its members. The Council was a member of RiskPool. The Trust Deed of Riskpool provides that, if there is a shortfall (whereby claims exceed contributions of members and reinsurance recoveries) in any fund year, then the Board may make a call on members for that fund year.

Riskpool will likely wind up at some point between 2023 and 2030. It is likely that a smaller final call will be required at that time. Council will recognise a liability for the future call when there is more certainty over the amount required.

Contingent assets

There are no contingent assets as at 30 June 2021.

Note 24: Covid-19

Overall, the Council assessed that Covid-19 has had minimal impact on the financial and operational results for the year ended 30 June 2021. While the lockdown and potential future impacts of Covid-19 may negatively impact residents' ability to pay rates in the future, as at 30 June 2021 this was not the case.

Council activities in Engineering, Consents and Compliance were considered essential services and remained in operation with strict health and safety protocols following the guidance provided by Central Government's Covid-19 Taskforce. Lock down slowed down the Capital project delivery programme for a short period of time. Performance in some individual activity areas was also impacted.

Note 25: Events after balance date

Westport Flooding

In July 2021 there was a flood event that had a significant impact on the Westport community, however the event did not damage any of Council's flood or erosion protection infrastructure assets.

Franz Josef floodwall upgrade

On 5 August 2021 it was announced that a funding agreement between Council and Kānoa – Government's Regional Economic Development and Investment Unit had been signed. The agreement will fund an upgrade of the northern flood protection assets, and three critical assets on the southside, on the Waiho River, Franz Josef. The funding will also be used to upgrade protection for State Highway 6 and the bridge across the Waiho. Kānoa agreed to fund up to \$9,218,597 of the total work programme of \$12,291,463. The remaining \$3,072,866 is to be co-funded by community stakeholders.

February Flooding

In February 2022 there was a flood event that had a significant impact on the West Coast region and caused damage to Council's flood and erosion protection assets. The total cost for repairs and replacement of assets is not fully evident, as Council continues to assess the damage caused, but of those assets assessed Council expects a cost of \$437,000 for their repairs and replacement as a direct result of this event. Council expects to be able to claim some of the damage from the insurance provided by the National Emergency Management Agency.

Note 26: Breach of statutory deadline

The Regional Council was required under section 98(7)(a) of the Local Government Act 2002 to complete and adopt its audited financial statements and service performance information by 31 December 2021. This timeframe was not met because Audit New Zealand was unable to complete the audit within this timeframe due to an auditor shortage and the consequential effects of Covid-19, including lockdowns.

Note 27: Related party transactions

Related party disclosures have not been made for transactions with related parties that are:

- within a normal supplier or client/recipient relationship; and
- on terms and condition no more or less favourable than those that it is reasonable to expect the Council would have adopted in dealing with the party at arm's length in the same circumstances.

Pest Control Research NZ Limited

During the year Council had the following related party transactions with Pest Control Research NZ Limited:

- Throughout the year Council has owned and leased a building to Pest Control Research NZ Limited.
- Prior to their resignation from Council on 24 July 2020, the Council CEO was a Director of Pest Control Research NZ Limited
- Prior to 4 December 2020, Council was a shareholder in Pest Control Research NZ Limited.

All transactions between Council and Pest Control Research NZ Limited have been at third party market rates provided by an independent valuer. Council's related party relationship with Pest Control Research NZ Limited ceased on 4 December 2020.

Provision of accounting services to Regional Software Holdings Limited

During the year to 30 June 2021 Council provided accounting services to Regional Software Holdings Limited (RSHL). Council is a 4% shareholder of RSHL. Council charged RSHL \$6,175 (2019/20 \$20,995) for accounting services provided.

The Council CEO was a director of RSHL for parts of both 2019/20 and 2020/21.

Key management personnel compensation

	2020/21	2019/20
Councillors		
Number of full-time equivalent members	11	11
Remuneration	505,314	372,718
Senior Management Team, including the Chief Executive		
Number of full-time equivalent members	9	8
Remuneration	1,497,140	1,746,762
Total full-time equivalent personnel	20	19
Total key management personnel remuneration	2,002,454	2,119,480

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors.

An analysis of Councillor remuneration and further information on Chief Executive remuneration is provided in Note 3.

Note 28: Rating base information

The following rating base information for The West Coast Regional Council is disclosed based on the rating base information at the end of the preceding financial year:

	30-Jun-20	30-Jun-19
Number of rating units	22,507	22,319
Total capital value of rating units	9,220,230,550	7,329,860,425
Total land value of rating units	4,775,845,670	3,727,821,500

Note 29: Insurance of assets

The following information relates to the insurance of Council assets as at 30 June:

	2020/21 Actual	2019/20 Actual
Total value of all Council assets covered by insurance contracts	8,772,468	5,581,474
The maximum amount to which insured assets are insured	10,067,713	8,261,600
The total value of all Council assets covered by financial risk-sharing arrangements (inclusive of the 2020/21 Insurance revaluation)	106,212,422	87,821,549
Total value of assets that are self-insured	-	-
Value of funds maintained for self-insurance	-	-

Note 30: Explanation of major variances against budget

Explanations for major variations from the Council's budget figures in its 2020/21 annual plan are as follows:

Statement of comprehensive revenue and expense

Revenue was greater than budgeted by \$17.4 million due mainly to Council taking over the Greymouth flood wall from Grey District Council. The floodwall was recently valued at \$15.6 million, and this valuation was the vested income recognised by Council.

Subsidies and grant revenue was greater than budgeted by \$1.1 million due to higher than expected funding from central government for infrastructure projects.

Investment income was greater than budgeted by \$679,000 as a result of both higher levels of investment and better investment returns during the year.

Expenditure was greater than budgeted by \$809,000 due mainly to unbudgeted spend on infrastructure projects, in particular arising from \$452,000 of costs associated with modelling of Westport flood warning forecasts. This cost was funded by the increased central government infrastructure funding noted above.

Statement of financial position

Receivables are \$1.5 million greater than budget due to unbudgeted infrastructure projects and the timing of some commercial activity being later than expected.

Payables and deferred revenue are \$5.9 million greater than budget, largely due to an unforeseen \$1.5 million increase in bond deposits and \$1.9 million increase in revenue in advance over the prior year.

Other financial assets are greater than budget by \$2.7 million, due in part to an unforeseen \$1.5 million increase in bond deposits and a \$700,000 increase in investment income.

Property, plant and equipment was \$29.0 million greater than budgeted due to the unbudgeted vesting of the \$15.6 million Greymouth floodwall from Grey District Council.

The unbudgeted revaluation of infrastructure assets also resulted in actual revaluation reserves being greater than budget by \$15.4 million.

Local Government (Financial Reporting and Prudence) Regulations 2014

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

Annual report disclosure statement for the year ending 30 June 2021

What is the purpose of this statement?

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

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

Rates affordability benchmark

The Council meets the rates affordability benchmark if:

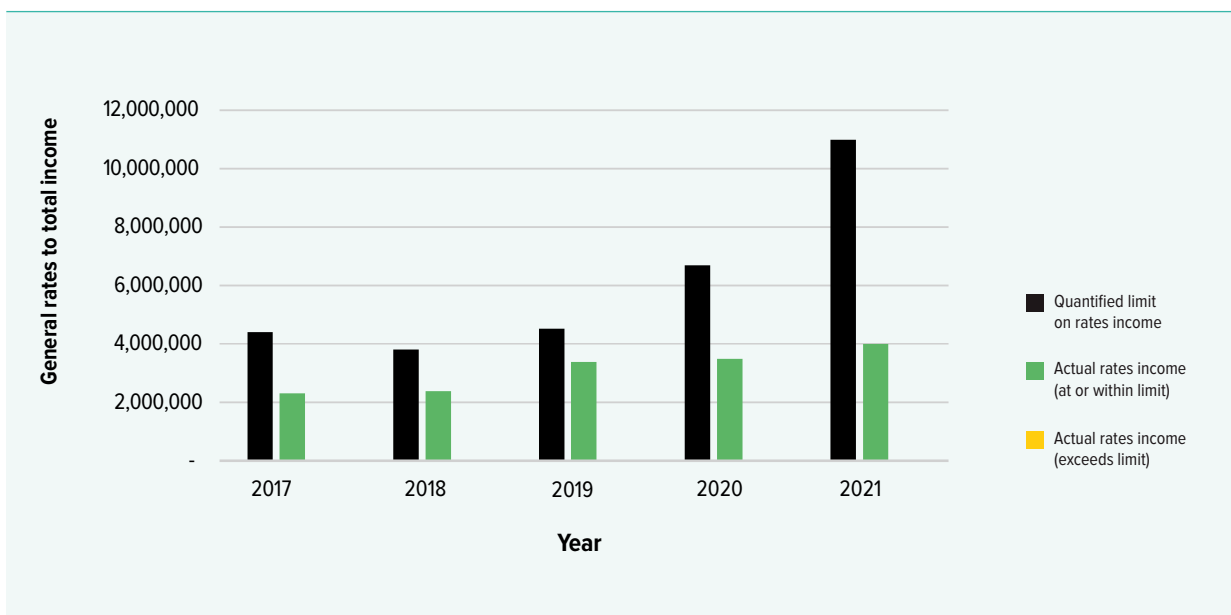
- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

Rates (income) affordability

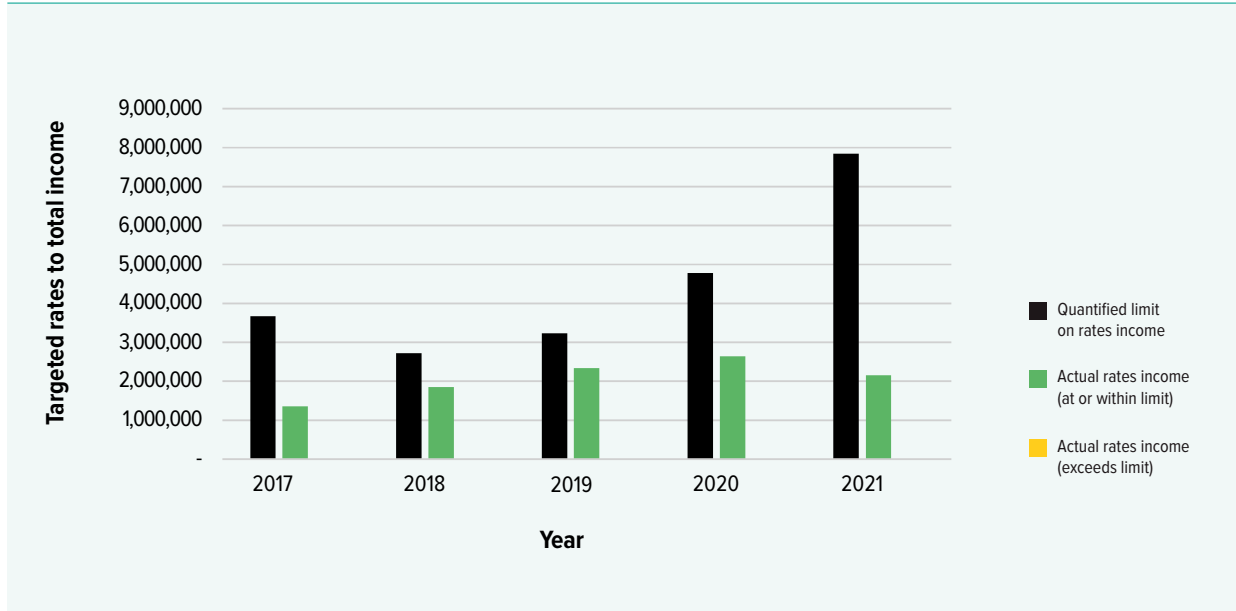
Council has two quantified limits on rates income affordability as stated in the financial strategy included in Council's long-term plan:

- the first quantified limit is for general rates; and
- the second quantified limit is for targeted rates.

The following graph compares the Council's actual general rates income with a quantified limit on general rates contained in the financial strategy included in Council's long-term plan. The quantified limit is that general rates will not exceed 35% of total income (the quantified limit for 2017 was 30%).



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

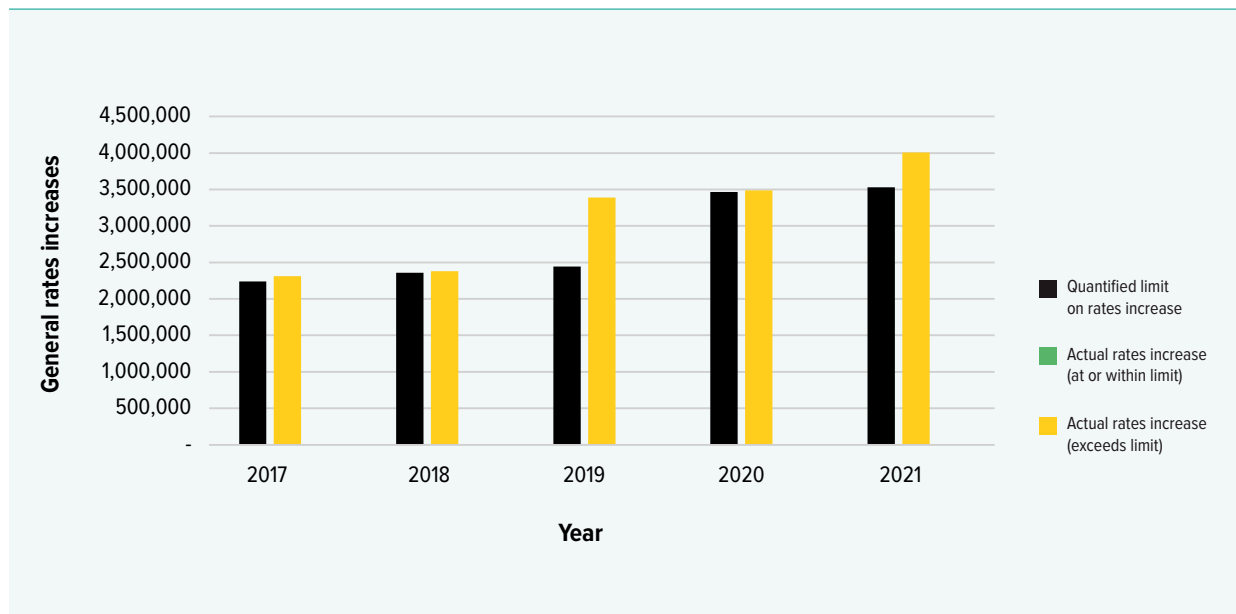


Rates (increases) affordability

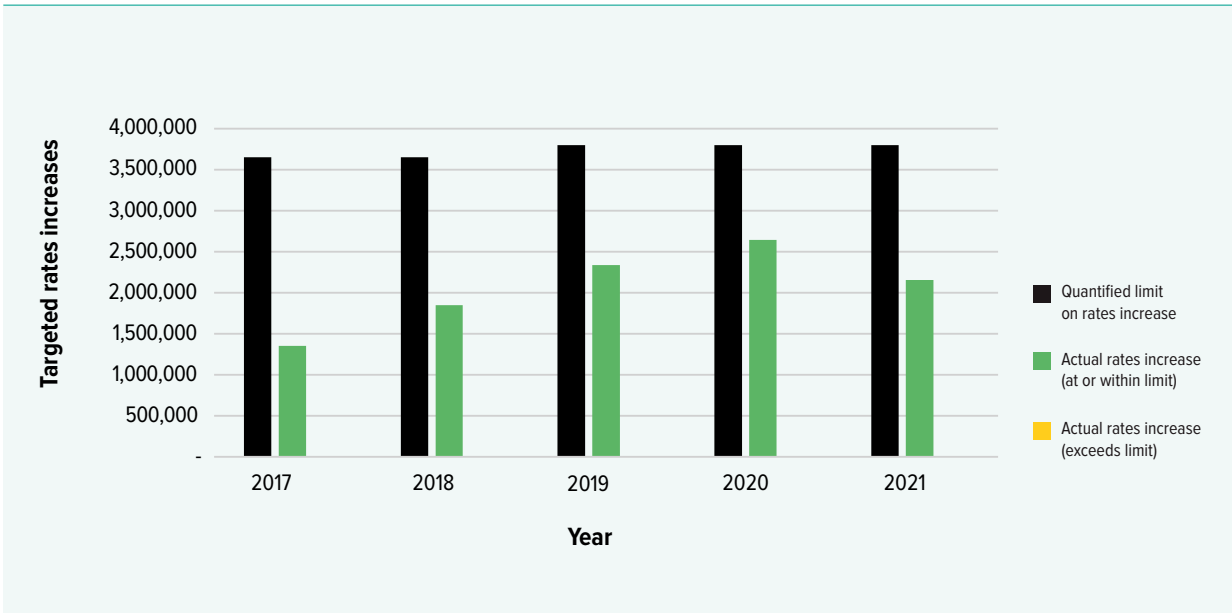
Council has two quantified limits on rates increases affordability as stated in the financial strategy included in Council’s long-term plan:

- the first quantified limit is for general rates; and
- the second quantified limit is for targeted rates.

The following graph compares the Council’s actual general rates with a quantified limit on rates increases included in the financial strategy included in Council’s long term plan. The quantified limit is that general rates will not exceed estimated Business and Economic Research Ltd (BERL) ‘Local Government Cost Index’ adjustments.



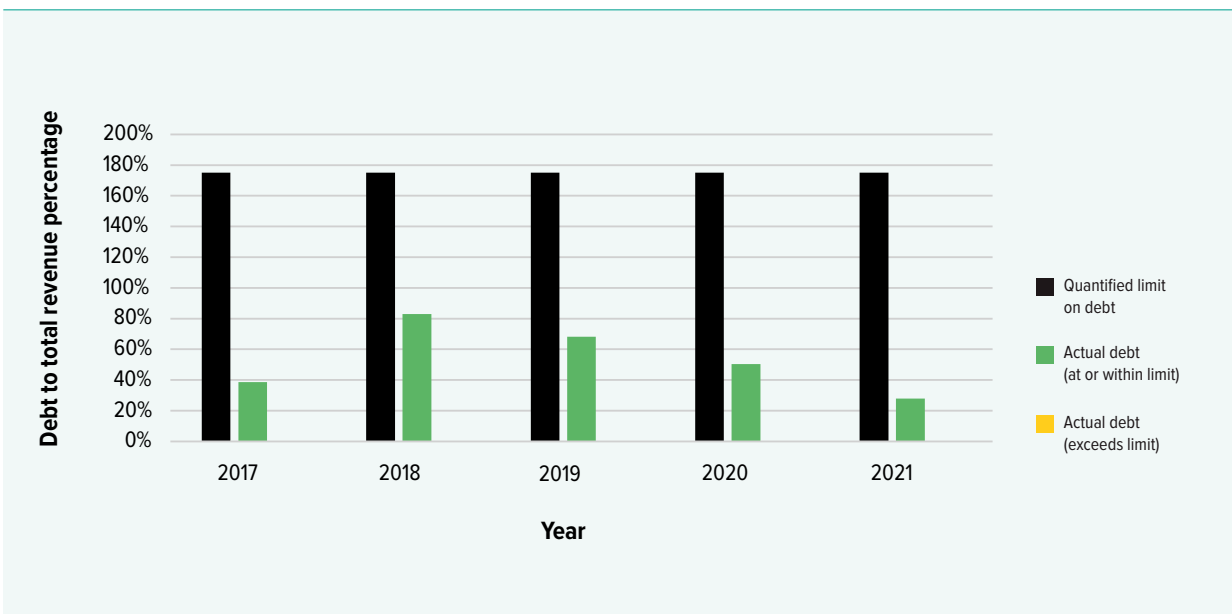
The following graph compares the Council's actual targeted rates with a quantified limit on rates increases included in the financial strategy included in Council's long term plan. The quantified limit is that targeted rates will not exceed the 2018/19 baseline of \$1,899,422 plus 100% over the 10 year term of the long-term plan (the quantified limit for 2017 and 2018 was the 2015/16 baseline of \$1,825,307 plus 100%).



Debt affordability benchmark

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

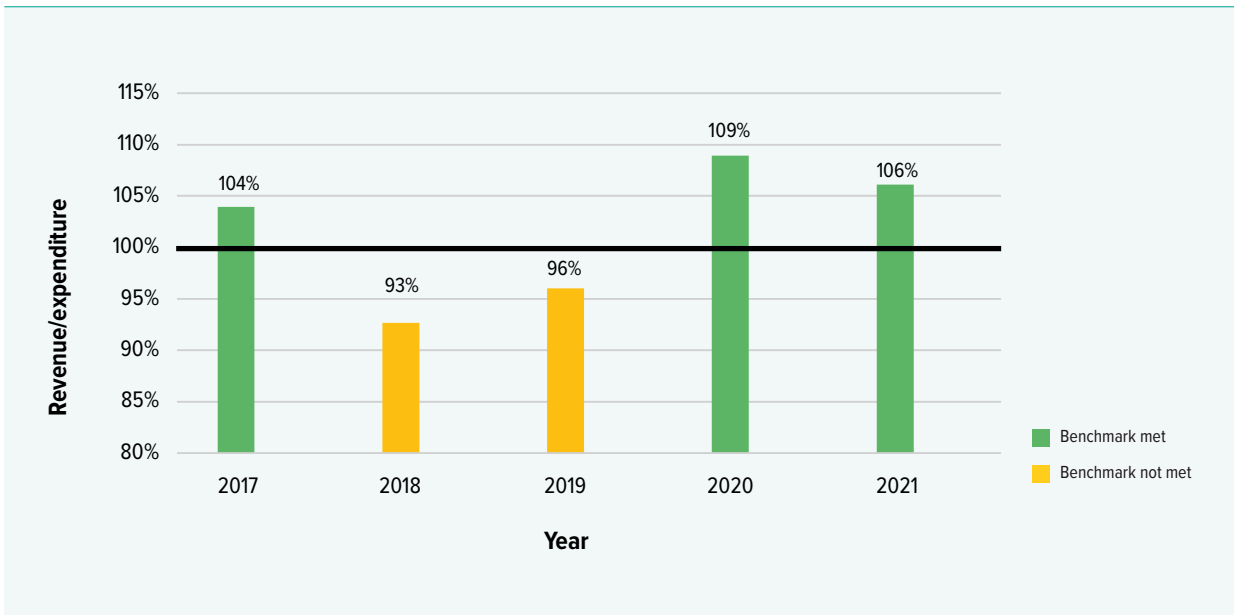
The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in Council's Long-term Plan. The quantified limit is debt will not exceed 175% of total revenue.



Balanced budget benchmark

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

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



Essential services benchmark

Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.

Network services means infrastructure related to:

- water supply;
- sewerage, and the treatment and disposal of sewerage;
- stormwater drainage;
- flood protection and control works; and
- provision of roads and footpaths.

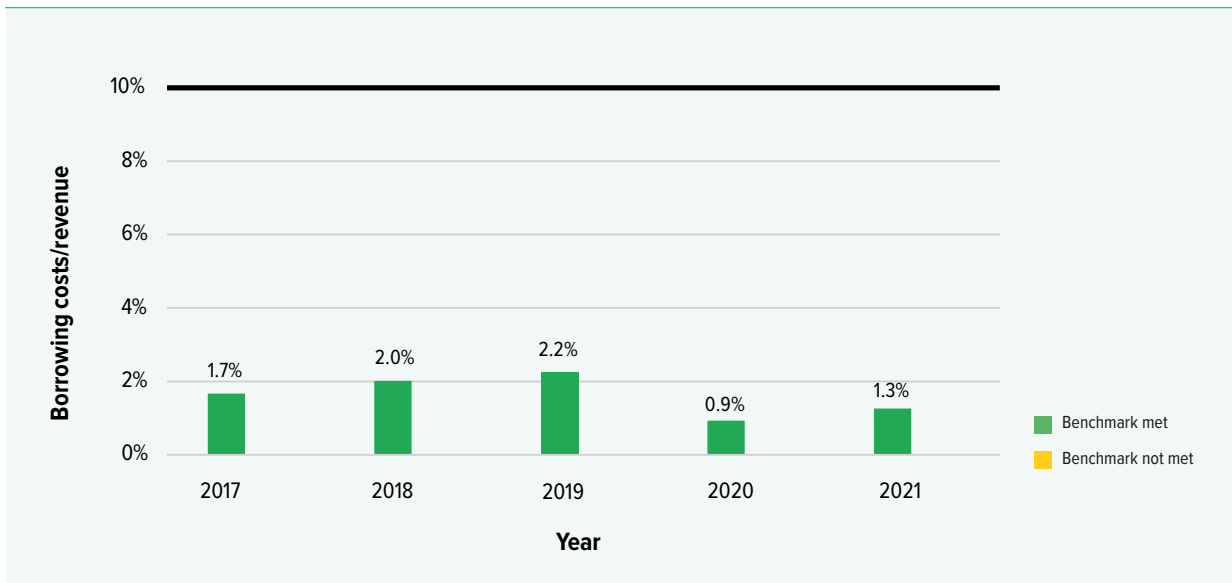
Council’s only network services relate to flood protection and control works. Council does not provide any other network services. These network services are in the form of assets such as rock protection, stopbanks, seawalls etc. These assets are not subject to depreciation. Council’s capital expenditure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

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

Debt servicing benchmark

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

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

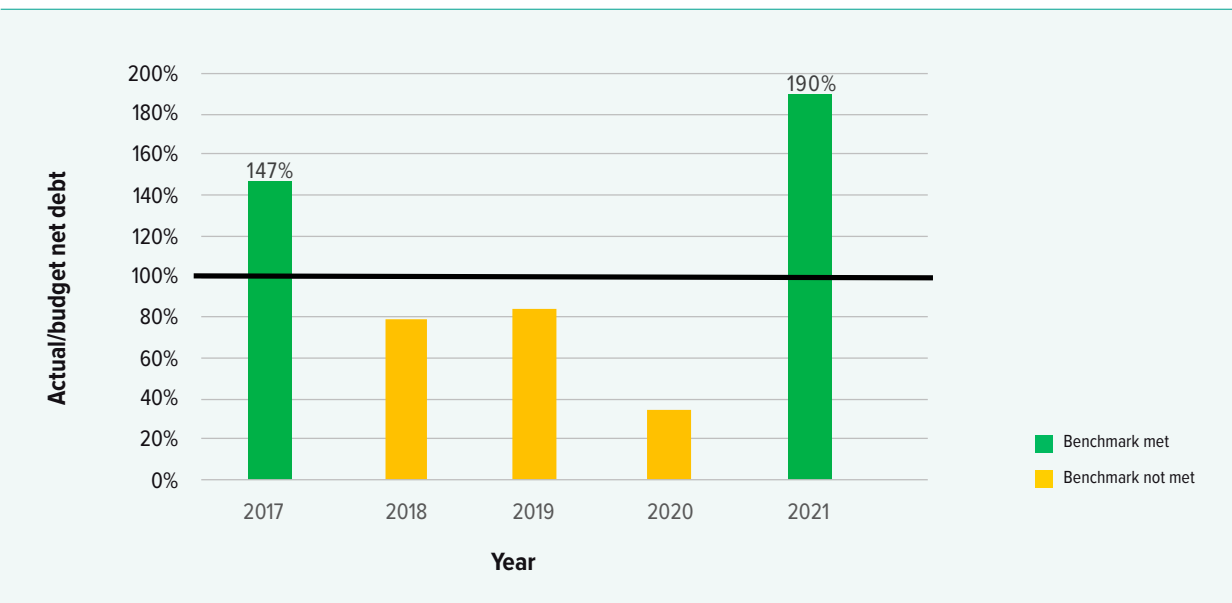


Debt control benchmark

The following graph displays the council’s actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.

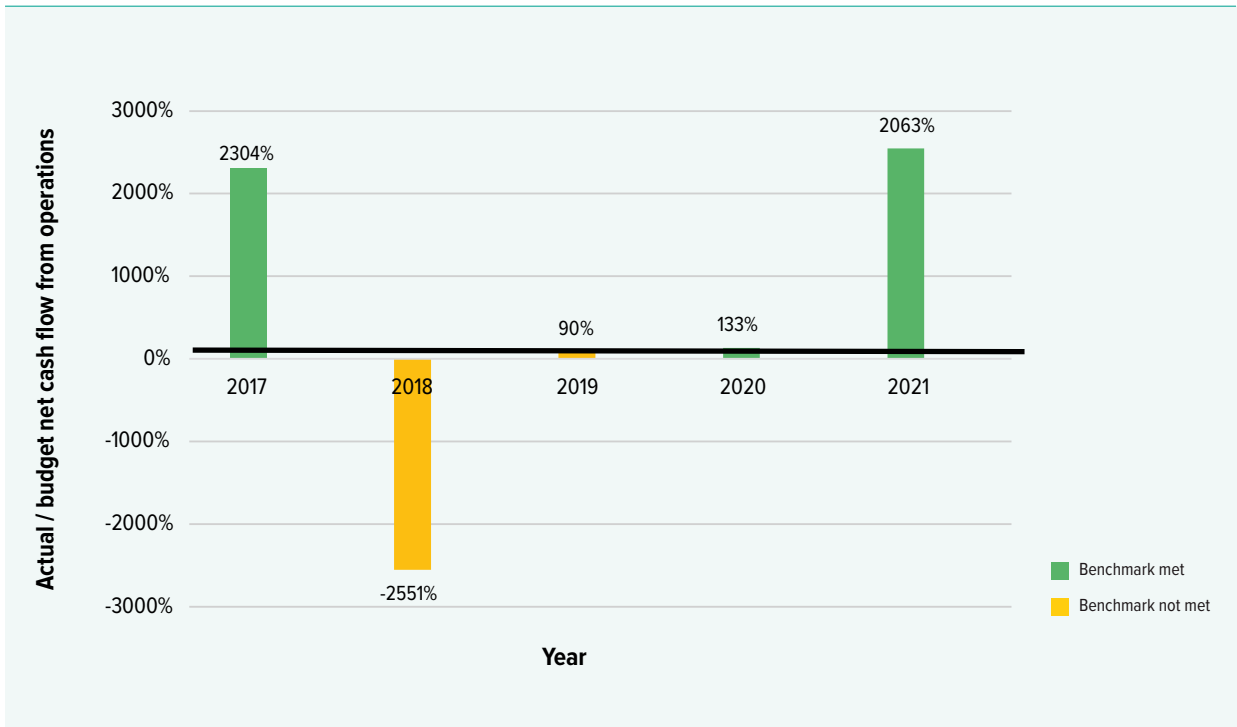
The Council has neither planned nor had Net Debt. When applying the benchmark calculation it generates Council’s Net Funds and as such the benchmark has been deemed to have been met when Council’s Net Funds exceed the budgeted Net Funds and not met when Council’s Net Funds are less than the budget Net Funds.



Operations control benchmark

This graph displays the Council’s actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.





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