

West Coast Regional Council

Annual Report

2022



THE WEST COAST
REGIONAL COUNCIL



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Message from the Chairman



I am pleased to present the West Coast Regional Council's 2021/2022 Annual Report.

Our communities have again faced a challenging year through the impact of severe weather events and the continued effects of Covid on our businesses across the West Coast and in South Westland particularly.

Protection of our communities, and their economic viability, through the management of our 23 rating districts remains a key priority for Council. We are currently undertaking a significant programme of infrastructure works and have stood up a new Project Delivery Team to oversee and deliver these projects. In Council's Long-term Plan 2021-31, Council agreed to fund \$10.2m spend on a flood protection scheme for Westport. As a result of a significant weather event that flooded the town in July, the Buller Flood Recovery Steering Group developed the Kawatiri Business Case seeking central government co-investment and submitted this to Minister Mahuta on 30 June. The outcome as to whether central government agrees with co-investment, and if they do when the funds will be made available, is expected at the end of 2022.

In other work, we continue to safeguard our people and resources through our monitoring of the environment with Staff taking 704 samples from 84 sites for water quality analysis purposes. A new rainfall site was added to the network this year in the Buller District to bring the total to 28 rain gauges across the region. Nearly 850 environmental compliance inspections took place in 2021/22, including 162 coal and alluvial gold mine inspections as well as 264 dairy inspections.

Council posted a deficit of \$1.1m against a budget of \$10.5m for the financial year ending June 2022. The main drivers for this were the impact of global economic pressures on Council's investment portfolio and the delay in commencement of the IRG Shovel Ready Projects which should have seen Council receive significant Grant monies in 2022. However, the recent implementation of a robust Project Delivery Team will result in these funding benefits flowing through in the new financial year.

I would like to acknowledge the ongoing commitment and work of the Councillors over this past year. The Local Government elections has seen a change around the table with Councillors Laura Coll-McLaughlin and John Hill deciding not to stand again, and Councillors Stuart Challenger and Debra Magner not being successful with their nominations for re-election. We are grateful to all Councillors for their dedication and hard work over this past term on behalf of the Buller and Westland Districts, and the West Coast as a whole.

We also acknowledge the efforts and achievements of Council Staff. They work incredibly hard, and for a small organisation meeting the same requirements as other Councils many times their size, have punched well above their weight.

We welcome newly elected Council members Peter Haddock, Frank Dooley, Mark McIntyre and Andy Campbell elected in October 2022. It will be a busy term ahead with the reforms being rolled out by Central Government and the findings of the Future for Local Government review headed by Jim Palmer. This will include Essential Freshwater, Three Waters and the replacement of the Resource Management Act to name a few. While change is constant, we will continue to advocate in the best interests of the West Coast.

Allan Birchfield

Chairman, West Coast Regional Council

Highlights

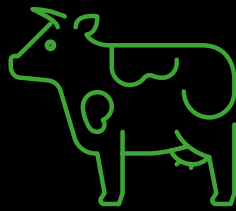
Environmental compliance

842 inspections undertaken including:

162 mine inspections (coal and alluvial gold)



264 dairy inspections



resulting in:

46 non-compliances



152 environmental complaints received, inspected, reported and actioned as required

36 inspections and 8 properties cleared of invasive plants

Community resilience

70 staff trained across various organisations

4 civil defence activations in response to emergencies

Employment

56 FTE + 5 Casuals as at 30 June 2022

Hydrology

39 sites maintained for flood warning and hydrology monitoring including



4 new sites added to the network over this period



Air quality

1 Exceedance of the National Environmental Standard for Air Quality in Reefton



Emergency response**24/7**flood warning service
and CDEM response capability maintained**Flood warning****39****alarms issued** on rivers
which rose above alarm
threshold levels**Engineering****69.2km**of stopbanks maintained for flood and
erosion across **23 rating districts** with 13
works programmes undertaken**Consents****148****consents processed**
as well as **36** consent
variations**100%**of the **51 mining work programmes** received
were processed within the 20-day timeframe**99%**of **resource consents**
processed* within
RMA timeframes**including variations***Advocacy****15****submissions** made on
key Government policy**Total mobility**

We co-funded

19,132trips for **800** clients**Monitored swim sites****83%*****met guidelines**
in Summer 2022**recent rainfall events affect sampling outcomes***Water quality****704**samples were taken at **84**
sites for water quality

The Role of the West Coast Regional Council

The West Coast Regional Council is charged with the integrated management of land, air and water resources, supporting biodiversity and biosecurity, providing for regional transport services and building more resilient communities in the face of climate change and natural hazards. Environmental science and local knowledge underpins all that Council does.

Governance

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

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

<p>Buller constituency Two members Councillors John Hill and Laura Coll McLaughlin</p>
<p>Grey constituency Three members Councillors Allan Birchfield (Chair), Peter Ewen and Brett Cummings</p>
<p>Westland constituency Two members Councillors Stuart Challenger (Deputy Chair) and Debra Magner</p>



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

As a result of Local Government elections in October 2022, Council is now comprised of:

Councillors Frank Dooley and Mark McIntyre (Buller constituency), Councillors Allan Birchfield (Chair), Peter Ewen and Brett Cummings (Grey constituency), and Peter Haddock (Deputy Chair) and Andy Campbell (Westland constituency).

Mission

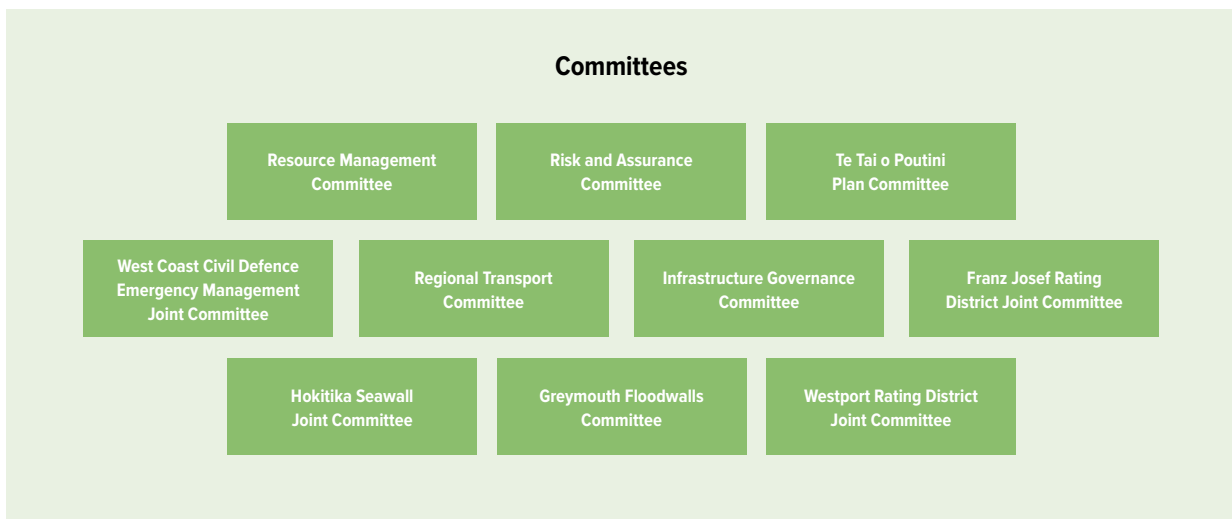
To work with the people of the West Coast to sustainably manage the environment for the social, cultural and economic well-being of present and future generations.

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 Joint Committee 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 through the Long-term Plan and Annual Plans, together with monitoring their 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 refers 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 involvement of Poutini Ngāi Tahu to be involved in the development of policy over this reporting period has included:

- Outstanding Water Bodies for the West Coast**
Assistance with developing draft criteria and identifying processes for assessing waterbodies nominated for outstanding status.
- Moana Private Plan Change**
A site visit undertaken as part of the drafting of a Cultural Impact Assessment.
- Freshwater Management Unit Groups (FMUs) (Hokitika and South Westland)**
Involvement has included attendance at monthly meetings as well as having input into each FMU Groups' recommendations to Council's Resource Management Committee and the long-term vision for each FMU. The Hokitika FMU Group concluded in late 2021, and the South Westland Group presented their recommendations to the Resource Management Committee in March 2022. The South Westland FMU Group hosted a site visit for the Resource Management Committee in January 2022 to show Councillors the main freshwater issues in their FMU.
- Council submissions on Government policy**
Poutini Ngāi Tahu are advised on each submission being drafted and invited to provide feedback or further input. Over the last reporting period, valuable feedback was incorporated into submissions on the Resource Management Reform Discussion Document, Proposed Freshwater Farm Plan System, and the Proposed Changes to the National Policy Statement for Freshwater Management and National Environmental Standards for Freshwater regarding wetland provisions.



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 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.

- ***Te Tai o Poutini Plan***

Poutini Ngāi Tahu hold key appointments on Te Tai o Poutini Committee and the Technical Advisory Team. Both groups have met monthly on the development of the combined district plan for the West Coast. Considerable work has gone into preparing the Schedule of Sites and Areas of Significance to Māori, and maps for inclusion in the Proposed Plan.

- ***Freshwater Implementation Team***

Poutini Ngāi Tahu staff have also provided support to the Council Staff on matters relating to the implementation of the Freshwater programme.

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 has included:

- ***Notification of consent summaries***

Summaries of consent application received by Council for activities within, adjacent to, or likely to impact directly on a Ngāi Tahu Tribal Settlement Instrument. Council continues to provide a summary of consent applications weekly for comment. Where comment is received this is acted on upon during the processing of consents.

- ***The discharge of dairy effluent to water consents***

Engagement with Poutini Ngāi Tahu has resulted with the terms for dairy discharges now 8 years (these were previously set for 15 years) as a result of this consultation and will remain so until either better management techniques are identified for dairy discharges or further consultation is undertaken. Council is also encouraging farmers to look at alternative methods of treating dairy effluent to avoid it being discharged to water in the future.

- ***Hearing Commissioners***

Poutini Ngāi Tahu nominated hearing commissioners have been appointed and have taken part in hearings held by Council. Poutini Ngāi Tahu will continue to have the first option to appoint a hearings commissioner.

Representation

Poutini Ngāi Tahu have been appointed to the following Committees:

- Resource Management Committee
- Te Tai o Poutini Plan Committee
- Civil Defence Emergency Management Group Joint Committee
- Westport Rating District Joint Committee

Staff Capacity

To undertake its activities, the Council employs a permanent staff with wide-ranging professional, technical and administrative skills. Council uses consultants and contractors to provide skills unavailable inhouse or to manage workloads. In addition, the Council owns or contracts the necessary property, equipment and facilities required to undertake various activities.

Organisational structure

Most activities are primarily the output of one department. However, a number of tasks, particularly those associated with the development and implementation 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 have the appropriate experience, qualifications and training. Council is committed to professional development, as well qualified and trained staff are critical to good performance.

Statement of Compliance and Responsibility

The Council and management of the West Coast Regional Council confirm that all statutory requirements in relation to the Annual Report, as outlined in the Local Government Act 2002, have been complied with.

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 2022 fairly reflects the financial position and operations of the West Coast Regional Council.

West Coast Regional Council hereby confirms that all statutory requirements contained in the Local Government Act 2002, in relation to the Annual Report 2021/22 have been complied with.



Peter Haddock
Acting Chair

14 February 2023



Heather Mabin
Chief Executive

Audit Report



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF WEST COAST REGIONAL COUNCIL'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

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

We are also required to report on:

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

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

We completed our work on 14 February 2023. This is the date on which we give our report. We acknowledge that our audit was completed later than required under the *Local Government Act 2002* and *Annual Report and Audit Time Frame Extension Legislation Act 2021*.

Opinion on the audited information

In our opinion:

- the financial statements on pages 48 to 76
 - present fairly, in all material respects:
 - the Regional Council's financial position as at 30 June 2022;
 - 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 Standards
- the funding impact statement on page 18, 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 performance information on pages 20 to 45
 - presents fairly, in all material respects, the Regional Council's levels of service for each group of activities for the year ended 30 June 2022, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;

- the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 20 to 45 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 20 to 45 presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the Regional Council's Long-term plan.

Report on the disclosure requirements

We report that the Regional Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 77 to 82, 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.

The basis for our opinion is explained below and we draw attention to other matters. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

Basis for our opinion on the audited information

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

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

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

Responsibilities of the Council for the audited information

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

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

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

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

Responsibilities of the auditor for the audited information

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

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

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the Regional Council's Long-term 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 performance information, as a reasonable basis for assessing the levels of service achieved and reported by the Regional Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the Regional Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to

the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's 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.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 12 and 17, but does not include the audited information and 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, and we do not express any form of audit opinion or assurance conclusion thereon.

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.

Other than the audit, our report on the disclosure requirements and audit of the debenture trustee reporting we have no relationship with, or interests in, the Regional Council.



Brendan Summerfield
Ernst & Young
Chartered Accountants
On behalf of the Auditor-General
Christchurch, New Zealand
14 February 2023

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 2022

	2021/22 Actual \$	2021/22 Budget \$	2020/21 Actual \$
Sources of operating funding			
General rates	5,019,341	5,386,635	4,008,487
Targeted rates	3,131,320	2,714,566	2,155,413
Subsidies and grants	1,764,168	1,751,477	209,141
Fees and charges	6,546,215	6,788,618	6,412,789
Income from investments	(680,205)	712,888	1,502,671
Fines, infringement fees and other receipts	-	-	58,150
Total operating funding (A)	15,780,839	17,354,184	14,346,651
Applications of operating funding			
Payments to staff and suppliers	17,821,334	17,315,301	14,599,323
Finance costs	273,036	295,258	198,233
Other operating funding applications	-	-	-
Total applications of operating funding (B)	18,094,371	17,610,559	14,797,556
Surplus / (deficit) of operating funding (A-B)	(2,313,532)	(256,375)	(450,905)
Sources of capital funding			
Subsidies and grants	1,510,435	11,363,417	1,056,613
Development and financial contributions	-	-	-
Increase / (decrease) in debt	2,192,010	4,150,486	(721,733)
Other dedicated capital funding	10,000	43,000	289,393
Gross proceeds from sale of assets	103,363	98,269	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	3,815,808	15,655,172	624,274
Applications of capital funding			
Capital expenditure:			
- to meet additional demand	-	-	-
- to improve the level of service	1,989,158	13,851,405	760,305
- to replace existing assets	172,754	618,000	665,007
Increase / (decrease) in investments	(1,858,729)	227,643	(411,163)
Increase / (decrease) in reserves	1,199,092	701,749	(840,781)
Total applications of capital funding (D)	1,502,276	15,398,797	173,369
Surplus / (deficit) of capital funding (C-D)	2,313,532	256,375	450,905
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 2022.

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:

- **Regional leadership**
- **Resource management**
- **Regional transport planning**
- **Hydrology and flood warning services**
- **Community resilience**
- **River, drainage and coastal protection work**
- **Vector Control Services (VCS) business unit**

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 2021-2031 Long-term Plan.

Regional Leadership

In the LTP 2021-31, the activities undertaken by Council were broadened to not only encompass the traditional Governance functions, but also include Te Tai o Poutini Plan (the combined district plan for the West Coast) and a more inclusive approach to decision-making through the formal arrangement with Poutini Ngāi Tahu – the Paetae Kotahitanga ki Te Tai Poutini (Partnership Protocol) and Mana Whakahono ā Rohe (Resource Management Act Iwi Participation Arrangement).

Regional Leadership activities contribute to the community outcomes and well-beings by maintaining effective and open community representation as an important part of the democratic process. Councillors have a responsibility to their community to attend Council Meetings, Resource Management Committee Meetings, and other scheduled Committee meetings and workshops.

Community awareness of Council activities continues to be promoted through twice-yearly newsletters distributed with rate invoices, up-to-date information made available on Council's website as well as regular media releases and information posted to social media. This activity promotes community awareness and understanding of the Council's functions.

The contribution of Poutini Ngāi Tahu to the decision-making processes of Council is highly valued. This includes facilitating an ongoing seat for both Rūnanga at relevant Council Committees and forums, involvement in regional policy development as well as opportunities to contribute to the various submissions made by Council on central government policy.

Te Tai o Poutini Plan (TTPP) reached a significant milestone in its development with the TTPP Committee confirming notification of the Proposed Plan at its meeting on 17 May 2022. The Proposed TTPP was subsequently notified on 14 July 2022.

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.

Governance performance measures

Level of Service

Maintain a Council of elected representatives in accordance with statutory requirements and in a manner that promotes effective decision-making, transparency, and accountability to the West Coast regional community

Measure	Baseline	Outcome 2022	Outcome 2021
Number of public meetings held and individual Councillor attendance	80% attendance by each Councillor of all Council and Resource Management Committee meetings, other scheduled meetings and scheduled workshops – 80%	✔ Achieved	✔ Achieved
Timing and number of newsletters, and internet website- based information related to public consultation	Twice per year	✔ Achieved	✔ Achieved
Percentage of Council and Committee meeting Agendas (for all scheduled meetings) that are available at least two working days before meetings	New measure – 100%	✘ Not achieved*	N/A
Percentage of draft Council and Committee minutes available on the Council website within six weeks of meetings	New measure – 100%	✔ Achieved	N/A

Non-compliances

* The Agenda for the Risk and Assurance Committee for 24 May 2022 was made available one day late (available Friday 20 May as opposed to Thursday 19 May). The Agenda for the Council Special meeting 28 June 2022 was made available one day late (available Thursday 23 June as opposed to Wednesday 22 June).

Mana Whakahono ā Rohe Agreement performance measures

Level of Service

Continue to support the contribution our two West Coast Rūnanga make to Council’s decision-making processes; and continue to seek contributions from other Māori.[^]

Measure	Baseline	Outcome 2022	Outcome 2021
Attendance of Iwi appointees at Resource Management Committee meetings	80% attendance by each Iwi representative of all Resource Management Committee meetings and workshops.	✘ Not achieved	✔ Achieved
All RMA submissions made by Council reviewed by Iwi	New measure - All	✔ Achieved	N/A
Number of non-RMA submissions made by Council reviewed by Iwi	New measure – 75%	✔ Achieved	N/A
Council to fund Pokeka Poutini o Ngāi Tahu Limited*	New measure – 100%	✘ Not achieved*	N/A

[^] As per Schedule 2 of Mana Whakahono ā Rohe Arrangement signed October 2020

Non-compliances

* A funding agreement was signed on 22 October 2020 and Council is working with Pokeka to establish good processes for this to occur.

Regional Planning performance measures

Level of Service

Council's planning and reporting functions meet statutory requirements and demonstrate sound business planning

Measure	Baseline	Outcome 2022	Outcome 2021
Compliance with statutory timeframes	Meet statutory deadlines for notifying the Council's Annual Plan or Long-Term Plan, and the Annual Report each year, in accordance with Local Government Act 2002. (Annual Plan 30 June, Annual report 31 December**)	✘ Not achieved*	✘ Not achieved
Council's LTP, Annual Plan and Annual reports meet audit requirements	New measure – (Unqualified audit opinion achieved for LTP and Annual report)	✘ Not achieved**	N/A

Non-compliances

* The Council missed the statutory deadline of 31 December 2021 due to the auditor shortage in New Zealand and the consequential effects of COVID-19.

** The qualification of the Annual Report 2020 was carried forward to the comparative figures for Annual Report 2021

Level of Service

Complete Te Tai o Poutini Plan to operative stage, and ensure ongoing maintenance through Te Tai o Poutini Plan Committee

Measure	Baseline	Outcome 2022	Outcome 2021
Order in council requirement to produce a combined district plan for the West Coast.	New measure - Draft plan available for feedback late January 2022.	✔ Achieved	✔ Achieved
Te Tai o Poutini Plan to give effect to National and Regional legislation and Policy.	A legal review confirmed the national and regional legislation and policy included in the Plan.		
Plan notified mid-2022, with the aim of submissions, hearings, mediation, and possible court processes completed in 2026.	Plan notified in 2022.		

Regional Leadership Funding Impact Statement for the year ended 30 June 2022

	2021/22 Actual \$	2021/22 Budget \$	2020/21 Actual \$
Sources of operating funding			
General rates	467,317	444,633	438,799
Targeted rates	-	-	-
Subsidies and grants	-	-	-
Fees and charges	(24,000)	3,672	-
Income from investments	(63,329)	-	207,259
Fines, infringement fees and other receipts	-	64,208	-
Total operating funding (A)	379,988	512,513	646,057
Applications of operating funding			
Payments to staff and suppliers	733,684	333,618	721,738
Finance costs	190,446	84,428	141,722
Other operating funding applications	-	-	-
Total applications of operating funding (B)	924,130	418,046	863,460
Surplus / (deficit) of operating funding (A-B)	(544,142)	94,467	(217,403)
Sources of capital funding			
Subsidies and grants	-	-	-
Development and financial contributions	-	-	-
Increase / (decrease) in debt	711,864	(179,922)	-
Other dedicated capital funding	-	43,000	-
Gross proceeds from sale of assets	99,885	98,269	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	811,749	(38,653)	-
Applications of capital funding			
Capital expenditure:			
- to meet additional demand	-	-	-
- to improve the level of service	7,790	-	66,279
- to replace existing assets	172,754	248,000	296,415
Increase / (decrease) in investments	(1,858,729)	227,643	(411,163)
Increase / (decrease) in reserves	1,945,791	(419,829)	(168,934)
Total applications of capital funding (D)	267,608	55,814	(217,403)
Surplus / (deficit) of capital funding (C-D)	544,142	(94,467)	217,403
Funding balance ((A-B)+(C-D))	-	-	-

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. All Plans are required to be reviewed within the ten-year period of their adoption and include public involvement through inviting submissions.

Council also has a Regional Pest Plant Management Plan to take a strategic and prioritised approach to managing pest plants in the region. Inspections were undertaken at 36 locations with 8 properties cleared of invasive plants.

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. Central government reform has been significant in the past year resulting in 15 submissions being made on key policy documents.

Monitoring of our water quality, water quantity, contact recreation and air quality informs our State of Environment reporting and offers insights into how environmental indicators are changing. 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. Council has an extensive monitoring network which was further enhanced with four new sites.

Consent processing was undertaken on a range of applications during the year. Resource management policy is implemented through resource consents and other mechanisms. Our Consents Team processed 148 consent applications, and 36 variations, within the time limits set in the RMA. The level of demand, can, and does, vary. Efficient and effective consent processing contributes to achieving a thriving economy while protecting our environment.

Comprehensive and rigorous consent monitoring shows a high level of environmental performance and compliance by most of our industries, municipal authorities and farming sector. This has been achieved through significant investment in environmental protection measures and good management practices. Where non-compliance is detected, the Council's Enforcement Policy guides decisions around enforcement action. Consent monitoring is a critical element of resource management that underpins the integrity of the Regional Plans and the consents issued under them. The Compliance Team undertook 842 inspections which included 162 mine and 264 dairy farm inspections.

An important component of resource management is responding to pollution and unauthorised incidents, and where necessary, undertaking successful enforcement action. The pollution hotline received 152 environmental complaints which were inspected, reported and actioned as required. All urgent or high-risk complaints were responded to within 24 hours with non-urgent or low-risk complaints actioned within 10-working days.

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 substance spills, assisting the responsible party to clean up spills 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.

Environmental Planning and Monitoring performance measures

Level of Service
Complete current regional plans to operative stage and review them to maintain their community acceptability.

Measure	Baseline	Outcome 2022	Outcome 2021
Compliance with statutory requirements for the review of Council’s plans and strategies.	Regional plans that give effect to the National Policy Statement for Freshwater management 2020 (NPS-FM 2020).	✔ Achieved	✔ Achieved
Meet all deadlines set out in the West Coast Regional Council NPS-FM Progressive Implementation Programme.	Notify regional plans that implement the NPS-FM 2020 by 31 December 2024. NPS-FM 2020 is to be in place by 2026. <i>(Respond to discussion documents on FW management. Work in partnership with Iwi)</i>		

Non-compliances

- There is no formal reporting due in the year of presentation. Council has begun implementation of the NPS-FM with the first mandatory requirement due October 2022.

Level of Service
Advocate for the West Coast interests when external environmental policymaking may affect the West Coast

Measure	Baseline	Outcome 2022	Outcome 2021
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 – 100%	✔ Achieved	✔ Achieved

Level of Service
To monitor water quality in the West Coast’s rivers

Measure	Baseline	Outcome 2022	Outcome 2021
Water quality attributes, including ammoniacal nitrogen, clarity, turbidity and faecal coliforms, are measured at 38 river sites. ¹	Measurement of all relevant attributes at river monitoring sites <i>(Meet measurement baseline)</i>	✔ Achieved	✘ Not achieved

Level of Service
To maintain or enhance the water quality in Lake Brunner

Measure	Baseline	Outcome 2022	Outcome 2021
The trophic state of Lake Brunner as measured by the rolling 5-year Trophic Level Index (TLI) mean remains below the baseline.	2002-2006 TLI baseline mean of 2.79 (TLI >2.79)	✘ Not achieved*	✘ Not achieved

Non-compliances

- TLI is 2.81. In the last 24 months, the TLI has oscillated above and below the TLI target. The Lake Brunner TLI demonstrates natural seasonal increases and decreases over each year. The TLI target is assessed using a 5 yearly rolling mean of monthly data. This can lead to small changes (up and down) depending on the month the rolling data block starts and finishes.

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

Level of Service
To monitor the life supporting capacity and amenity value of the West Coast’s rivers

Measure	Baseline	Outcome 2022	Outcome 2021
Instream macroinvertebrate community health is assessed at 29 river sites. ² The Semi Quantitative Macroinvertebrate Community Index (SQMCI) is calculated from a rolling 5 year mean and compared to mean calculated from 2005-2009, at each site	The SQMCI ³ comparisons are made annually according to the method stipulated under the measure – (Meet baseline requirements)	✔ Achieved	✘ Not achieved
Twenty swimming sites are tested, weekly or fortnightly, ⁴ for E coli or Enterococci, and the results compared to relevant national policy and guidelines	Bacterial testing at scheduled swimming sites is completed at least fortnightly from November to March and reported publicly within 5 days of testing – (Meet baseline requirements)	✔ Achieved	✘ Not achieved
	Test results are compared to following criteria: E coli (moderate-high risk > 550 cfu/100 ml) and Enterococci (moderate-high risk > 280 cfu/100 ml) – (All exceedances are reported to the Resource Management Committee)	✔ Achieved	✘ Not achieved

Level of Service
Monitor groundwater to protect human health from adverse impacts of poor groundwater quality

Measure	Baseline	Outcome 2022	Outcome 2021
Twenty-eight wells ⁵ are monitored at least twice annually, 24 of which are used for human consumption.	Twenty-eight wells are monitored at least twice annually – (Meet baseline requirements)	✔ Achieved	✔ Achieved
The New Zealand Drinking Water Standard (NZDWS) for nitrate is applied to wells used for human consumption: 11.3 mg/L Nitrate-N.	For each well compare the most recent 12 months of data to the NZDWS Nitrate-N guideline and report twice yearly to the Resource Management Committee – (Meet baseline requirements)	✔ Achieved	✔ Achieved

Level of Service
To protect human health from any adverse impacts of poor air quality in Reefton

Measure	Baseline	Outcome 2022	Outcome 2021
Reefton’s air is monitored for PM ₁₀ in accordance with the National Environmental Standard for Air Quality (NESAQ)	The threshold is a 24hr mean PM ₁₀ of 50 micrograms/m3. (All exceedances are reported to the Resource Management Committee)	✔ Achieved *	✔ Achieved

*Note that there was one exceedance of the NESAQ

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

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

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

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

Consents and Compliance performance measures

Level of Service

Compliance with the consent processing timeframes in the RMA and mining legislation

Measure	Baseline	Outcome 2022	Outcome 2021
Compliance with discounting regulations and mining timeframes	Process all resource consent applications without incurring any cost to Council due to the RMA discounting regulations – 100%	✔ Achieved	✘ Not achieved
	Process all resource consent applications within statutory timeframes – 100%	✔ Achieved	✘ Not achieved
	Process all mining work programmes within 20 working days – 100%	✔ Achieved	✘ Not achieved

Level of Service

Respond to all genuine incident complaints received by the Council and take enforcement action where needed

Measure	Baseline	Outcome 2022	Outcome 2021
Operate a 7.00am – 9.00pm complaints service	Respond to all urgent / high risk complaints within 24 hours – 100%	✔ Achieved	✔ Achieved
	Non-urgent medium/high risk complaints within 10 working days, and non-urgent low risk desktop response only – 100%	✔ Achieved	✔ Achieved

Level of Service

Respond to marine oil spills in coastal waters

Measure	Baseline	Outcome 2022	Outcome 2021
In accordance with the Tier 2 Oil Spill Response Plan and maintain readiness for spill response	Respond within 4 hours to all spills, using Council or MNZ spill equipment to contain spills – 100%	✔ Achieved	✔ Achieved
	10 staff are trained responders (10 or more)	✔ Achieved	✔ Achieved

Level of Service

To monitor the impact of discharges on water quality in the West Coast rivers

Measure	Baseline	Outcome 2022	Outcome 2021
Compliance Monitoring for Discharges: The number of compliant or non-compliant point source discharges to water or discharges likely to enter water; and council's response to any non-compliance.	All significant consented discharges ⁶ are monitored at least annually – 100%	✘ Not achieved*	N/A
	All dairy farms that operate under permitted activity at least bi-annually depending on each individual compliance record – 100%	✘ Not achieved**	N/A
	All non-compliances are publicly reported to the Resource Management Committee (RMC) – 100%	✔ Achieved	N/A
	Enforcements reported to RMC – 100%	✔ Achieved	N/A

Non-compliances

* Not all discharges of dairy effluent to water were monitored (see **)

** 264 of 290 dairy farm inspections were undertaken (26 short of the target)

⁶ Significant Consented Discharge includes: any consented discharge from a municipal sewage scheme or landfill, any consented discharge from a working mine site, any consented discharge of dairy effluent to water, and any large-scale industrial discharge (WMP, Kokiri).

Level of Service

To provide marine oil spill and terrestrial hazardous spill support, and biosecurity response services for Maritime NZ, Ministry for Primary Industries and the Regional Council

Measure	Baseline	Outcome 2022	Outcome 2021
Availability of trained staff	At least 10 staff available as a response unit for marine and terrestrial pollution spill events as advised by Maritime NZ	✔ Achieved	✔ Achieved
	Have 4 staff plus a vehicle available for biosecurity emergencies, as per the National Biosecurity Capability Network agreement 2011	✔ Achieved	✔ Achieved

Level of Service

Maintain the Consents and Compliance functions of Council in a manner that promotes effective decision-making, transparency, and accountability to the West Coast regional community

Measure	Baseline	Outcome 2022	Outcome 2021
Bond release within four months of surrender or at the conclusion of mining	New measure - 100%	✔ Achieved	N/A
Annual inspection of all whitebait stands on Little Wanganui, Taramakau, Hokitika, Wanganui, Paringa, Haast and Waitoto Rivers	New measure - 100%	✘ Not achieved*	N/A
Annual assessment of farm compliance in the Lake Brunner catchment	New measure - 100%	✔ Achieved	N/A
Inspect new consents that involve major construction works within 1 month of the project commencing	New measure - 100%	✔ Achieved	N/A

Non-compliance

* Whitebait stands on the Little Wanganui River were not inspected

Resource Management Funding Impact Statement for the year ended 30 June 2022

	2021/22 Actual \$	2021/22 Budget \$	2020/21 Actual \$
Sources of operating funding			
General rates	3,205,167	3,049,584	1,639,634
Targeted rates	494,868	500,000	255,156
Subsidies and grants	852,980	1,650,377	30,000
Fees and charges	1,281,427	1,599,866	796,250
Income from investments	(434,354)	-	603,370
Fines, infringement fees and other receipts	-	440,383	58,150
Total operating funding (A)	5,400,088	7,240,210	3,382,559
Applications of operating funding			
Payments to staff and suppliers	6,117,283	7,859,400	4,413,442
Finance costs	-	55,491	-
Other operating funding applications	-	-	-
Total applications of operating funding (B)	6,117,283	7,914,891	4,413,442
Surplus / (deficit) of operating funding (A-B)	(717,196)	(674,681)	(1,030,883)
Sources of capital funding			
Subsidies and grants	-	-	-
Development and financial contributions	-	-	-
Increase / (decrease) in debt	-	2,521,145	-
Other dedicated capital funding	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	-	2,521,145	-
Applications of capital funding			
Capital expenditure:			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	90,000	-
Increase / (decrease) in investments	-	-	-
Increase / (decrease) in reserves	(717,196)	1,756,464	(1,030,883)
Total applications of capital funding (D)	(717,196)	1,846,464	(1,030,883)
Surplus / (deficit) of capital funding (C-D)	717,196	674,681	1,030,883
Funding balance ((A-B)+(C-D))	-	-	-

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.

A review of the Regional Public Transport Plan has commenced and will be completed in the next financial year.

Council, in partnership with Waka Kotahi NZ Transport Agency, 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 19,132 trips were made across 800 clients.

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.

Regional Transport performance measures



Level of Service

Maintain a Regional Land Transport Plan in accordance with relevant legislation reflecting West Coast issues and opportunities

Measure	Baseline	Outcome 2022	Outcome 2021
An operative Regional Land Transport Plan	Compliance with statutory requirements for the preparation, review and implementation of the Regional Transport Plan - 100%	✔ Achieved	✔ Achieved



Level of Service

Maintain a Regional Public Transport Plan in accordance with relevant legislation

Measure	Baseline	Outcome 2022	Outcome 2021
An operative Regional Public Transport Plan	Compliance with the statutory requirements for the preparation, review and implementation of the Regional Public Transport Plan - 100%	✔ Achieved	N/A

Transport Funding Impact Statement for the year ended 30 June 2022

	2021/22 Actual \$	2021/22 Budget \$	2020/21 Actual \$
Sources of operating funding			
General rates	52,942	50,372	83,786
Targeted rates	-	-	-
Subsidies and grants	120,499	101,100	102,213
Fees and charges	-	-	-
Income from investments	(7,175)	-	39,575
Fines, infringement fees and other receipts	-	7,274	-
Total operating funding (A)	166,266	158,746	225,574
Applications of operating funding			
Payments to staff and suppliers	162,527	180,179	189,167
Finance costs	-	-	-
Other operating funding applications	-	-	-
Total applications of operating funding (B)	162,527	180,179	189,167
Surplus / (deficit) of operating funding (A-B)	3,740	(21,433)	36,407
Sources of capital funding			
Subsidies and grants	-	-	-
Development and financial contributions	-	-	-
Increase / (decrease) in debt	-	-	-
Other dedicated capital funding	-	-	-
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	3,740	(21,433)	36,407
Total applications of capital funding (D)	3,740	(21,433)	36,407
Surplus / (deficit) of capital funding (C-D)	(3,740)	21,433	(36,407)
Funding balance ((A-B)+(C-D))	-	-	-

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. The Resource Science Team has provided a 24/7 flood warning service over the reporting period. During this time, rainfall events have resulted in 39 alarms being issued on rivers which have risen above alarm threshold levels.

Council’s rainfall and river level webpages have been updated for better useability for the community. Hydrology data is displayed to show river flows and rainfall data during high rainfall events. This continues to be a popular information resource during severe weather events.

The final piece of the Buller River flood monitoring system, the Ohikanui River at Bucklands Peak rainfall site, has been installed. The February 2022 rainfall events have provided data to test the new forecasting model which in time (at least 5 years) will provide accurate formal evacuation warnings for Westport.

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

Hydrology and Flood warning performance measures



Level of Service

Maintain a level of staff preparedness so that Council can respond to significant events in a timely manner

Measure	Baseline	Outcome 2022	Outcome 2021
Staff response to high flow events.	Deliver flood warning alerts as required in accordance with the Flood Warning Manual - 100%	✗ Not achieved*	✓ Achieved
Availability of information about high flow events.	River level data available on the Council website for the 6 key rivers on the West Coast (updated 12-hourly, or 3-hourly during flood events) >90%	✓ Achieved	✓ Achieved

Non-conformances

- An early flood alert on the Hokitika River went unheard by a staff member during this period. Later alerts were picked up and a procedure has been implemented to ensure this does not re-occur. Due to a technical issue with electronic monitoring systems, the Arnold River alerted but was not received within the required timeframe. This was noted and restored within the same day but breached the 60 minutes timeframe.

Hydrology and Flood Warning Services Funding Impact Statement for the year ended 30 June 2022

	2021/22 Actual \$	2021/22 Budget \$	2020/21 Actual \$
Sources of operating funding			
General rates	706,194	671,914	770,014
Targeted rates	-	-	-
Subsidies and grants	11,500	-	17,000
Fees and charges	-	-	-
Income from investments	(95,701)	-	363,704
Fines, infringement fees and other receipts	-	97,030	-
Total operating funding (A)	621,993	768,944	1,150,718
Applications of operating funding			
Payments to staff and suppliers	1,188,455	978,106	995,292
Finance costs	-	-	-
Other operating funding applications	-	-	-
Total applications of operating funding (B)	1,188,455	978,106	995,292
Surplus / (deficit) of operating funding (A-B)	(566,463)	(209,162)	155,426
Sources of capital funding			
Subsidies and grants	-	-	-
Development and financial contributions	-	-	-
Increase / (decrease) in debt	-	-	-
Other dedicated capital funding	-	-	-
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	47,485	40,000	50,591
- to replace existing assets	-	100,000	3,040
Increase / (decrease) in investments	-	-	-
Increase / (decrease) in reserves	(613,948)	(349,162)	101,794
Total applications of capital funding (D)	(566,463)	(209,162)	155,426
Surplus / (deficit) of capital funding (C-D)	566,463	209,162	(155,426)
Funding balance ((A-B)+(C-D))	-	-	-

Community Resilience

Community resilience, or civil defence emergency management is delivered through a single organisational structure on the West Coast - the Civil Defence Emergency Management (CDEM) Group. The Group is governed by a Joint Committee of the District Council Mayors, Regional Council Chair, and Poutini Ngāi Tahu. The functions of the CDEM Group include the coordination of CDEM planning and response, delivering CDEM programmes and activities across the region, and carrying out risk management.

The Coordinating Executive Group (CEG), which is the main working group of civil defence in the region, is comprised of the Chief Executives of the four councils, iwi, emergency services, health and Department of Conservation representatives. The Regional Council remains the administering authority for the West Coast CDEM Group.

A review of CDEM was undertaken during the reporting period. The Review made a number of recommendations to enhance the capacity and capability of CDEM across the West Coast. Implementation of the recommendations continues with 33 of 40 completed to date. The remainder are either underway or will be actioned in the coming financial year.

A Partnership Agreement was signed by all four Councils in March 2022. The Agreement describes the commitment those agencies have to the delivery of emergency management in line with current legislation and the National Emergency Management Plan.

An Operational Sub-Committee was established in early 2022 that provides a monthly opportunity for Councils and the wider emergency service to coordinate, plan and support the work activities of the CDEM Group office.

This reporting period has seen four civil defence activations in response to severe weather events and flood risk and impact. These weather events have had a significant impact on the Buller District and Westport in particular. Training continues across the region with 70 staff from various organisations involved in training opportunities. For West Coast Regional Council, twenty staff attended training courses this financial year, bringing total staff numbers trained to 33 as at 30 June. All new Council staff are inducted into emergency management and have started on a training pathway. This training activity has taken place despite the disruptions of Covid and four activations.

The Community Resilience 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.

Community Resilience performance measures

Level of Service

Maintain a Civil Defence Plan that delivers efficient and effective management of the region’s civil defence functions in compliance with the legislation.

Measure	Baseline	Outcome 2022	Outcome 2021
Compliance with statutory requirements for the preparation, review and implementation of the Group CDEM Plan.	The CDEM Group has an operative and up to date CDEM Group Plan – 100%	✔ Achieved	✔ Achieved
	The CDEM Group work programme makes adequate provision to maintain & implement the CDEM Group Plan – (The CDEM Group work programme is monitored and reviewed annually by Joint Committee & quarterly by CEG)	✔ Achieved	✔ Achieved
Appropriately trained staff	Ensure at least 30 Council staff are trained as Emergency Coordination Centre (ECC) personnel so that we have two shifts of ECC staff trained and exercised to support an activation - >30	✔ Achieved	✔ Achieved
	Staff are provided at least three training opportunities each year to learn about Emergency management and practice a coordination centre activation – >3 .	✔ Achieved	✔ Achieved

Level of Service

Maintain a level of staff preparedness so that Council can respond to significant events in a timely manner

Measure	Baseline	Outcome 2022	Outcome 2021
Continuity Plan reviewed annually for relevance.	New Measure – 100%	✘ Not achieved*	N/A
All Council vehicles have fitted with a Disaster kit.	New Measure – 100%	✘ Not achieved**	N/A
Maintain a register of Natural Hazards that is available on the website	New Measure - Reviewed annually	✔ Achieved	N/A

Non-conformances

* Review of Council’s Continuity Plan is planned for 2022/23

** Four vehicles have been fitted out with a Disaster Kit. The remaining 21 will be fitted out in 2022/23. Two emergency kits have been created and located at the Regional Council office.

Community Resilience Funding Impact Statement for the year ended 30 June 2022

	2021/22 Actual \$	2021/22 Budget \$	2020/21 Actual \$
Sources of operating funding			
General rates	-	610,940	464,897
Targeted rates	1,179,197	730,000	730,281
Subsidies and grants	189,000	-	59,928
Fees and charges	-	-	(19,597)
Income from investments	-	-	-
Fines, infringement fees and other receipts	-	23,241	-
Total operating funding (A)	1,368,197	1,364,181	1,235,509
Applications of operating funding			
Payments to staff and suppliers	1,892,334	1,385,901	1,348,685
Finance costs	-	-	-
Other operating funding applications	-	-	-
Total applications of operating funding (B)	1,892,334	1,385,901	1,348,685
Surplus / (deficit) of operating funding (A-B)	(524,138)	(21,720)	(113,176)
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
- to replace existing assets	-	-	-
Increase / (decrease) in investments	-	-	-
Increase / (decrease) in reserves	(524,138)	(21,720)	(135,507)
Total applications of capital funding (D)	(524,138)	(21,720)	(113,176)
Surplus / (deficit) of capital funding (C-D)	524,138	21,720	113,176
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 erosion are appropriately managed. The activities include flood, drainage and coastal protection schemes for 23 rating districts across the region.

Each rating district has a different level of protection according to the history of the works and the agreed funding of each community. These works are critical for protecting the economic viability of the communities adjacent to the works. During this reporting period, works have been carried out across 13 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 by enhancing the safety and well-being of the public, protection of property and minimising and preventing damage from floods, erosion and coastal inundation.

Council has undertaken the delivery of a significant programme of infrastructure works. These projects are being funded by Kānoa, the community and Council, and include:

- > Franz Josef Stage 1
- > Hokitika seawall and floodwall
- > Greymouth floodwall
- > Buller River monitoring system

Initially Staff endeavored to deliver this programme internally, in addition to their day-to-day operations workload. In May, Council approved the formation of an Infrastructure Governance Committee and the establishment of a Project Delivery Team to oversee and deliver the programme. Other infrastructure works included in the programme of works are the immediate works for Organ Island, Westport; and the scour further downriver. Work on delivering these projects is ongoing.

Westport Flood Protection Scheme

In Council's Long-term Plan 2021-31, Council agreed to fund a \$10.2m spend on a flood protection scheme for Westport. As a result of a significant weather event that flooded Westport township in July, the Buller Flood Recovery Steering Group developed the Kawatiri Business Case at the invitation of the Minister of Local Government, Hon. Nanaia Mahuta. The Business Case applied for Central Government co-investment in an integrated package of flood resilience options, that will result in a more far-reaching flood protection scheme than initially considered in the Council's Long-term Plan 2021. The Business Case was submitted on 30 June 2022.

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.

River, Drainage and Coastal Protection work performance measures



Level of Service

Meet or exceed the flood protection, drainage or erosion protection levels as described in the 'levels of service - background' of the Long-term Plan 2021-2031

Measure	Baseline	Outcome 2022	Outcome 2021
Completion of 25 rating district inspections, works reports, and consultation meetings	Deliver on requests for rock within two weeks, and ensure sufficient stockpiled rock is available where practical – 100%	✗ Not achieved*	✓ Achieved
	Complete all works reports for rating districts where material works are proposed - 100%	✗ Not achieved**	✓ Achieved
	Hold meetings with all rating district annually or as agreed with the spokesman of the liaison committee - 100%	✗ Not achieved***	✓ Achieved
	Perform all capital and maintenance works as agreed in the annual work programme - 100%	✗ Not achieved****	✓ Achieved
Proportion of schemes performing to their agreed service level	Monitor all rating district infrastructural assets to ensure they perform to the service level consistent with the Asset Management Plan of each Rating District - 100%	Not assessed^*****	✓ Achieved
Meet timeframes for plan review	Review Rating District Asset Management Plans every third year or earlier where information indicates a significant change from what is stated in the asset management plan	N/A	N/A

Non-conformances

- * Due to workload from weather events, and Staff involvement in the significant infrastructure programme including the preparation of the Kawatiri Business Case, annual inspections were delayed until September 2022
- ** The unprecedented additional work associated with flood significant events during the year (Westport July and February) and the requirements of the IRG projects, meant that engineering staff were focusing on other areas of Council. As a consequence, 14 Rating District meetings out of 25 took place during the year (56%).
- *** Due to workload from weather events, and Staff involvement in the significant infrastructure programme including the preparation of the Kawatiri Business Case, annual meetings were delayed until October / November 2022
- **** Staff are working toward delivery of all capital and maintenance works, external funding has been applied for to progress some areas and the outcome of the funding applications is not yet known
- ***** The unprecedented additional work associated with flood significant events during the year (Westport July and February)) and the requirements of the IRG Projects, meant that engineering staff were focusing on other areas of Council

Comments

- ^ Rating district infrastructure is monitored during adverse weather events to ascertain performance of infrastructural assets

River, Drainage and Coastal Protection Funding Impact Statement for the year ended 30 June 2022

	2021/22 Actual \$	2021/22 Budget \$	2020/21 Actual \$
Sources of operating funding			
General rates	587,721	559,192	611,358
Targeted rates	1,457,255	1,484,566	1,169,975
Subsidies and grants	29,000	-	-
Fees and charges	690,183	853,080	745,651
Income from investments	(79,646)	-	288,764
Fines, infringement fees and other receipts	-	80,752	-
Total operating funding (A)	2,684,513	2,977,590	2,815,748
Applications of operating funding			
Payments to staff and suppliers	3,470,723	2,690,689	2,795,236
Finance costs	82,591	155,339	53,666
Other operating funding applications	-	-	-
Total applications of operating funding (B)	3,553,313	2,846,028	2,848,902
Surplus / (deficit) of operating funding (A-B)	(868,800)	131,562	(33,154)
Sources of capital funding			
Subsidies and grants	1,510,435	11,363,417	1,056,613
Development and financial contributions	-	-	-
Increase / (decrease) in debt	1,480,146	1,809,263	(721,733)
Other dedicated capital funding	10,000	-	236,394
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	3,000,580	13,172,680	571,275
Applications of capital funding			
Capital expenditure:			
- to meet additional demand	-	-	-
- to improve the level of service	1,933,883	13,811,405	604,873
- to replace existing assets	-	-	273,483
Increase / (decrease) in investments	-	-	-
Increase / (decrease) in reserves	197,897	(507,163)	(340,237)
Total applications of capital funding (D)	2,131,780	13,304,242	538,120
Surplus / (deficit) of capital funding (C-D)	868,800	(131,562)	33,154
Funding balance ((A-B)+(C-D))	-	-	-

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.

During this reporting period, the existing operations contracts for the quarries expired. Council took this opportunity to pause quarry operations, undertake a review then update and develop information requirements before retendering the management and operational contracts for the Inchbonnie and Camelback quarries; two of Council’s primary quarries. These contracts were subsequently awarded in August 2022.

There generally appears to be sufficient rock in the quarries to supply the anticipated level of maintenance or additions to the current 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.

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.

Quarries performance measures

Level of Service

Ensure efficient and effective management and safe operation of Council’s quarries, delivering rock to any customers within ten working days with priority given to Council rating district customers.

Measure	Baseline	Outcome 2022	Outcome 2021
Timing of delivering on rock requests.	Deliver on requests for rock within two weeks, and ensure sufficient stockpiled rock is available where practical – 100%	✔ Achieved	✔ Achieved
Number of site inspections to monitor contractor health and safety and performance	Visit each active quarry site, when contractors are working the quarry (where possible), to ensure health and safety standards and other permit requirements are being adhered to – Twice annually	✘ Not achieved[^]	✔ Achieved

Comments

[^] Whilst there is an understanding this was completed, the non availability of supportive documentation has been exacerbated by the turnover of key staff in the period.

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 delivery of TB possum and predator control work, undertaking surveys of predator numbers and to assist with other Council and contracted work as appropriate such as providing support for biosecurity 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 well-being of the natural environment. The successful operation and management of the business provides an economic benefit to the region by returning a financial surplus to the Council thereby reducing the reliance on rates income.

Work on the West Coast’s first Predator Free 2050 project continues at Te Kinga. Launched in May 2020, Predator Free Te Kinga seeks to halt the decline of the catchment’s many endangered or threatened species with more than 3,800 hectares of forested land transformed into a predator-free conservation area. 259 cameras and MotoLures set up around an inner and outer monitoring ring of Te Kinga capture images to determine pest species in the area. A trapping network has been put in place in protection zones around the base of Te Kinga targeting possums, rats and mustelids in order to prevent reinvasion of the hill. Track work over Te Kinga has taken place with cameras and traps to follow shortly.

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.

Vector Control Services performance measures



Level of Service

To produce a financial surplus (to offset general rates) by tendering for and delivering on vector control and other contracts.

Measure	Baseline	Outcome 2022	Outcome 2021
Achieve or exceed budgeted financial return	Tender for, and win, sufficient contracts to provide or exceed the annual budgeted return to Council. (Above adopted budget)	✔ Achieved	✔ Achieved

Vector Control Services Business Unit Funding Impact Statement for the year ended 30 June 2022

	2021/22 Actual \$	2021/22 Budget \$	2020/21 Actual \$
Sources of operating funding			
General rates	-	-	-
Targeted rates	-	-	-
Subsidies and grants	561,189	-	-
Fees and charges	4,598,605	4,332,000	4,890,425
Income from investments	-	-	-
Fines, infringement fees and other receipts	-	-	-
Total operating funding (A)	5,159,794	4,332,000	4,890,425
Applications of operating funding			
Payments to staff and suppliers	4,254,578	3,887,408	4,135,762
Finance costs	-	-	-
Other operating funding applications	-	-	-
Total applications of operating funding (B)	4,254,578	3,887,408	4,135,762
Surplus / (deficit) of operating funding (A-B)	905,216	444,592	754,662
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	3,478	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	3,478	-	-
Applications of capital funding			
Capital expenditure:			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	16,230
- to replace existing assets	-	180,000	92,069
Increase / (decrease) in investments	-	-	-
Increase / (decrease) in reserves	908,694	264,592	646,364
Total applications of capital funding (D)	908,694	444,592	754,662
Surplus / (deficit) of capital funding (C-D)	(905,216)	(444,592)	(754,662)
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 2022

	2021/22 Actual \$	2021/22 Budget \$	2020/21 Actual \$
Sources of operating funding			
General rates	-	-	-
Targeted rates	-	-	-
Subsidies and grants	-	-	-
Fees and charges	-	-	61
Income from investments	-	-	-
Fines, infringement fees and other receipts	-	-	-
Total operating funding (A)	-	-	61
Applications of operating funding			
Payments to staff and suppliers	1,750	-	-
Finance costs	-	-	2,845
Other operating funding applications	-	-	-
Total applications of operating funding (B)	1,750	-	2,845
Surplus / (deficit) of operating funding (A-B)	(1,750)	-	(2,784)
Sources of capital funding			
Subsidies and grants	-	-	-
Development and financial contributions	-	-	-
Other dedicated capital funding	-	-	-
Increase / (decrease) in debt	-	-	52,999
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	-	-	52,999
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	(1,750)	-	50,215
Total applications of capital funding (D)	(1,750)	-	50,215
Surplus / (deficit) of capital funding (C-D)	1,750	-	2,784
Funding balance ((A-B)+(C-D))	-	-	-

Finances



Financial Statements

The following pages present the financial results of the Council for the 2021/2022 year compared against the budget set in the 2020-31 Long-term Plan.

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 2022

	Notes	2021/22 Actual \$	2021/22 Budget \$	2020/21 Actual \$
Revenue from non-exchange transactions				
Rates	2	8,150,661	8,051,200	6,163,900
Subsidies and grants	2	3,274,602	13,114,894	1,265,755
Direct charges revenue - subsidised	2	1,333,793	1,964,618	979,774
Insurance recoveries		10,000	-	236,394
Vested land and infrastructure assets	10	-	-	15,648,000
Revenue from exchange transactions				
Direct charges revenue - full cost recovery	2	5,212,422	4,874,000	5,491,165
Commercial property rental income		96,183	-	96,183
Commercial property revaluation	13	380,000	35,000	44,000
Gain / (loss) on disposal of assets		53,977	-	3,196
Gain / (loss) on disposal of associate		-	-	(35,011)
Other Revenue				
Net (loss) / gain on financial instruments at fair value through surplus or deficit		(1,155,610)	712,888	1,522,474
Reversal of prior period revaluation losses on land and buildings		348,000	-	-
Interest income		31,222	-	21,112
Total revenue		17,735,248	28,752,600	31,436,941
Expenditure				
Community Resilience		1,921,732	1,432,660	1,348,685
Regional leadership		777,168	682,755	862,301
Hydrology and flood warning services		1,247,514	1,054,840	995,292
Resource management		6,155,448	7,969,808	4,413,442
River, drainage and coastal protection		3,827,963	2,855,440	2,848,902
Transport		162,527	180,179	189,167
Vector Control Services business unit		4,334,127	3,982,000	4,135,762
Warm West Coast scheme		1,750	1,900	2,845
Other		371,187	17,048	1,159
Total expenditure	3, 4, 5, 12	18,799,415	18,176,630	14,797,556
Share of the (deficit) / surplus of associate		(48,611)	-	(40,914)
Net surplus / (deficit) for the year		(1,112,777)	10,575,970	16,598,470
Other comprehensive revenue and expense				
Revaluation reserve movement		14,257,836	2,039,951	-
Total other comprehensive revenue and expense		14,257,836	2,039,951	-
Total comprehensive revenue and expense		13,145,058	12,615,921	16,598,470

Explanations of major variances against budget are provided in Note 25.

The accompanying notes form part of these financial statements.

Statement of Changes in Equity for the year ended 30 June 2022

	Notes	2021/22 Actual \$	2021/22 Budget \$	2020/21 Actual \$
Balance at 1 July		112,791,113	117,011,998	96,192,643
Net surplus / (deficit) for the year		(1,112,777)	12,615,921	16,598,470
Revaluation reserve movement		14,257,836	-	-
Balance at 30 June		125,936,172	129,627,919	112,791,113

The accompanying notes form part of these financial statements.

Statement of Financial Position as at 30 June 2022

	Notes	2021/22 Actual \$	2021/22 Budget \$	2020/21 Actual \$
ASSETS				
Current assets				
Cash and cash equivalents	6	2,783,712	1,255,107	599,499
Receivables	7	3,343,515	2,500,000	2,853,153
Inventory	8	461,325	300,000	956,154
Loan advances	9	61,778	71,325	76,323
Other financial assets	9	11,707,297	650,000	13,813,005
Prepayments		126,162	-	250,692
Total current assets		18,483,790	4,776,432	18,548,826
Non-current assets				
Property, plant and equipment	10	124,999,687	124,672,807	109,045,973
Prepayments		4,190	-	-
Intangible assets	11	23,286	872,958	57,867
Investment property	13	2,130,000	1,785,000	1,750,000
Loan advances	9	297,257	307,583	367,125
Investment in associate	14	103,961	165,982	152,571
Other financial assets	9	-	13,210,643	-
Total non-current assets		127,558,380	141,014,973	111,373,536
Total assets		146,042,170	145,791,405	129,922,362
LIABILITIES				
Current liabilities				
Borrowings	17	4,360,277	8,085,663	3,568,267
Payables and deferred revenue	15	8,390,724	2,400,000	7,441,653
Employee entitlements	16	443,697	400,000	560,977
Total current liabilities		13,194,699	10,885,663	11,570,897
Non-current liabilities				
Borrowings	17	6,600,000	4,834,823	5,200,000
Future quarry restoration	18	311,301	443,000	360,351
Total non-current liabilities		6,911,301	5,277,823	5,560,351
Total liabilities		20,105,999	16,163,486	17,131,248
Equity				
Accumulated comprehensive revenue and expense	19	33,124,979	51,608,410	32,874,113
Rating district equity	19	2,693,599	2,629,558	2,901,633
Revaluation reserves	19	77,639,664	66,039,951	63,381,828
Investment growth reserve	19	11,515,231	8,350,000	12,611,093
Catastrophe fund	19	962,697	1,000,000	1,022,446
Total equity		125,936,170	129,627,919	112,791,113
Total liabilities and equity		146,042,170	145,791,405	129,922,361

Explanations of major variances against budget are provided in Note 25.

The accompanying notes form part of these financial statements.

For and on behalf of the Council, who authorise the issue of these financial statements on 14 February 2023:



H Mabin, Chief Executive
14 February 2023



Peter Haddock, Acting Chair
14 February 2023

Statement of Cash Flows for the year ended 30 June 2022

	Notes	2021/22 Actual \$	2021/22 Budget \$	2020/21 Actual \$
Cash flows from operating activities				
Rates revenue		7,932,398	8,051,200	6,333,036
Investment income		67,657	712,888	288,683
Other income		10,898,550	19,953,512	11,430,595
Payments to suppliers		(9,675,887)	(10,468,844)	(6,989,234)
Payments to employees		(6,327,876)	(6,846,457)	(6,561,484)
Interest paid		(273,036)	(295,258)	(198,233)
GST (net)		(338,496)	-	292,732
Net cash flow from operating activities		2,283,310	11,107,041	4,596,095
Cash flows from investing activities				
Sale of investments		-	-	379,237
Sale of property, plant, and equipment		148,936	98,269	127,362
Purchase of property, plant, and equipment		(2,509,911)	(14,469,405)	(1,236,482)
Purchase of investments		-	(227,643)	(2,409,491)
Loan advances repayments		69,868	29,359	-
Net cash flow from investing activities		(2,291,107)	(14,569,420)	(3,139,374)
Cash flows from financing activities				
Proceeds from borrowing		2,192,010	5,018,612	-
Repayment of borrowing		-	(828,126)	(721,733)
Net cash flow from financing activities		2,192,010	4,190,486	(721,733)
Net increase in cash and cash equivalents		2,184,213	728,107	734,988
Opening cash and cash equivalents		599,499	527,000	(135,489)
Closing cash and cash equivalents		2,783,712	1,255,107	599,499

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 (the Council) is a public benefit entity (PBE) for financial reporting purposes. The financial statements of the Council are for the year ended 30 June 2022. The financial statements were authorised for issue by the Council on 14 February 2023.

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 of Council comply with PBE Standards Reduced Disclosure Regime (PBE Standards RDR) and disclosure concessions have been applied. Council is eligible to report in accordance with PBE Standards RDR because it does not have public accountability and is not large.

Prior year comparatives are re-classified from the previous year Financial Statements where necessary to reflect current year presentation.

These financial statements are presented in New Zealand dollars, in whole 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 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 Council for the preparation of the financial statements.

Cost allocation

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

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

Significant accounting judgements, estimates and assumptions

The preparation of Council's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future reporting periods.

Judgements

In the process of applying the Council's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Future quarry restoration provision

Details of the significant accounting judgements, estimates and assumptions related to Council's future quarry restoration provision are provided in Note 18: Provisions.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Council based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of Council. Such changes are reflected in the assumptions when they occur.

Revaluation of property, plant and equipment and investment properties

Details of Council's valuation of land, buildings and infrastructure assets is provided in Note 10: Property, plant and equipment. Investment Property. Details of Council's valuation of investment property is provided in Note 13: Investment property.

Useful lives and residual values of property, plant and equipment

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the Group;
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes;
- The nature of the processes in which the asset is deployed;
- Availability of funding to replace the asset; and / or
- Changes in the market in relation to the asset.

The estimated useful lives of the asset classes held by the Group are listed in Note 10: Property, plant and equipment.

Standards issued and not yet effective, and not early adopted at 30 June 2022

Standards and amendments, issued but not yet effective that have not been early adopted at balance date, and which may be relevant to the Council are:

PBE IPSAS 41 (Financial Instruments), which becomes effective for annual periods beginning on or after 1 January 2022, and

PBE FRS 48 (Service performance reporting), which becomes effective for annual periods beginning on or after 1 January 2022, and

PBE IPSAS 41 supercedes both PBE IFRS 9 (Financial Instruments) and PBE IPSAS 29 (Financial Instruments). Council has not yet assessed the effect of the new standard, and so will not early adopt this standard.

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 Presentation of Financial Statements. Council has not yet determined how application of PBE FRS 48 will affect its statement of service performance. Council will not early adopt this standard.

Note 2: Revenue

Revenue is measured at fair value.

The specific accounting policies for significant revenue items are explained below:

Revenue from non-exchange transactions

Rates revenue

General rates, targeted rates, and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivable and subsequent recognition of interest revenue.

Rates late payment penalties are recognised as revenue once rates become overdue.

Rates remissions are recognised as a reduction of rates revenue when Council has received an application that satisfies its Rates Remission Policy.

Recoveries from Ministry of Civil Defence and Emergency Management

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

Waka Kotahi (NZ Transport Agency) subsidies

Council funding assistance from Waka Kotahi, which subsidises part of Council's costs in carrying out its Land Transport responsibilities. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Other grants received

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

Direct charges – subsidised*(i) Rendering of services – subsidised*

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

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

Revenue from the rendering of services (e.g. VCS pest control contracts etc.) is recognised by reference to the stage of completion of the service. Stage of completion is measured by reference to management estimation of work performed to date as a percentage of total estimated work required for each contract. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

(ii) Sale of goods – full cost recovery

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

Interest and dividends

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

Breakdown of rates revenue

	2021/22 Actual \$	2020/21 Actual \$
Rates revenue comprises:		
General rates	5,030,871	4,008,487
Targeted rates attributable to activities:		
River, Drainage and Coastal Erosion	1,457,255	1,169,975
One District Plan	494,868	255,156
Regional Emergency Management	1,179,197	730,281
Total rates revenue	8,162,191	6,163,900
Rates remissions	(11,530)	-
Rates revenue net of remissions	8,150,661	6,163,900

For the years ended 30 June 2022 and 2021, the annual rates income of the Council for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is the same as the total rates amount shown above.

Breakdown of subsidies and grants

	2021/22 Actual \$	2020/21 Actual \$
Buller District Council infrastructure project funding	-	155,000
Department of Conservation whitebait project grants	292,826	-
Department of Conservation lake monitoring project grants	10,790	-
Department of Conservation One District Plan contributions	-	30,000
Grey District Council rating district contributions	29,000	-
Grey District Council river monitoring contributions	1,150	-
Government infrastructure project funding	1,510,435	901,613
Land Information New Zealand LiDAR project funding	837,190	-
Manawa Energy lake monitoring project grants	5,000	-
National Emergency Management Agency emergency response funding	-	59,928
National Emergency Management Agency resilience action plan funding	189,000	-
Waka Kotahi transport planning and mobility funding	120,499	102,213
Waka Kotahi river monitoring contributions	10,350	-
Predator Free New Zealand pest eradication project funding	268,363	-
Westland Dairy Company river monitoring contributions	-	17,000
Total subsidies and grants	3,274,602	1,265,755

Breakdown of direct charges revenue - subsidised

	2021/22 Actual \$	2020/21 Actual \$
Engineering rendering of services	66,080	-
Infringements and fines	2,212	58,150
Rating district rendering of services	(13,715)	144,817
Resource consents and compliance monitoring	1,279,216	776,770
Other rendering of services	-	37
Total direct charges revenue - subsidised	1,333,793	979,774

Breakdown of direct charges revenue - full cost recovery

	2021/22 Actual \$	2020/21 Actual \$
VCS contractual rendering of services	4,598,605	4,890,425
Quarried rock sale of goods	637,817	600,679
Other sale of goods	(24,000)	-
Other rendering of services	-	61
Total direct charges revenue - full cost recovery	5,212,422	5,491,165

Note 3: Personnel costs

Salaries and wages

Salaries and wages are recognised as an expense as employees provide services.

Superannuation schemes

Defined contribution schemes

Employer contributions to Kiwisaver, SuperEasy and Superlife are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

Breakdown of personnel costs and further information

	2021/22 Actual \$	2020/21 Actual \$
Salaries and wages	6,327,876	6,338,151
Increase / (decrease) in alternative holiday provision	(6,337)	(1,314)
Increase / (decrease) in annual Leave liability	(72,385)	139,601
Increase / (decrease) in accrued bonus	(40,000)	(43,227)
Increase / (decrease) in long service leave provision	(3,686)	(23,798)
Increase / (decrease) in accrued payroll	(4,152)	35,061
Increase / (decrease) in time in lieu liability	9,280	(5,146)
Total employee benefits	6,210,596	6,439,327

Chief Executive remuneration

The total remuneration (including any non-financial benefits) paid or payable for the year ended 30 June 2022 to the Chief Executive was \$259,387 (2020/21 \$168,115). This includes remuneration paid to both the current and former Chief Executive.

The Chief Executive position was vacant for periods in both the current and prior years, during which time the position was filled by an acting Chief Executive.

Elected representatives' remuneration

Elected representatives received the following remuneration:

	2021/22 Actual \$	2020/21 Actual \$
Chairman Councillor Birchfield	83,500	83,500
Councillor Ewen	51,022	51,022
Deputy Chairman Councillor Challenger	62,627	62,627
Councillor Cummings	51,022	51,022
Councillor Hill	51,022	51,022
Councillor Magner	51,022	51,022
Councillor McLaughlin	51,022	51,022
Total elected representatives' remuneration	401,237	401,237

Council employee remuneration by band

Council employees received the following remuneration:

	2021/22 Number	2020/21 Number
Total annual remuneration by band for employees as at 30 June: *		
< \$60,000	23	27
\$60,000 - \$79,999	23	22
\$80,000 - \$99,999	7	13
\$100,000 - \$139,999	5	4
\$140,000 - \$219,999	3	6
\$220,000 - \$280,000	-	1
Total employees	61	73

* 2020/21 banding has been restated to align with comparable 2021/22 banding.

Total remuneration includes any non-financial benefits provided to employees.

At balance date, the Council employed 43 (2020/21 55) full-time employees, with the balance of staff representing 13 (2020/21 14) full-time equivalent employees. A full-time employee is determined on the basis of a 40-hour working week.

Severance payments

For the year ended 30 June 2022, the Council made severance payments to two employees totalling \$258,645 (2021: no payments, \$nil). The 2022 severance payments included one to a former Chief Executive Officer.

The Local Government Act 2002 requires separate disclosure of each severance payment, and the separate statement of any amounts paid to a former Chief Executive. Council have breached this requirement to preserve the confidentiality of the non-Chief Executive former employee.

Note 4: Finance costs

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

Breakdown of finance costs

	2021/22 Actual \$	2020/21 Actual \$
Interest on borrowings	273,036	198,233
Total finance costs	273,036	198,233

Note 5: Other expenses

Accounting policy

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.

Breakdown of other expenses and further information

	2021/22 Actual \$	2020/21 Actual \$
Aircraft hire	2,596,711	909,371
Contractors and Consultants	3,984,473	3,123,421
Hearing commissioners	246,917	(3,440)
Insurance premiums	296,382	223,038
IT and Communications charges	803,609	640,785
Legal fees	175,719	275,979
Materials	183,734	166,348
Operating lease costs	50,118	46,686
Research and development costs	295,175	131,931
Costs of inventories recognised as an expense	604,024	(698,462)
Write-down of inventories to net realisable value	15,810	107,254
Other operating expenses	2,309,455	3,237,085
Total other expenses	11,562,128	8,159,996

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 that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown separately in current liabilities in the statement of financial position.

Breakdown of cash and cash equivalents

	2021/22 Actual \$	2020/21 Actual \$
Cash at bank and on hand	1,821,015	599,499
Cash equivalents (Catastrophe Fund)	962,697	-
Total cash and cash equivalents	2,783,712	599,499

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

	2021/22 Actual \$	2020/21 Actual \$
Current receivables		
Rates receivables	866,499	625,356
Other receivables	972,194	1,628,991
GST receivable	74,979	-
Accrued other receivables	1,554,669	652,647
Unbilled revenue	-	-
	3,468,342	2,906,994
Less provision for uncollectability	(124,827)	(53,842)
Total current receivables	3,343,515	2,853,152
Non-current receivables	-	-
Total receivables	3,343,515	2,853,152
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	1,089,364	625,356
Receivables from exchange transactions - this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	2,254,151	2,478,489

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

	2021/22 Actual \$	2020/21 Actual \$
Balance at 1 July	53,842	41,146
Additional provisions made during the year	95,355	49,397
Provisions reversed during the year	(24,370)	(36,701)
Receivables written-off during the year	-	-
Balance at 30 June	124,827	53,842

Note 8: Inventory

Inventories held for consumption in the provision of services that are not supplied on a commercial basis are measured at the lower of cost or net realisable value. 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

	2021/22 Actual \$	2020/21 Actual \$
Poison and pest supplies	128,384	317,298
Rock in quarries	332,941	623,862
Stationary and office supplies	-	14,994
Total inventory	461,325	956,154

The write-down of inventory during the year was \$15,810 (2020/21: \$107,254). There were no reversals of write-downs (2020/21: \$nil).

Note 9: Other financial assets

Council classifies its financial assets into the following three categories: loans and receivables, held-to-maturity investments, and fair value through surplus or deficit.

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

Carrying value approximates fair value of financial instruments that are not traded in an active market.

Held to maturity investments

Held to maturity investments are assets with fixed or determinable payments and fixed maturities that Council has the positive intention and ability to hold to maturity.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or de-recognised are recognised in the surplus/deficit. Investments in this category include fixed term deposits and surety bonds.

Financial assets at fair value through surplus or deficit

Financial assets and liabilities 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.

Loans and receivables

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

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or de-recognised are recognised in the surplus/deficit. Loans and receivables are classified as "loan advances" in the statement of financial position.

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.

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

Breakdown of other financial assets and further information

	2021/22 Actual \$	2020/21 Actual \$
Current other financial assets		
Financial assets at fair value through surplus or deficit	11,633,431	13,739,138
Held to maturity investments	73,866	73,866
Loan advances (Pest Control Research LP)	31,325	29,359
Loan advances (Warm West Coast scheme)	30,453	46,964
	11,769,076	13,889,328
Non current other financial assets		
Financial assets at fair value through surplus or deficit	-	-
Held to maturity investments	-	-
Loan advances (Pest Control Research LP)	286,582	317,908
Loan advances (Warm West Coast scheme)	10,675	49,217
	297,257	367,125
Total other financial assets	12,066,333	14,256,453
Other financial assets by asset class		
Australasian equities	3,101,274	3,656,916
Fixed interest	5,921,898	6,939,749
International equities	2,518,673	3,021,227
Loans	359,035	443,448
LGFA borrower notes	118,200	105,600
Property equities	47,253	89,512
Total other financial assets	12,066,333	14,256,453

Council lent \$374,783 to Pest Control Research Limited (PCR), to fund specialised leasehold property 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%. The closing loan balance at 30 June 2022 is \$317,908 (2020/21 \$347,267).

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 10: 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 stop banks.

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.

Operational land and buildings is revalued on a cyclical three year basis at fair value as determined from the most recent market based rating valuations. Valuations are as at 1 September 2021 (Grey District land and buildings), 1 September 2022 (Buller District land and buildings), and 1 September 2023 (Westland District land and buildings).

Infrastructure assets are valued at fair value determined on a replacement cost basis. The most recent valuation was prepared 30 June 2022 by Council and peer-reviewed by IAM Consulting Ltd.

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 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 certain infrastructure asset categories, 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:

Operational Assets	Useful Life
Buildings (non-component)	50 - 67 years
Building components	6.7 - 20 years
Portable buildings	10 years
Plant and equipment	4 - 6.7 years
Trucks	6.7 years
Motor vehicles	6 - 7 years
Capitalised quarry costs	Based on pattern of benefits from the specific quarries

Infrastructural Assets	Useful Life
Bridges, roads and accessways	25 - 80 years
Drains and channels	Unlimited
Pipes, culverts and floodgates	80 years
Seawalls, stopbanks and earthworks	Unlimited
Structures	40 - 80 years

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

Infrastructure assets including seawalls, stopbanks and earthworks; and drains and channels, are constructions or excavations of natural materials on the land and have substantially the same characteristics as land, in that they are considered to have unlimited useful lives, and in the absence of natural events, these assets are not subject to ongoing obsolescence or deterioration of service performance, and are not subject to depreciation.

Expenditure incurred to maintain these infrastructure assets at full operating capability is charged to the surplus/(deficit) in the year incurred.

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.

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

Vested land and infrastructure assets

In 2021 Council recognised \$15,648,000 of infrastructure assets in the Greymouth rating district following the transfer of ownership of the Greymouth flood wall from Grey District Council to Council. The flood wall was initially recognised at its fair value, which was estimated by reference to valuation for insurance purposes on the date in which control was obtained.

No assets were vested with Council in 2022.

Note 10: Property, plant and equipment (continued)

Movements in the carrying value for each class of property, plant, and equipment (in NZD whole dollars) are as follows:

Property, plant and equipment 2021/22	1-Jul-21	Cost/ valuation	1-Jul-21	Accumulated depreciation / impairment	1-Jul-21	Carrying amount	Transfers	Additions	Disposals (cost)	Impairment	Disposals (accumulated depreciation)	Revaluation surplus	Cost/ valuation	30-Jun-22	Accumulated depreciation / impairment	30-Jun-22	Carrying amount
Operational assets																	
Land	1,250,000		-		1,250,000		12,984	-	-	-	-	(2,470)	1,452,984	1,452,984	(2,470)		1,450,514
Quarry development	793,753		(81,271)		712,482		-	(49,050)	-	-	-	(222,215)	744,703	744,703	(303,486)		441,216
Buildings	1,537,228		(583,912)		953,316		(12,984)	23,392	-	-	-	(28,942)	2,033,543	2,033,543	(612,854)		1,420,689
Plant and equipment	3,153,510		(2,162,906)		990,604		10,167	151,446	(3,230)	-	1,982	(250,075)	3,311,894	3,311,894	(2,410,999)		900,894
Vehicles	1,375,576		(583,911)		791,664		(10,167)	53,191	(441,525)	-	96,865	(168,223)	1,277,075	1,277,075	(655,270)		621,805
Total operational assets	8,110,068		(3,412,000)		4,698,066		-	228,030	(193,806)	-	98,847	(671,925)	8,820,199	8,820,199	(3,985,079)		4,835,120
Infrastructure assets																	
Bridges, roads and accessways	110,337		-		110,337		-	-	-	-	-	(4,707)	129,969	129,969	(4,707)		125,261
Drains and channels	2,280,479		-		2,280,479		-	-	-	-	-	-	2,588,952	2,588,952	-		2,588,952
Pipes, culverts and floodgates	1,133,457		-		1,133,457		-	-	-	-	-	(16,696)	1,303,471	1,303,471	(16,696)		1,286,776
Seawalls, stopbanks and earthworks	98,498,903		-		98,498,903		-	150,206	-	-	-	-	111,822,531	111,822,531	-		111,822,531
Structures	1,719,857		-		1,719,857		-	-	-	-	-	(25,746)	1,978,243	1,978,243	(25,746)		1,952,497
Infrastructure capital work in progress	604,873		-		604,873		1,783,677	-	-	-	-	-	2,388,550	2,388,550	-		2,388,550
Total infrastructure assets	104,347,905		-		104,347,905		-	1,933,883	-	-	-	(47,149)	120,211,716	120,211,716	(47,149)		120,164,567
Total property, plant and equipment	112,457,973		(3,412,000)		109,045,971		-	2,161,913	(193,806)	-	98,847	(719,074)	129,031,915	129,031,915	(4,032,228)		124,999,687

Movements in the carrying value for each class of property, plant, and equipment (in NZD whole dollars) are as follows:

Property, plant and equipment 2020/21	Cost/valuation 1-Jul-20	Accumulated depreciation/impairment 1-Jul-20	Carrying amount 1-Jul-20	Transfers	Additions	Disposals (cost)	Impairment	Disposals (accumulated depreciation)	Depreciation	Revaluation surplus	Cost/valuation 30-Jun-21	Accumulated depreciation/impairment 30-Jun-21	Carrying amount 30-Jun-21
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)	-	31,715	(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)	-	31,715	(444,706)	-	8,110,068	(3,412,000)	4,698,066
Infrastructure assets													
Bridges, roads and accessways	68,422	-	68,422	-	41,914	-	-	-	-	-	110,337	-	110,337
Drains and channels	2,280,479	-	2,280,479	-	-	-	-	-	-	-	2,280,479	-	2,280,479
Pipes, culverts and floodgates	289,524	-	289,524	-	843,933	-	-	-	-	-	1,133,457	-	1,133,457
Seawalls, stopbanks and earthworks	85,046,602	-	85,046,602	-	13,452,301	-	-	-	-	-	98,498,903	-	98,498,903
Structures	136,523	-	136,523	-	1,583,335	-	-	-	-	-	1,719,857	-	1,719,857
Infrastructure capital work in progress	-	-	-	-	604,873	-	-	-	-	-	604,873	-	604,873
Total infrastructure assets	87,821,549	-	87,821,549	-	16,526,356	-	-	-	-	-	104,347,905	-	104,347,905
Total property, plant & equipment	95,524,293	(2,999,010)	92,525,282	-	17,061,042	(127,362)	-	31,715	(444,706)	-	112,457,973	(3,412,000)	109,045,972

Note 11: 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 10. 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	2021/22 Actual \$	2020/21 Actual \$
Cost		
Balance at 1 July	345,794	333,524
Additions	-	12,270
Disposals	-	-
Balance at 30 June	345,794	345,794
Accumulated amortisation and impairment		
Balance at 1 July	(287,926)	(254,574)
Amortisation charge	(34,581)	(33,352)
Disposals	-	-
Balance at 30 June	(322,507)	(287,926)
Carrying amounts		
Balance at 1 July	57,868	78,950
Balance at 30 June	23,287	57,868

Note 12: Depreciation and amortisation expense by groups of activities

	2021/22 Actual \$	2020/21 Actual \$
Directly attributable depreciation and amortisation expense by group of activity		
Emergency Management	29,397	27,645
Hydrology and Floodwarning Services	59,058	53,641
Quarries	222,215	13,713
Resource Management	38,165	39,053
River, Drainage and Coastal Protection	52,435	12,409
Vector Control Services Business Unit	79,549	80,661
Total directly attributable depreciation and amortisation	480,819	227,122
Depreciation and amortisation not directly attributable	272,836	250,937
Total depreciation and amortisation expense	753,655	478,058

Note 13: 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

	2021/22 Actual \$	2020/21 Actual \$
Balance at 1 July	1,750,000	1,706,000
Additions from acquisitions	-	-
Additions from subsequent expenditure	-	-
Disposals	-	-
Transfer to inventory	-	-
Fair value gains / (losses) on valuation	380,000	44,000
Balance at 30 June	2,130,000	1,750,000

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. The most recent valuation was dated 30 June 2022.

The fair value of the investment property was determined using the DCF method. Under the DCF method, fair value is estimated using assumptions regarding the benefits and costs of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on real property interests. The exit yield is normally separately determined and differs from the discount rate.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property.

Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

Note 14: Investment in associate

An associate is an entity over which the Council has significant influence and that is neither a subsidiary nor an interest in a joint arrangement. 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 the 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.

If the share of deficits of an associate equals or exceeds its interest in the associate, Council discontinues recognising its share of further deficits. After Council’s interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that Council has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, Council will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

Where Council transacts with an associate, surpluses or deficits are eliminated to the extent of the Council’s interest in the associate.

Regional Software Holdings Limited (Associate)

Regional Software Holdings Limited (RSHL) is a limited company incorporated and registered under the Companies Act 1993 and is a Council Controlled Organisation (CCO) as defined in section 6 of the Local Government Act. RSHL is an associate of Council with a primary objective to provide a framework for collaboration between the shareholders and across the sector.

Council has a 4% shareholding in RSHL. RSHL is classified as an associate as the council's CEO is on the Board of Directors of RSHL and as such it is considered that Council has significant influence over the operating and financial policies of RSHL.

Breakdown of investment in associate

	2021/22 Actual \$	2020/21 Actual \$
Investment in Regional Software Holdings Limited	103,961	152,571
Total investment in associate	103,961	152,571

Note 15: Payables and deferred revenue

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

Breakdown of payables and further information

	2021/22 Actual \$	2020/21 Actual \$
Trade Payables	1,247,243	1,093,591
Deposits and bonds	3,518,485	3,271,088
Accrued Expenses	1,228,389	599,636
Other Revenue in Advance	2,086,067	2,158,225
Rates in advance	310,541	319,113
Total payables and deferred revenue	8,390,724	7,441,653

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 16: 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 and annual 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

	2021/22 Actual \$	2020/21 Actual \$
Alternative holiday provision	8,457	14,795
Annual leave provision	322,583	394,969
Bonus accrual	-	40,000
Long service leave provision	6,779	10,466
Payroll accrual	70,161	74,313
Time in Lieu liability	35,716	26,436
Total current employee entitlements	443,697	560,977
Non-current employee entitlements	-	-
Total employee entitlements	443,697	560,977

Note 17: Borrowings

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

Breakdown of borrowings and further information

	2021/22 Actual \$	2020/21 Actual \$
Current portion		
Secured loans	4,360,277	3,568,267
	4,360,277	3,568,267
Non-current portion		
Secured loans	6,600,000	5,200,000
	6,600,000	5,200,000
Total borrowings	10,960,277	8,768,267

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 2023.

Note 18: 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 (2020/21 seven 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 4.45% to 4.80% (2020/21 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.

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 1 to 46 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

	2021/22 Actual \$	2020/21 Actual \$
Balance at 1 July	360,351	442,802
Disposal of mining permits	-	-
Unwinding of discount rate adjustment	(49,050)	(82,451)
Balance at 30 June	311,301	360,351

Note 19: Equity

Accounting policy

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

	2021/22 Actual \$	2020/21 Actual \$
Accumulated comprehensive revenue and expense		
Balance at 1 July	32,874,112	20,519,395
Net surplus / (deficit) for the year	(1,112,777)	16,598,470
Transfers (to) / from rating district equity	208,035	(425,196)
Transfers (to) / from investment growth reserve	1,095,862	(3,030,093)
Transfers (to) / from catastrophe fund reserve	59,748	(788,465)
Balance at 30 June	33,124,979	32,874,112
Rating district equity		
Balance at 1 July	2,901,634	2,476,438
Transfers (to) / from accumulated comprehensive revenue and expense	(208,035)	425,196
Balance at 30 June	2,693,599	2,901,634

Rating district equity represents the unspent credit balances of the 29 River, Drainage and Coastal Protection rating districts (2020/21 27 rating districts). These balances, originally raised by targeted rates, can only be spent within these Rating Districts.

Revaluation reserves		
<i>Infrastructure assets</i>		
Balance at 1 July	63,381,829	63,381,829
Net revaluation gains / (losses)	13,929,928	-
Balance at 30 June	77,311,757	63,381,829
<i>Land</i>		
Balance at 1 July	-	-
Net revaluation gains / (losses)	-	-
Balance at 30 June	-	-
<i>Buildings</i>		
Balance at 1 July	-	-
Net revaluation gains / (losses)	327,907	-
Balance at 30 June	327,907	-
Total revaluation reserves	77,639,664	63,381,829

Investment growth reserve		
Balance at 1 July	12,611,093	9,581,000
Transfers (to) / from accumulated comprehensive revenue and expense	(1,095,862)	3,030,093

The investment growth reserve is fully funded by investments and was created when Council received Crown payments following the cessation of native logging. These funds are invested in accordance with Council investment policy with the objective of generating income and capital growth.

Balance at 30 June	11,515,231	12,611,093
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Catastrophe fund reserve		
Balance at 1 July	1,022,446	233,981
Transfers (to) / from accumulated comprehensive revenue and expense	(59,748)	788,465

Balance at 30 June	962,697	1,022,446
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The Catastrophe fund reserve is fully funded by investments and was created when Council withdrew from the Local Authority Protection Programme (LAPP) Disaster Fund. The purpose of the reserve is to provide ready access to funding in the event of catastrophes, and assist with funding of insurance excesses and uninsurable costs.

Note 20: Commitments and contingencies

Operating lease commitments - Council as lessor

Investment property is leased under operating leases. The investment property lease has a non-cancellable term of 60 months. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	2021/22 Actual \$	2020/21 Actual \$
Not later than one year	96,183	96,183
Later than one year and not later than five years	148,095	244,278
Later than five years	-	-
Total non-cancellable operating leases	244,278	340,461

Operating lease commitments - Council 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:

	2021/22 Actual \$	2020/21 Actual \$
Not later than one year	14,038	2,124
Later than one year and not later than five years	18,141	1,408
Later than five years	-	-
Total non-cancellable operating leases	32,179	3,532

Contingent liabilities

	2021/22 Actual \$	2020/21 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, following flooding of the Heartland Mueller Hotel near Franz Josef during a severe weather event on 26 March 2016. The claim is denied and will be defended by Council with the backing of its public liability insurer.

Riskpool

Until June 2017, Riskpool 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 Riskpool 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

NEMA Insurance Claim and Cost Recoveries

Weather events in February 2022 caused flooding damage to the Franz Josef, Karamea, Taramakau and Wanganui Rating Districts. Costs incurred in 2021/22 were \$596,812, with further estimated costs of \$321,557 required in 2022/23 to complete repairs.

Council has lodged a Claim with the National Emergency Management Agency (NEMA) in relation to the costs incurred as a result of the weather events. As at 30 June 2022 the value of this claim was \$292,559. The claim is yet to be finalised.

Further claims to NEMA in relation to these weather events will depend on the amount and timing of costs not yet incurred. Council may also seek to funding for costs not recovered from NEMA from either Rating Districts, or directly from ratepayers.

Grey River Dredge

Council's VCS Business Unit has an agreement with Birchfield Minerals Ltd with regard to the costs of obtaining the Grey River Dredge consent as part of the process of readying the Dredge for sale. Elected West Coast Regional Councillor and Chairman Allan Birchfield is a shareholder and director of Birchfield Minerals Ltd.

VCS Business Unit will recover the costs of the resource consent and various marketing costs of \$157,025 (2020/21 \$157,025) plus a percentage of the sale price if a sale agreement for the Dredge is secured. There is no certainty of recovery of these costs until a sale agreement for the Dredge is secured.

During 2021/22 no costs were incurred by VCS Business unit with regard to this agreement (2020/21 \$nil).

Note 21: Events after balance date

Covid-19

The outbreak of Covid-19 in late 2019 resulted in the New Zealand Government declaring a State of National Emergency on 25 March 2020. New Zealand was regulated under the Covid-19 Alert System from March 2020, until it was replaced with the Covid-19 Protection Framework (Traffic Lights) in December 2021. On 12 September 2022, the Covid-19 Protection Framework stopped, effectively ending the regulatory impact of Covid-19 on Council. Overall, Covid-19 has had minimal impact on Council's financial and operational results for the year ended 30 June 2022. However, Covid-19 and its variants continue to pose health risks for both Council staff and the wider West Coast region.

Council CEO

At the inaugural meeting of the new Council on Tuesday 25 October 2022, the Council CEO, Heather Mabin signalled her intent to work with Council on an exit strategy for herself.

Note 22: 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.

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), an associate in which Council is a 4% shareholder. The provision of accounting services to RSHL was not continued in the year to 30 June 2022. Council charged RSHL \$nil (2020/21 \$6,175) for accounting services provided.

The Council CEO was a director of RSHL for parts of both 2021/22 and 2020/21.

Grey River Dredge

Council's VCS Business Unit provided consultancy services to Birchfield Minerals Ltd between 2015 and 2016. Elected West Coast Regional Councilor and Chairperson Allan Birchfield is a shareholder and director of Birchfield Minerals Ltd. These services are detailed in Note 20: Commitments and contingencies. The value of consultancy services provided to Birchfield Minerals Ltd in 2021/22 was \$nil (2020/21 \$nil).

Key management personnel compensation

	2021/22	2020/21
Councillors *		
Number of full-time equivalent members	7	11
Remuneration	\$401,237	\$505,314
Senior Management Team, including the Chief Executive		
Number of full-time equivalent members	7	9
Remuneration	\$1,405,199	\$1,497,140
Total full-time equivalent personnel	14	20
Total key management personnel remuneration	\$1,806,435	\$2,002,454

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.

* 2020/21 full-time equivalent members included 7 Councillors, 3 Iwi representatives and the One District Plan Chairperson. The 2020/21 remuneration for Councillors only was \$401,237.

Note 23: 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-21	30-Jun-20
Number of rating units	22,601	22,507
Total capital value of rating units	\$8,481,056,610	\$9,220,230,550
Total land value of rating units	\$4,045,571,704	\$4,775,845,670

Note 24: Insurance of assets

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

	2021/22 Actual \$	2020/21 Actual \$
Total value of all Council assets covered by insurance contracts	9,213,837	8,772,468
The maximum amount to which insured assets are insured	10,989,213	10,067,713
The total value of all Council assets covered by financial risk-sharing arrangements ¹	117,823,166	106,212,422
Total value of assets that are self-insured	-	-
Value of funds maintained for self-insurance	-	-

1: The Council's infrastructure assets are included in the South Island Councils Insurance Collective Infrastructure Insurance arrangement.

Note 25: Explanation of major variances against budget

Explanations for major variations from the Council's year one budget figures per Annual Plan 2022/23 are as follows:

Statement of comprehensive revenue and expense

Revenue was lower than budgeted by \$10.2m. The two main drivers for this were subsidies and grants, and investment income.

Subsidy and grant revenue was \$9.5m lower than budgeted due to infrastructure projects being behind schedule, which reduced the number and value of infrastructure funding requests from budgeted revenue of \$11.4m to actual revenue of \$1.5m.

Investment income is subject to global financial conditions, which were dominated by the ongoing effects of the Covid pandemic, and the invasion of Ukraine. The net result was a \$1.1m loss for the year, compared to an expected gain of \$0.7m.

Expenditure was higher than budgeted by just \$0.4m. The most significant variances to budget across Council were in Planning (Biosecurity) and River, Drainage and Coastal Protection.

Planning biosecurity expenditure was \$1.3m lower than budgeted. Biosecurity work programmes were planned for 2022, but did not eventuate, due to availability of staff and contractors.

River, Drainage and Coastal Protection expenditure variances to budget were spread across a number of activities, most notably the Westport Flood Protection Scheme project, which incurred unbudgeted spend of \$0.6m. Quarry expenditure was \$0.5m higher than budget, due to non-budget uptake for both quarry asset amortisation costs (actual amortisation costs were \$155k) and quarry rock cost of goods sold (actual cost of goods sold was \$290k).

Other comprehensive revenue and expense was \$12.2m higher than budgeted, due to the unforeseen impact of both infrastructure asset and land and buildings revaluations in the year ended 30 June 2022.

Note 26: Breach of statutory deadline

The Regional Council was required under section 98(7)(b) of the Local Government Act 2002 to complete and adopt its audited financial statements and service performance information by 31 December 2022. This timeframe was not met because of the condensed period between late completion of the 2020/21 audit and the start of the 2021/22 audit.

During the year to 30 June 2022 there was higher than expected staff turnover, which impacted the level of retained knowledge available during the audit.

Local Government (Financial Reporting and Prudence) Regulations 2014

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

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.

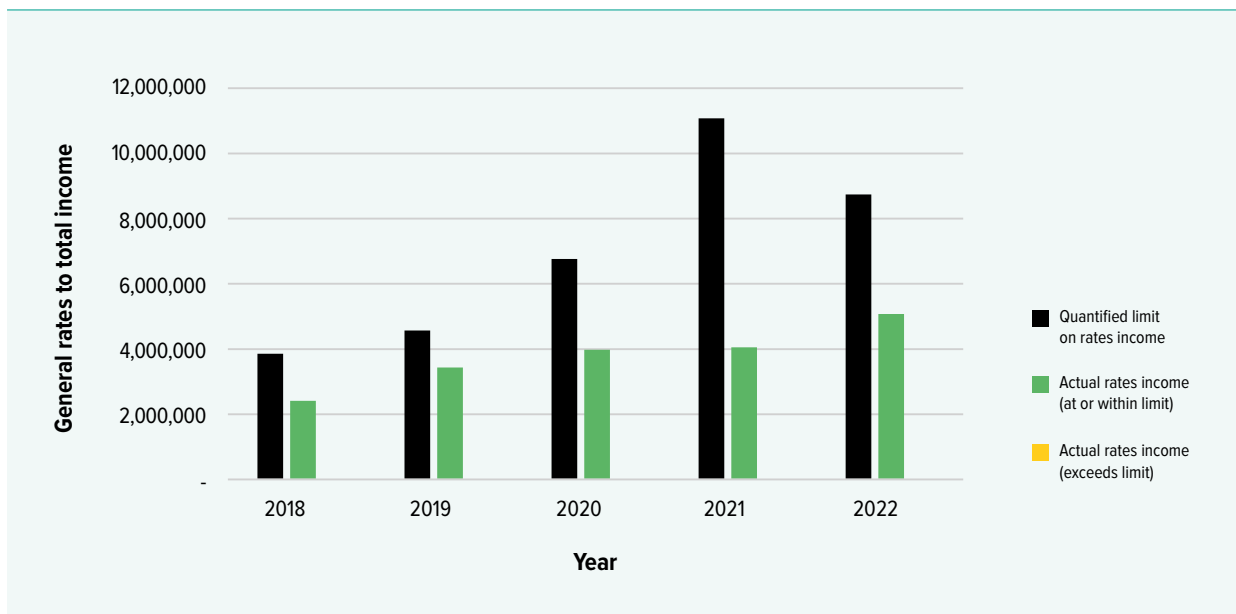
Rates (income) affordability

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.

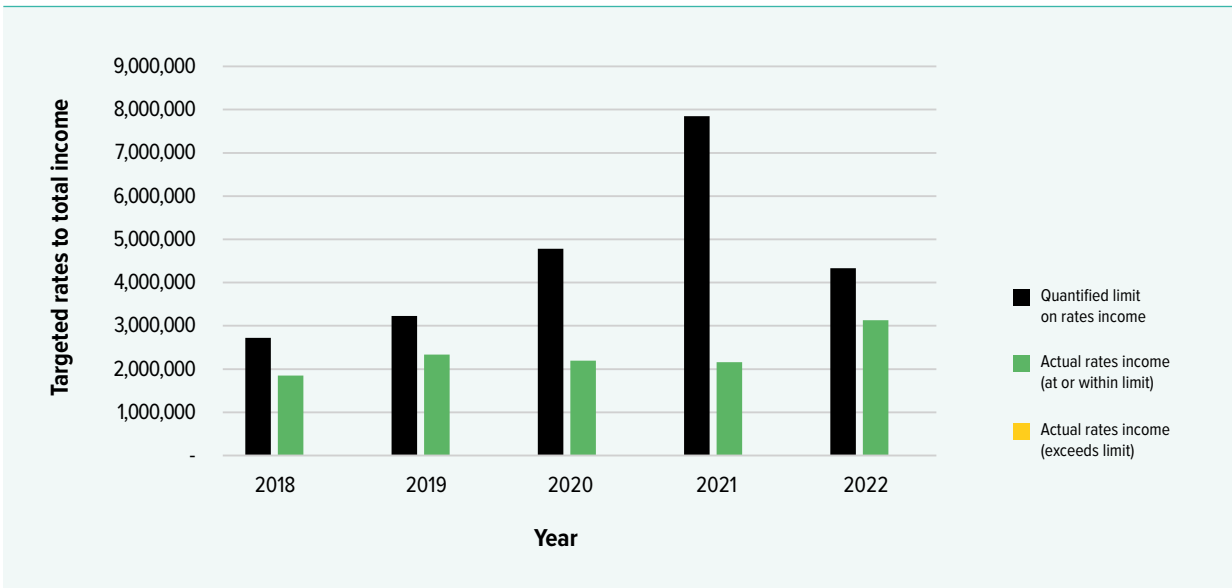
The quantified limit is that general rates will not exceed 50% of total income (the quantified limit in the 2018-28 Long Term Plan was 35%).

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 50% of total income (the quantified limit in the 2018-28 Long-term Plan was 35%).



Rates affordability benchmark

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 income¹.



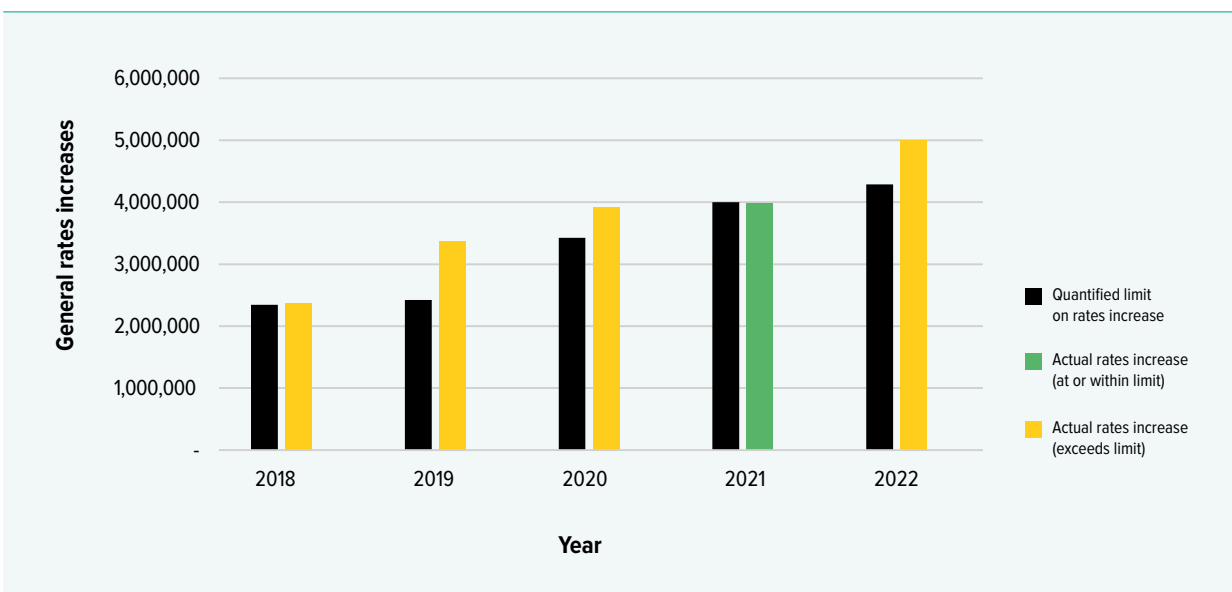
1. No targeted rates affordability income quantifiable limit or increases were included in the financial Strategy section of Council's 2021-31 Long-term Plan. The targeted rates affordability income quantifiable limit and increases in the financial Strategy section of Council's 2018-28 Long-term Plan have been continued in 2022.

Rates (increases) affordability

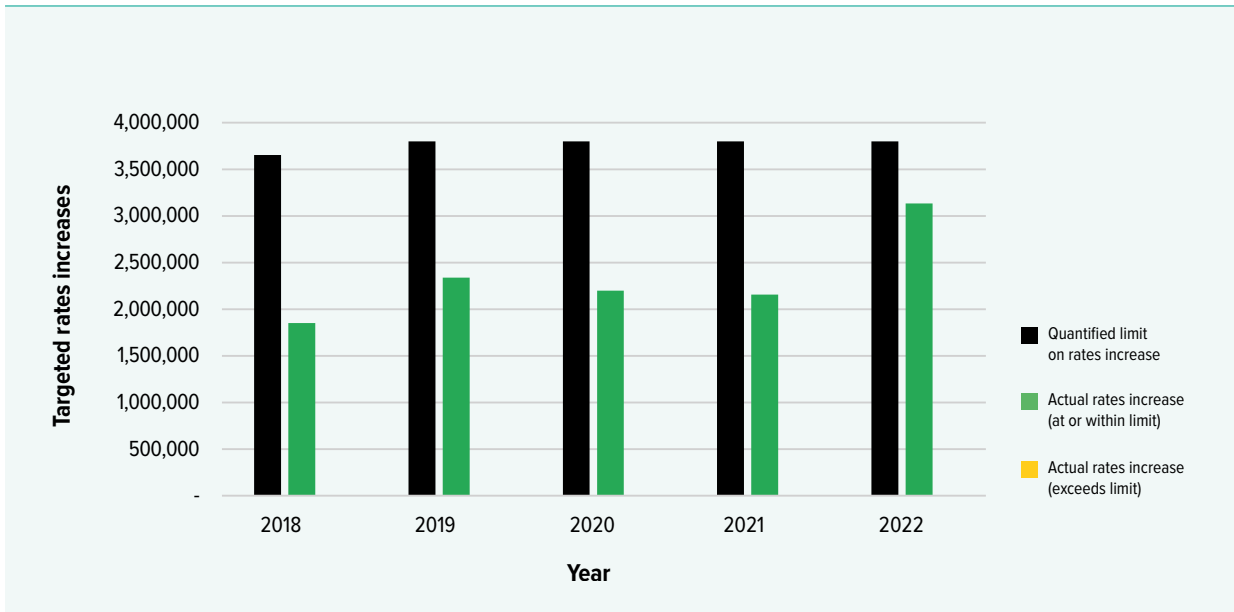
Council has two quantified limits on rates increases affordability as stated in the financial strategy included in Council's long-term plan:

- 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 and Council's Long-Term Plan. The quantified limit is that general rates will not exceed 7.5% (the quantified limit in the 2018-28 Long Term Plan was estimated Business and Economic Research Ltd (BERL) 'Local Government Cost Index' adjustments).



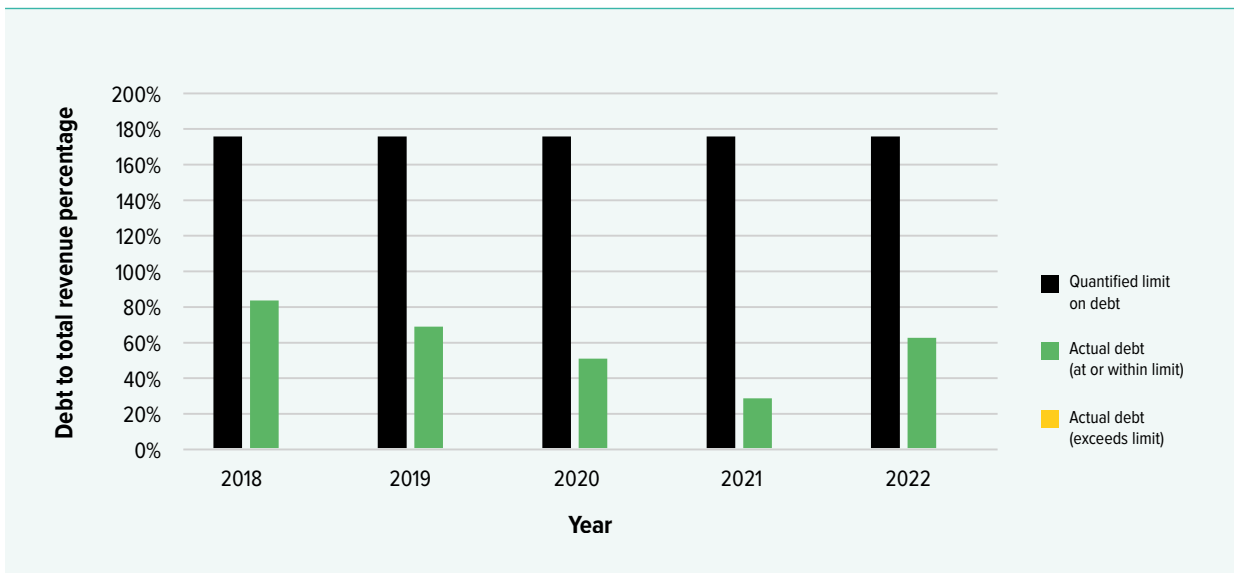
The following graph compares the Council's actual targeted rates with a quantified limit on rates increases included in the financial strategy included in Council's Long-term Plan. The quantified limit is that targeted rates will not exceed the 2018/19 baseline of \$1,899,422 plus 100% over the 10-year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



1. No targeted rates affordability income quantifiable limit or increases were included in the financial Strategy section of Council's 2021-31 Long Term Plan. The targeted rates affordability income quantifiable limit and increases in the financial Strategy section of Council's 2018-28 Long Term Plan have been continued in 2022.

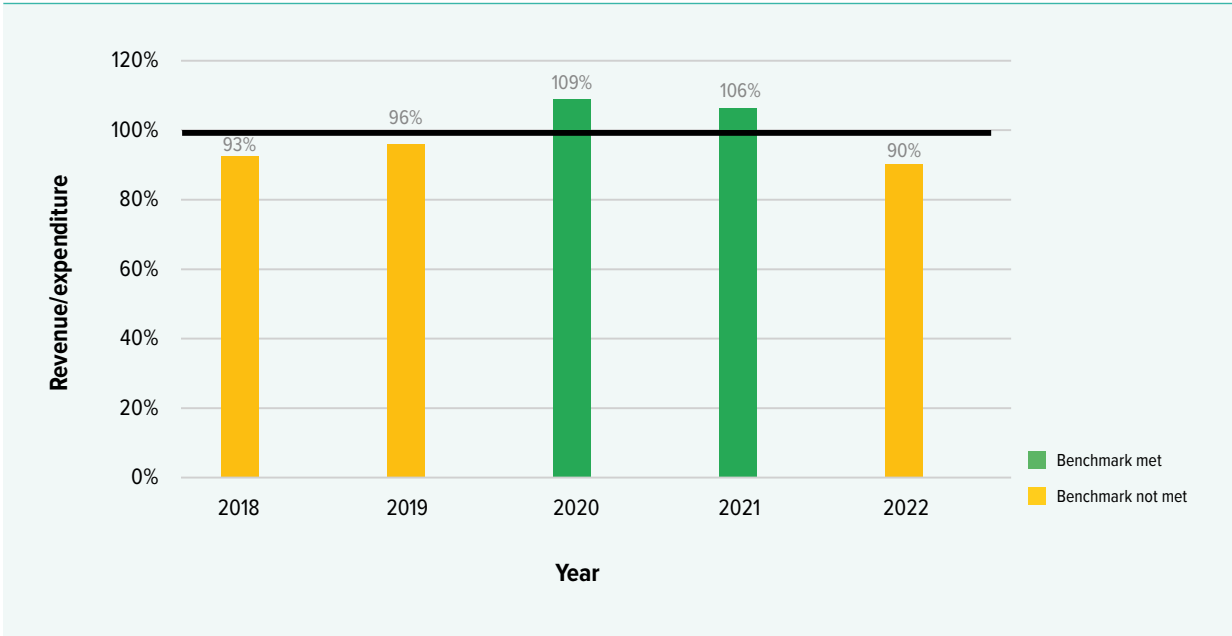
Debt affordability benchmark

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

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.

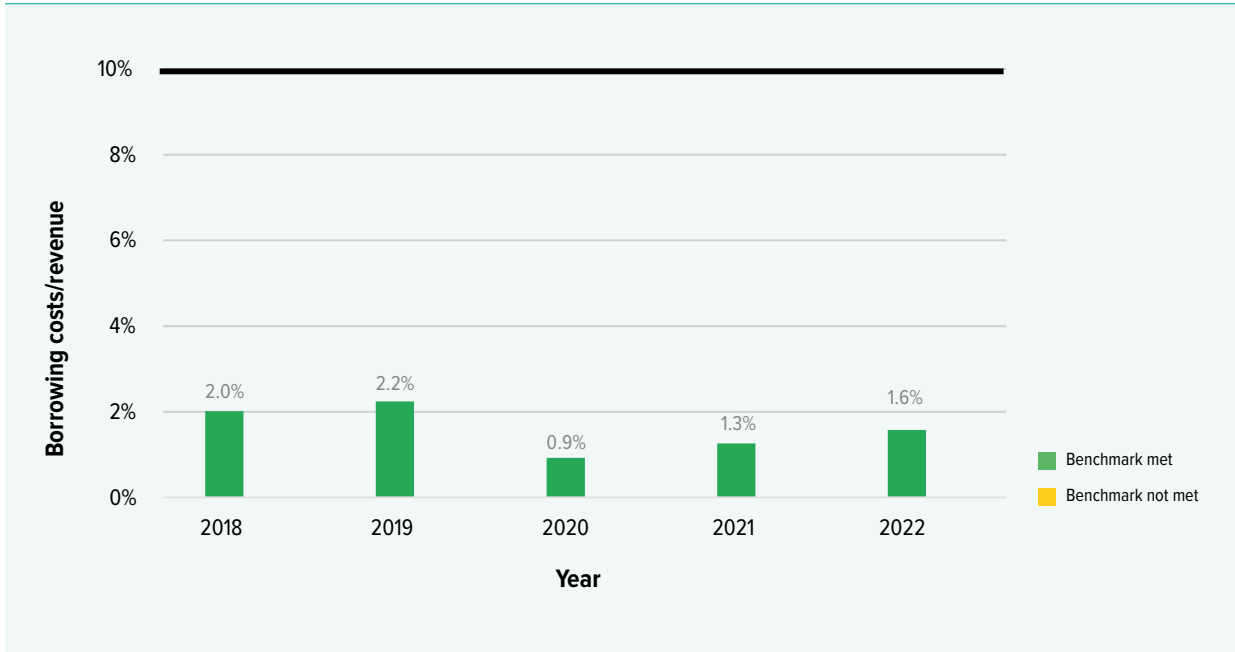
Council’s only network services relate to flood protection and control works. Council does not provide any other network services. These network services are in the form of assets such as rock protection, stopbanks, seawalls etc. These assets are not subject to depreciation. Council’s capital expenditure 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).

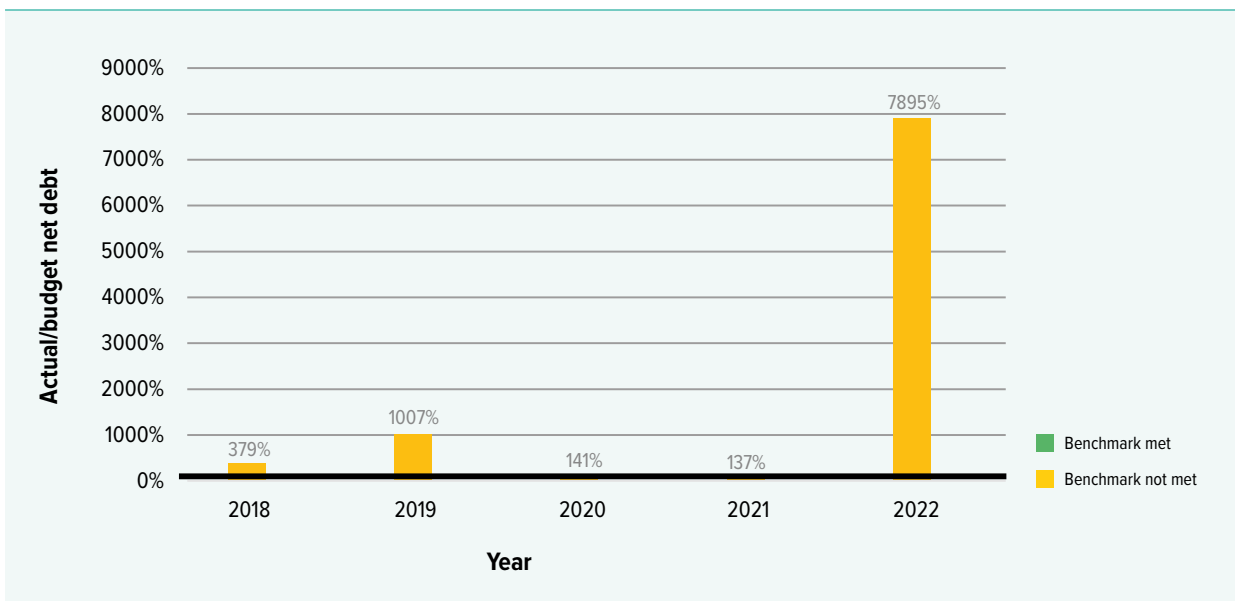
Because Statistics New Zealand projects the council’s population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



Debt control benchmark

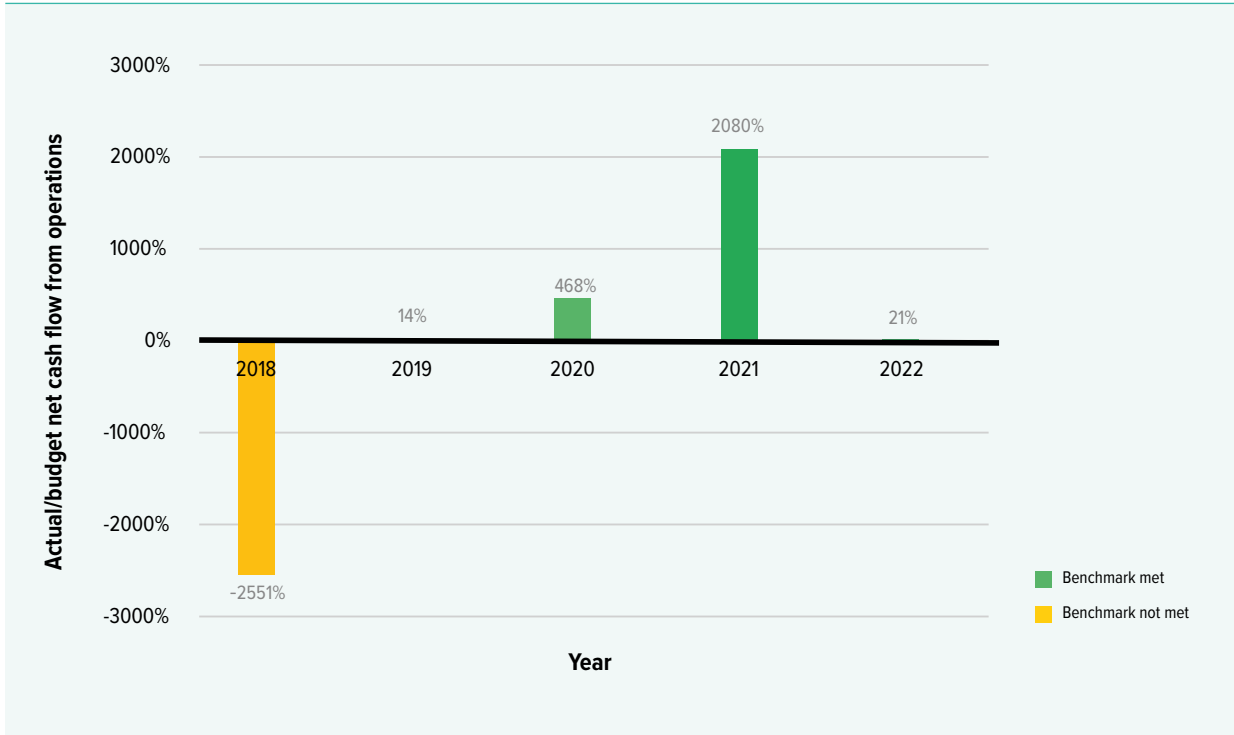
The following graph displays the council’s actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

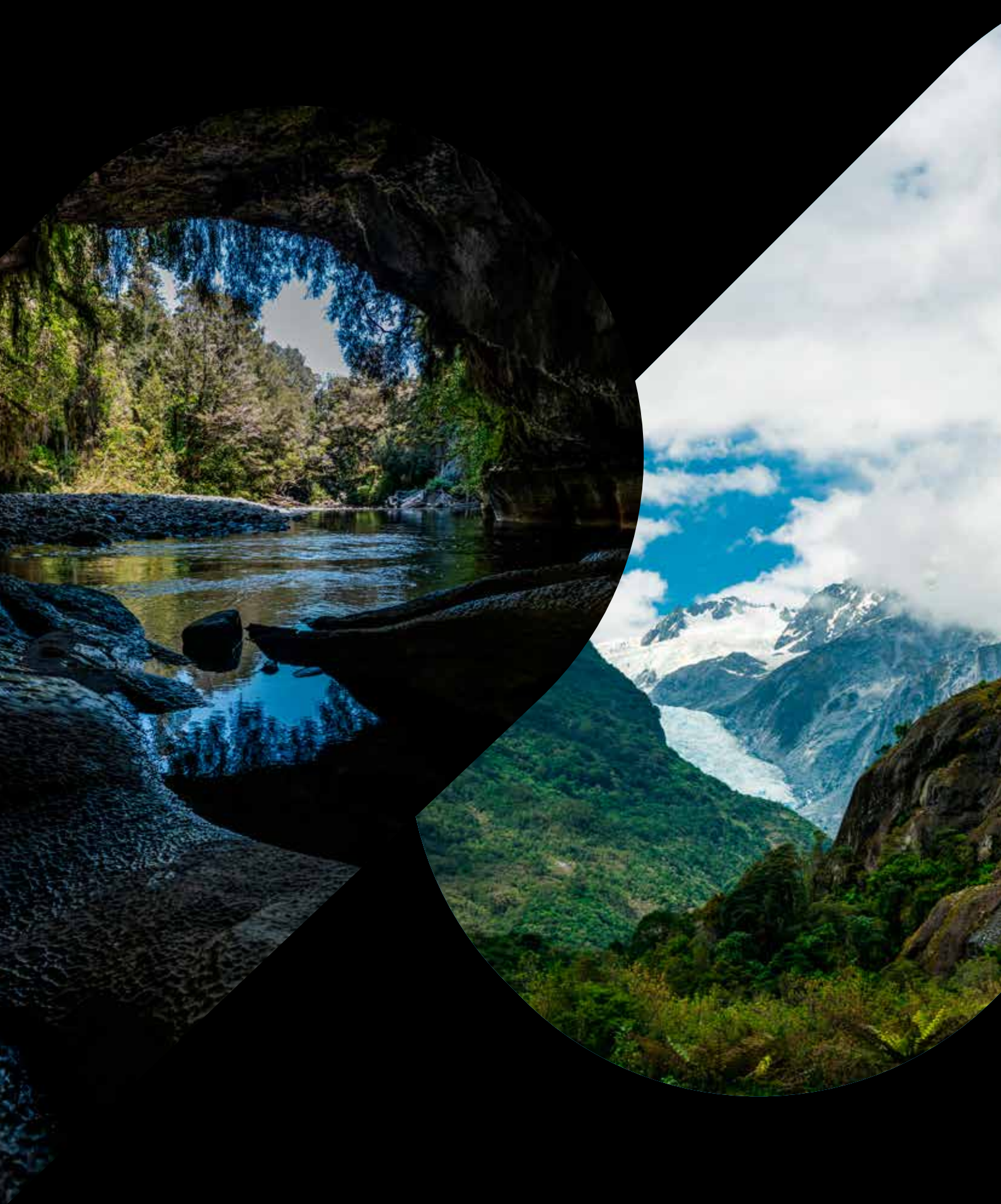
The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



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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