

West Coast Regional Council

Annual Plan 2019-2020

*Have
your
say!*



Consultation
Document



THE WEST COAST
REGIONAL COUNCIL

Welcome to the West Coast Regional Council's Annual Plan 2019-2020 Consultation Document

Last year we undertook a comprehensive review of our Long-term Plan for 2018-28 that included details on our work for the next three years.



Andrew Robb
Chair

We believe we could have achieved the planned 2.1 per cent average increase for Year 2 (2019-20), however due to a number of factors, most significantly the One District Plan project, this is no longer possible. We are now required, by law, to strike a rate to prepare, notify, adopt, amend as required and review the One District Plan on behalf of the region's three District Councils. This activity, and its associated costs, will affect all West Coast ratepayers. The rate is based on the capital value of your property. More details on how this will affect you can be found on page 2 of this document.



Michael Meehan
Chief Executive

We also have proposals for several rating districts as well as a proposed change in our dairy compliance inspection fee which will also have an effect on some ratepayers.

The March 25-26 weather event had a significant impact on our communities, felt most strongly in Westland. This is likely to result in further rating district work over the coming year. However, given the timeframes for undertaking consultation on this Annual Plan and the work needed to be done to understand what this may entail, this rating district work will take place outside of the Annual Plan process. You can find out more on page 10.

The ongoing implications of central government legislation, for example the Remuneration Authority directives, National Policy Statement on Freshwater Management, outcomes of the Local Government Commission and the soon to be released National Policy Statement on Biodiversity, are constantly increasing the workload and costs of Council. The same requirements are expected of the West Coast Regional Council as the regional councils in Wellington, Hawkes Bay or Canterbury and we are constantly reviewing our programmes and priorities to meet these.

We are also focussing on being more efficient and ensuring we deliver value for money to our communities. Included in this drive to better serve our communities is a continued focus on accessing funding from alternative sources, for example through EnviroLink or the Provincial Growth Fund, to progress projects and work streams.

The activities in the Long-term Plan, and those we are consulting on in this document, all have a direct impact on how you live, work and play in our region. The region's Councillors have set our preferred plan for Year 2. If you have views on these proposals, let us know by using the submission form attached in the middle of this brochure and send it back to us by 17 June 2019. Online submissions can be made at www.wcrc.govt.nz/annualplan.



The total rates you pay will depend on the area where you live and the services you receive.



As your Regional Council, our role differs from that of the districts. We are responsible for managing the region's land, air and water resources on behalf of the communities we serve, work to reduce the risk and impact of flooding, and lead the planning for and response to, natural disasters to help keep people and their properties safe. We also play an important role in managing biodiversity through our biosecurity work.



One District Plan

The Local Government Reorganisation (West Coast Region) Final Proposal Order 2018 came in to effect on 5 November 2018. This Order requires the development of a West Coast District Plan (One District Plan), and directs the West Coast Regional Council to undertake this work. The Order, made by the Governor-General, was developed by the Local Government Commission who carried out extensive consultation including public hearings and telephone interviews.

The Order details the process that must be followed including the governance structure for the development of the plan.

Funding for One District Plan has been explicitly outlined within the Order as follows: *“The costs for there to be a combined district plan and for preparing, notifying, adopting, periodically amending and reviewing the combined district plan must be funded by the West Coast Regional Council by a rate set in relation to all rateable land within the West Coast Region.”* This means the Regional Council is required by law to strike an appropriate rate for the development and maintenance of the plan.

A Joint Committee, comprising the Mayor and a Councillor from each of the three District Councils, the Chairman and a Councillor from the Regional Council, representatives from Te Rūnanga o Makaawhio and Te Rūnanga o Ngāti Waewae, and an independent Chair, will provide governance over the process to deliver the One District Plan. This Group will be formally established through an Order of Council from the

Local Government Commission in late May. In the future, the Joint Committee will provide recommendations to the Regional Council in relation to the budget required to deliver the Plan. The Regional Council will then be required to rate accordingly.

In order for the plan to be completed within three years, it is recommended a budget of \$900,000 be set for the 2019/20 year of which \$250,000 is sourced through repurposing existing budgets. The work will be overseen by a Project Manager, supported by additional planning resource as well as legal and consultant support.

Funding from the Local Government Commission has assisted in covering the establishment costs of the project. The three District Councils have committed \$25,000 each, and the Regional Council is repurposing the economic development funding for the 2019/20 year.

Note that if this directive had not been made, both the Grey and Westland District Councils would have to rate separately to undertake their own individual plans in addition to the work that the Buller District Council has commenced but still to complete. Theoretically, this will not be costing ratepayers any more, and should result in cost savings in the long run particularly through the submission, hearing, mediation and appeal processes. In addition to the cost savings identified for West Coast ratepayers, the One Plan is expected to make the region more attractive for investment and easier for business with a consistent regulatory framework across the region.

Budgeted costs	
Salaries	\$350,000
Allocated overhead costs	\$350,000
Legal	\$50,000
Consultants	\$50,000
Governance and other costs	\$100,000
Total	\$900,000

Funded by	Existing	Required
District and Regional Council commitments	\$100,000	
Regional Council repurposed economic development rate	\$150,000	
New special rate		\$650,000
Total		\$900,000



But what will that cost me?

Cost to ratepayer – For an average (\$200,000 capital value) homeowner, the special rate would be around an extra \$18.10 +GST per year. For a \$3.5 million dairy farm, that would be around an extra \$316.75 +GST per year.





Rapahoe Coastal Erosion

Following receipt of a petition (Protect the Rapahoe Beach Front), Council has, in conjunction with Grey District Council, been designing short to medium term protection options to slow the rate of coastal erosion in the Rapahoe area.

The short to medium term protection proposed by Council is to have rock riprap placed on the upper beach face at Rapahoe Beach, tied into the existing rock protection at the north end of the beach. The extent of the proposed rock work is a length of approximately 220m at an estimated cost of \$161,413. The work includes drainage and culvert replacement that will be funded separately by Grey District Council.

A complete copy of the proposed works design can be found Council's website wcr.govt.nz/annualplan or by contacting the Council office to request a hard copy

Council is consulting on forming a Special Rating District to fund the implementation of these protection options via a loan for a period of 10 years. Council will borrow to fund the works and the loan repayments required have been calculated at 3%* over 10 years. Any loan raised will be interest only from the time raised until the 2020/21 rating year. An additional annual maintenance rate of \$16,141 per annum will also be levied to ensure funds are available for any future maintenance works from 2020/21. No further major works are planned unless the situation changes dramatically. Council would recover the costs through a targeted rate during 2020/21 to 2030/31.

**Subject to change depending on the interest rate that Council actually borrows at.*

Potential options

Council has identified two options for the formation of the Rapahoe Rating District:

- ▶ **Option 1: One classification**
A smaller rating district that encompasses properties between the coast line and the State Highway.
- ▶ **Option 2: Two classifications**
An enlarged rating district that includes two classifications, A and B. Due to the differing degree of benefit received from the protection works, a two-tiered differential rate would apply.



But what will that cost me?

This proposal will only affect properties identified in the maps of the Proposed Rapahoe Rating District.

Option 1: One classification

The proposed rate for Class A, **per \$100,000 of Capital Value** that Council would be levying for **annual loan repayments and maintenance costs** are included below:

Loan repayment		
Classification	Differential	Rate per \$100,000 CV
A	100%	\$317.18 +GST

Maintenance rate		
Classification	Differential	Rate per \$100,000 CV
A	100%	\$233.61 +GST

Option 2: Two classifications

A summary of the values in each Class, and the proposed rate **per \$100,000 of Capital Value** that Council would be levying for **annual loan repayments and maintenance costs** are included below:

Loan repayment		
Classification	Differential	Rate per \$100,000 CV
A	100%	\$212.25 +GST
B	67%	\$141.21 +GST

Maintenance rate		
Classification	Differential	Rate per \$100,000 CV
A	100%	\$156.33 +GST
B	67%	\$104.74 +GST



Option 3: Status quo

No rating increase as the Rating District would not be established, and protection works and maintenance would not occur.

- ▶ **Option 3: Status quo**
'No formation of a rating district' is a third option available for the area. This would result in no protection works being undertaken by the Regional Council.

Council advises that if major works are undertaken in the future that the scheme agreed to for the 20/21 year will also apply to who pays for future major works.




Rapahoe Special Rating Areas

-  Rapahoe (Proposed)
-  Rapahoe Rating District



Option 1: One classification

Rapahoe Special Rating Areas

-  Rapahoe A (Proposed)
-  Rapahoe B (Proposed)
-  Rapahoe Rating District



Option 2: Two classifications

SPECIAL RATING DISTRICT PROPOSAL



Carters Beach Erosion

Carters Beach residents identified their preferred protection options to manage coastal erosion through a survey undertaken in March 2018. These options were reviewed at a community meeting in November 2018.

Of the engineering options proposed, the two most supported through the survey were the sacrificial bunds accompanied by the rockfill for "Thomas" Creek.

Undertaking this protection work can either be completed by the community or through the establishment of a rating district. Council has found that the most efficient method of seeing the work is undertaken, and completed to the standard required to achieve the desired outcome, is through the formation of a rating district.

Council is consulting on forming a Special Rating District to raise a loan of \$144,000, repayable at an indicative rate of 3%* per annum over a period of five years, to fund the implementation of his protection work. Any loan raised will be interest only from the time raised until the 2020/21 rating year.



But what will that cost me?

This proposal will only affect properties identified in the map of the Proposed Carters Beach Rating District.

The proposed rate **per \$100,000 of Capital Value** that Council would be levying for **annual loan repayments and maintenance costs** are included below:

Loan repayment	Maintenance rate
Rate per \$100,000 CV	Rate per \$100,000 CV
\$59.17 +GST	\$54.89 +GST


An additional maintenance rate of \$28,000 per annum is required to ensure sufficient funds are available for any future maintenance works. No further major works are planned unless the erosion situation changes dramatically.

Costs of the proposal would be recovered by Council through a targeted rate applied over 2020/21- 2024/25 on the properties in the area only. If major works are undertaken in the future, the scheme agreed to for the 2020/21 year will be applied.

**Subject to change depending on the interest rate that Council actually borrows at.*



A complete copy of the proposed works design can be found Council's website wrcr.govt.nz/annualplan or by contacting the Council office to request a hard copy

 Carters Beach Rating District



SPECIAL RATING DISTRICT PROPOSAL



Karamea Rating District Stopbank Upgrade

Following consultation with the Karamea Rating District Committee, it is proposed to undertake the upgrade of the full length of the stopbank between the Last Resort Bank and the Karamea River Bridge, a length of 1,287m.

The majority of this length of stopbank has been identified as having a high risk of failure due to its location (crossing a relict flood channel), the nature of the unconsolidated material making up the existing stopbank, and the reduced height and width of the bank due to settlement over time.

The upgrade will be a gravel overlay of the existing bank. The crest width will be 4m and the crest level will follow the same grade as the Last Resort Stopbank. Batter slopes on both sides are 2:1, with the slopes re-soiled and grassed where required. It is proposed to let this work as one contract. Including contingencies and staff costs, this option is estimated to cost \$393,250 (or \$30,555 per 100m).



But what will that cost me?

This proposal would only affect properties identified in the map of the Karamea Rating District.

A summary of the values in each Class, and the **proposed rate per \$100,000 of Capital Value** that Council would be levying **for the annual loan repayment of \$400,000** are included below:

Classification	Differential	Rate per \$100,000 CV
A	100	\$60.66 +GST
B	80	\$48.53 +GST
C	60	\$36.40 +GST
D	10	\$6.07 +GST
E	5	\$3.03 +GST

These works would be funded via a loan of \$400,000 for a period of 20 years, at an approximate interest rate of 3%*, as the current account balance is insufficient to cover the full cost of the work.

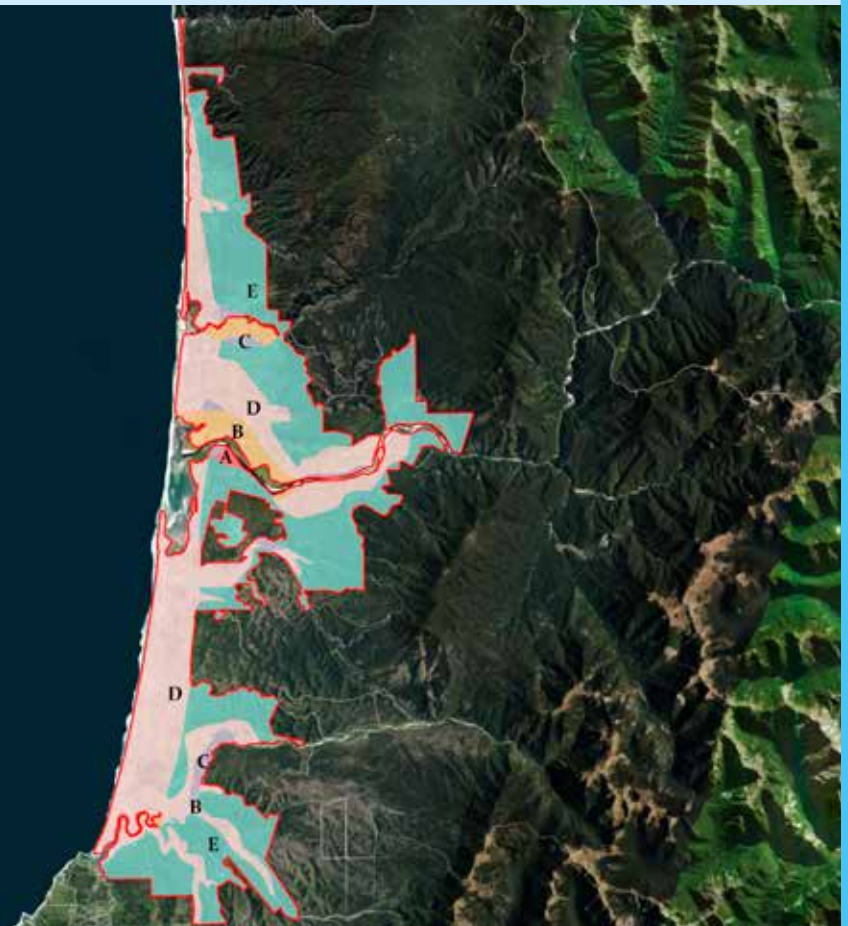
**Subject to change depending on interest rate that Council actually borrows at.*



A complete copy of the proposed works design can be found Council's website wrc.govt.nz/annualplan or by contacting the Council office to request a hard copy

Karamea Special Rating Areas

- Karamea A
- Karamea B
- Karamea C
- Karamea D
- Karamea E
- Karamea Rating District





Punakaiki Rating District Review

**Have
your
say!**

At the AGM, held in October 2018, the Punakaiki Rating District requested Council review the potential classification options available for funding the maintenance rate. Currently the area is split into four classifications, each paying a different proportion depending on the level of benefit obtained. Any change to the differential applied, or merging of classifications, will have an impact across the rating district. For some this would be negative, for others positive.

Potential options

Council has identified three options for funding the maintenance rate for the Punakaiki Rating District to consider and vote on.

- ▶ **Option 1: Status quo**
No change to the classifications, the status quo remains.
- ▶ **Option 2: Merger of the B and C classifications**
Classification B and C are merged together reducing the classifications of the Rating District to three. There would be a change to the differentials for the B (decrease from 65% to 60%) and D (increase from 30% to 35%) classifications. The levy for the A classification would remain the same.
- ▶ **Option 3: Holistic rating district for maintenance**
Merge all the classifications together and have one holistic rating district whereby all properties would have the same differential for maintenance.



But what will that cost me?

This proposal will only affect properties within the Punakaiki Rating District.

Option 1: Status quo

There would be no change to the maintenance rate from what was agreed at the Rating District AGM in October 2018:

Classification	Differential	Rate per \$100,000 CV	Impact on \$300,000 CV	Impact on \$400,000 CV
A	100%	\$1,101	\$3,303	\$4,405
B	65%	\$716	\$2,147	\$2,863
C	60%	\$661	\$1,982	\$2,643
D	30%	\$330	\$991	\$1,321

Option 2: Merger of the B and C classifications

A summary of the values in each Class, and the proposed rate **per \$100,000 of Capital Value** that Council would be levying for maintenance are included below:

Classification	Differential	Rate per \$100,000 CV	Impact on \$300,000 CV	Impact on \$400,000 CV
A	100%	\$1,084	\$3,251	\$4,335
B	60%	\$650	\$1,951	\$2,601
C	60%	\$650	\$1,951	\$2,601
D	30%	\$379	\$1,138	\$1,517

Option 3: Holistic rating district for maintenance

A summary of the values in each Class, and the proposed rate **per \$100,000 of Capital Value** that Council would be levying for maintenance are included below:

Classification	Differential	Rate per \$100,000 CV	Impact on \$300,000 CV	Impact on \$400,000 CV
A	100%	\$702	\$2,105	\$2,807
B	100%	\$702	\$2,105	\$2,807
C	100%	\$702	\$2,105	\$2,807
D	100%	\$702	\$2,105	\$2,807

all GST inclusive





Dairy Farm Inspection Charge

Council is updating the dairy farm inspection charge to apply consistently across those farms who discharge dairy effluent under the permitted activity rule or those who have a resource consent for this activity. Making this a flat fee regardless will provide certainty for all dairy farmers as to what they will be charged for their initial dairy shed inspection, as well as being fair for all farmers as the dairy shed inspection work undertaken by the compliance officer is similar for both permitted activity and consented dairy effluent systems.

The fee is also being increased from \$300 +GST to \$350 +GST. This is to better reflect the actual time and cost of undertaking the dairy farm inspection visits including preparation, on farm and post visit time, as well as travel time and cost.



But what will that cost me?

If you are not a dairy farmer, then this change will not affect you.

- ▶ For a dairy farm discharging dairy effluent **under the permitted activity rule**, a fixed dairy shed inspection charge will increase from \$300 +GST to \$350 +GST.
- ▶ For a dairy farmer discharging dairy effluent **under a resource consent**, a fixed dairy shed inspection charge of \$350 +GST will replace the current hourly charge out rate.

Time and cost will be charged where non compliances are detected and follow-up visits required, or additional costs (for example laboratory costs for water samples collected), whether the farm is operating under the permitted activity rule, or is consented. This is already in place under the current charging regime.

We Would also Like Your Feedback on...



Transfer of Powers – Navigational Safety

The navigation safety function for ports by law rests with regional councils as does associated enforcement and making navigation bylaws. This is a remnant of history whereby regional councils owned ports. The fact that many of these are now owned by district councils makes this awkward and onerous to manage. In the case of the Port of Greymouth, the Grey District Council undertakes these activities and has done for some time.

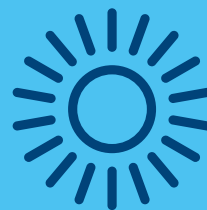
It is believed that a transfer of these functions was made sometime in the past, probably to the Harbour Board, however given changes in legislation and parties over time the Grey District Council and West Coast Regional Council believe this should be done afresh and formally. As part of the process, the Councils are required to consult on this as per the special consultative procedures under the Local Government Act.



What does this mean for me?

This action will not result in any impact on ratepayers across the region, or the Grey District, and merely formalises procedures already in place.

For a copy of the full report and the Deed of Transfer of responsibilities in Terms of Navigation Safety visit – www.wcrc.govt.nz/annualplan



For the Future

The weather event on 25 and 26 March had a significant impact on a number of our communities, particularly in Westland. Council is flagging the following matters which, due to timing, will have to be addressed outside of this Annual Plan process.

Lower Waiho Rating District

The March 2019 weather event saw extensive damage to the south side of the Waiho following the partial destruction of the Milton and Others Stopbank. It has become clear through various discussions with officials and government that the only practical option, at this stage, is to rebuild the stopbank. The decision to rebuild the Milton and Others Stopbank was confirmed at a Regional Council meeting on 9 April 2019. Councillors supported the feedback provided by representatives of the Lower Waiho Rating District.

Council staff have been and will continue to work closely with the Lower Waiho Rating District on the final design, costs and timeframes to complete this work. The costs and timeframes of the rebuild will depend largely on how much rock can be recovered from the surrounding areas.

The Lower Waiho Rating District have also expressed an interest in extending the rating district to incorporate all properties on the south side of the river. Council will work with the Rating District, other property owners and the New Zealand Transport Agency as to how best approach the management of this infrastructure into the future.



Arahura Valley

The March 2019 weather event resulted in the flooding on land and loss of access on the south side of the Arahura River. There was flooding over numerous parts of the Arahura Valley Road to Humphries Gully Road. The most significantly affected area, between German Road and Humphries Gully Road, saw the Arahura River breach its banks, taking the easiest route over adjacent farmland, across the road and into the farmland on the other side before cutting back into the river again. This was as a result of significant aggradation (build up) of gravel at this section of the river.

Approximately 1.5 kilometres of the river has aggraded to nearly the height of the adjacent road and this area is now susceptible to future heavy rainfall events.

Council is currently reviewing potential options to manage this risk. This may include using bulldozers to clear out the build-up of gravel, and/or the formation of low height stop banks. There are also issues downstream of the worst affected area that will need addressing.

Due to the extent of the work required, Council will meet with landowners in the area to potentially establish a rating district to manage these issues going forward.



**Have
your
say!**

How do I make a submission?



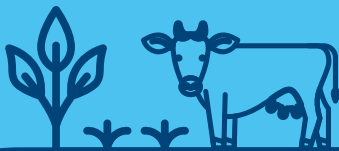
Attached in the middle of this brochure is a submission form which you may wish to use to provide feedback to the Regional Council. Submissions can also be made online – visit **wcrc.govt.nz/annualplan** and click the link to the online submission form.



The deadline for submissions is **17 June 2019.**



A hearing will be held for those wishing to speak to their submission.



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