

**AGENDA AND SUPPORTING PAPERS  
FOR COUNCIL'S JULY MEETINGS**

**TO BE HELD IN THE OFFICES OF THE WEST COAST REGIONAL COUNCIL  
388 MAIN SOUTH ROAD, GREYMOUTH**

**TUESDAY, 10 JULY 2007**

**The programme for the day is:**

**10.30 a.m.:: Resource Management Committee Meeting**

**On completion of RMC Meeting: Council Meeting**

## **RESOURCE MANAGEMENT COMMITTEE**

**THE WEST COAST REGIONAL COUNCIL**

Notice is hereby given that a meeting of the **RESOURCE MANAGEMENT COMMITTEE** will be held in the Offices of the West Coast Regional Council, 388 Main South Road, Paroa, Greymouth on  
**Tuesday, 10 July 2007**

**D. SHANNAHAN**  
**CHAIRPERSON**

**S. MORAN**  
**PLANNING AND ENVIRONMENTAL MANAGER**  
**C. DALL**  
**CONSENTS AND COMPLIANCE MANAGER**

<b><u>AGENDA NUMBERS</u></b>	<b><u>PAGE NUMBERS</u></b>	<b><u>BUSINESS</u></b>
<b>1.</b>		<b>APOLOGIES</b>
<b>2.</b>	1 - 4	<b>MINUTES</b>
	2.1	Confirmation of Minutes of Resource Management Committee Meeting – 12 June 2007
<b>3.</b>		<b>PRESENTATION</b>
<b>4.</b>		<b>CHAIRMAN'S REPORT</b>
<b>5.</b>		<b>REPORTS</b>
	5 - 8	<b>5.1 Planning and Environmental Group</b>
	5 - 8	5.1.1 Planning & Environmental Manager's Monthly Report
		<b>5.2 Consents and Compliance Group</b>
	9 - 13	5.2.1 Consents Monthly Report
	14 - 18	5.2.2 Compliance & Enforcement Monthly Report
	19 - 21	5.2.3 Status of Mining Licence Bonds

THE WEST COAST REGIONAL COUNCIL

**MINUTES OF THE MEETING OF THE RESOURCE MANAGEMENT COMMITTEE  
HELD ON THE 12<sup>th</sup> JUNE 2007 AT THE OFFICES OF THE WEST COAST REGIONAL COUNCIL,  
388 MAIN SOUTH ROAD, GREYMOUTH, COMMENCING AT 10.30 A.M.**

**PRESENT:**

D. Shannahan (Chairman), J. Clayton, D. Davidson, B. Chinn, P. Ewen, R. Scarlett, R. Barber (arrived 10.34)

**IN ATTENDANCE:**

C. Ingle (Chief Executive Officer), R. Mallinson (Corporate Services Manager), S. Moran (Planning & Environmental Manager), C. Dall (Consents & Compliance Manager), T. Jellyman (Minutes Clerk), The Media.

**1. APOLOGIES**

There were no apologies.

**2. MINUTES**

**Moved** (Davidson / Clayton) that the minutes of the previous Resource Management Committee meeting dated 8 May 2007, be confirmed as correct.

*Carried*

**Matters Arising**

There were no matters arising.

**PRESENTATION**

There was no presentation.

**4. CHAIRMAN'S REPORT**

Cr Shannahan spoke of the meetings he had attended including the visit to Oceanagold's Globe Progress Mine. He stated this was a very interesting and worthwhile visit.

Cr Shannahan attended The Waste Working Group meeting. The Three Councils are working together with regard to signage for camping areas and are seeking uniform rules for all areas to avoid confusion for tourists.

Cr Shannahan also visited Stockton mine with fellow councillors and staff. He felt this was most informative. He is pleased with progress made regarding water quality improvements.

Doug Ramsay from NIWA visited recently to hold a seminar on climate change and coastal erosion issues. Cr Shannahan found this very enlightening.

A meeting was held at Taylorville regarding the sewerage issues in this area. Cr Shannahan reported that a subsidy of \$350 per house is being considered by Government. There is a need to push hard for this subsidy as it is out of reach for some small towns and is important for the West Coast.

**Moved** (Shannahan / Clayton) That the Council receive this verbal report.

*Carried*

**5. REPORTS****5.1. PLANNING AND ENVIRONMENTAL GROUP****5.1.1 PLANNING AND ENVIRONMENTAL MANAGER'S MONTHLY REPORT**

S. Moran spoke to his report. He reported that Consent Orders for the Water Plan have resolved and this is now 99% operative. There is one rule to go and a general appeal to be

considered. The Water Plan can be made operative at the next Council meeting. The Land and Riverbed Plan is a bit different due to the Variation to wetlands.

Proposal for National Policy Statement on Flood Risk Management: A background document has been received regarding this.

Civil Defence: A Lifelines meeting was held on the 14 of May. Solid Energy is keen to become involved with this group as they have concern relating to the Midland rail line. Their initial expectation was that it would take some time to get this up and running again however it was felt this could be reopened within two months. Solid Energy want to be able to get people back to work as soon as possible after an earthquake in order to get the economy up and running once this infrastructure is back in place.

S. Moran reported that coordination between Lifelines and Civil Defence Emergency Management Group has resulted in the nomination of representatives for the Group Emergency Operations Centre: Mel Sutherland and Neville Higgs.

The Co-ordinating Executive Group (CEG) met on the 24<sup>th</sup> of May. They are considering sponsoring Science Alive's "Earth's Fury" display which focuses on natural disasters. They would like 70% of school children on the West Coast to view this and also open it for the public.

Exercise Pandora: This is the Civil Defence exercise scheduled for September. Chris Ingle and Chris Pullen have now been appointed as Alternate Controllers. Chris Pullen has been appointed as Recovery Manager and Andrew Macalister as his Alternate.

Operation Cruickshank: Day Four of this exercise was held in conjunction with the CEG meeting on 24 May.

Transport: The Minister of Transport has indicated she will attend the next RLTC meeting.

S. Moran provided an update for Council on the Recommendations of the Walking Access Panel on Outdoor Access. He stated that it is looking as though a panel will be formed but there is no function at this stage for Regional Councils.

Resource Science: Water Quality – the \$5,000 Envirolink project being undertaken by Cawthron was discussed. A further project on the back on this is being looked into and a grant for \$20,000 is being sought.

Hydrology / Flood Warning: Work is currently being undertaken to install water level sensors in the Cobden Lagoon. This area is linked to the Cobden Cut and should be completed in the next few weeks. Cr Ewen asked if there has been an improvement in the After Hours Telephone Service. C. Ingle advised that a contract has been signed with Palmerston North City Council to manage this function. This is effective from the 1<sup>st</sup> of August and will greatly improve the current system. Cr Ewen stated that this would offer peace of mind to Cobden residents.

Air Quality: There have been no exceedances of the National Environmental Standard in the Reefton Airshed to date.

**Moved** (Chinn / Ewen) That Council receives this report.

*Carried*

### **5.1.2 AIR PLAN SECTION 35 EFFICIENCY AND EFFECTIVENESS REVIEW OF THE REGIONAL AIR QUALITY PLAN**

S. Moran tabled this report. Some very minor changes are desirable but these are not urgent and can wait until the ten year review. Cr Chinn queried how is gravel road dust affected. S. Moran advised that this is a permitted activity and is outside of consent sites. Cr Chinn queried the impact of this on gravel roads. S. Moran stated this is a permitted activity. C. Dall confirmed that roading is excluded when outside a consent site.

**Moved** (Clayton / Davidson) that this report be received.

*Carried*

### **5.1.3 UPDATE ON ENVIROLINK FUNDING SCHEME**

C. Ingle spoke to this report. He stated that the Envirolink funding scheme is a good method of tapping into funds that don't impact on ratepayers. So far \$284,364 over two years has been used. Cr Ewen congratulated staff on the effective use of this.

**Moved** (Davidson / Clayton) that this report be received.

*Carried*

#### **5.1.4 BUILDING RESILIENCE: A REVIEW OF THE ON-FARM ADVERSE EVENTS RECOVERY FRAMEWORK – SUMMARY OF SUBMISSIONS AND OUTCOMES OF THE REVIEW**

S. Moran reported that 72 submissions were made and 14 meetings consultation meetings were held. One of which was hosted by WCRC. He stated that this Council was strongly opposed to the compulsory insurance option.

**Moved** (Davidson / Clayton) that this report be received.

*Carried*

#### **5.1.5 NATIONAL ENVIRONMENT STANDARD FOR WATER MEASURING DEVICES - REPORT ON SUBMISSIONS**

S. Moran spoke to this report noting that a number of submissions made were similar to other Council's submissions. Council feels this proposed NES is unnecessary for the West Coast and will result in unwanted costs. Cr Ewen voiced his concern that it appears Government has made their minds up that this will go ahead. S. Moran reported that every channel and every opportunity to emphasise our views on this issue has been taken.

**Moved** (Clayton / Davidson) that this report be received.

*Carried*

#### **5.2 CONSENTS AND COMPLIANCE GROUP**

##### **5.2.1 CONSENTS MONTHLY REPORT**

C. Dall spoke to his report noting that it has been a fairly quiet month in the Consents area. Ongoing progress is being made granting whitebait stand consents with 100 in total granted this month and 80% of the total number now completed.

C. Dall stated that as the end of the financial year approaches there has been no consent appeals to the Environment Court. Therefore the legal bill in this year is down on previous years. Cr Shannahan asked C. Dall which area at Kalata is being used by Westroads for gravel take. C. Dall undertook to confirm the area with Cr Shannahan.

**Moved** (Davidson / Chinn) that the June 2007 report of the Consents Group be received.

*Carried*

##### **5.2.2 COMPLIANCE & ENFORCEMENT MONTHLY REPORT**

C. Dall reported that it has been a busy month for site visits. Ongoing progress with dairy shed monitoring is being made. Staff are working with farmers regarding follow up of the water quality sampling programme which was carried out earlier this year. Compliance Staff are also fielding enquiries from farmers regarding stock crossings.

Gravel Extraction: The Taramakau area is yet to replenish with gravel. Therefore any new consent applications have been put on hold until there is a build up of gravel in this area. Cr Shannahan asked what is the status of the global consent. S. Moran reported that discussions with DOC are continuing and the concession was lodged last November. Cr Shannahan stated that there were no problems with white baiters in this area last season. R. Barber asked if Council has carried out any works at the mouth of the Taramakau River. C. Dall confirmed that Ngati Waewae's application is currently on hold, therefore no progress has been made.

Cr Davidson queried the dairy shed inspection programme; he asked if are we seeing an improvement with the performance of dairy effluent discharges. Cr Davidson asked what people thought of Fonterra's suggestion of a financial penalty approach for non-compliant farmers. Cr Davidson wondered whether Westland Milk Products would be looking at a similar standard. Cr Scarlett advised that Fonterra take the environment seriously as do Westland Milk Products. Fonterra will be imposing penalties on shareholders who do not comply. Cr Scarlett feels that this is quite an appropriate policy. Cr Scarlett stated that where this is a section of people who don't comply this becomes very unfair on those that do comply. He added that those farmers that don't comply are gaining an unfair commercial advantage. Cr Scarlett clarified that Fonterra have taken it upon themselves to say that if farmers are not

complying over a certain period of time, then we, as a company impose the penalty on the farmer. Cr Scarlett added that there is a financial incentive to comply.

C. Dall provided an update on the visit to the Globe Progress Mine by the RMC. Three Councillors attended the Stockton mine visit, hosted by Solid Energy. C. Dall reported that Solid Energy have responded well to the Abatement Notice served at the end of last year.

Cr Davidson stated that he was very impressed with Solid Energy's commitment to the environment at that site. He noted this is a dramatic turnaround over the last four years.

C. Dall reported that there are concerns with water quality at the Rapahoe site. Staff are following up on this to ensure maintenance requirements are being met.

R. Barber asked if stock effluent on roads was a Council or Transit issue. Management stated that it is a Transit and Police issue with Transit's role being to get the facility in place.

Strongman Mine: Cr Ewen stated that Council is overdue to visit the Strongman Mine. C. Dall replied that a workshop and a visit will be scheduled for during spring. Cr Shannahan reported that investigations are being made as to whether flooding the mine would cause more instability or not. C. Ingle will follow up on whether new temperature probes have been installed east of the x y ridge.

#### **RECOMMENDATION**

1. *That the June 2007 report of the Compliance Group be received.*
2. *That the Council notifies Crown Minerals that the rehabilitation requirements for ML 323057 have been met and, therefore, the bond for this mining licence can be released.*

Moved (Davidson / Ewen)

*Carried*

#### **6. GENERAL BUSINESS**

There was no general business.

The meeting closed at 11.43 a.m

.....  
Chairman

.....  
Date

## THE WEST COAST REGIONAL COUNCIL

Prepared for: Resource Management Committee  
 Prepared by: Simon Moran – Planning & Environmental Manager  
 Date: 29 June 2007

Subject: **PLANNING AND ENVIRONMENTAL MANAGER'S  
 MONTHLY REPORT**

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### **Planning**

#### Government promotion of Aquaculture

The Government has released a promotional publication titled "Our Blue Horizon", outlining its commitment to supporting aquaculture as a sustainable major export earner into the future. The document lists a number of government initiatives to be taken over the next two to three years, including the following assistance to local government in managing aquaculture development:

- Assisting creation of Aquaculture Management Areas in the Northland and Auckland regions, as industry has identified these areas as a priority.
- Developing planning guides, and looking at how the NZCPS could include guidance on aquaculture development.
- Reviewing information on the ecological effects of aquaculture, and ensuring decision-makers have accurate and timely information about the benefits and effects of aquaculture.
- Supporting the building of Maori capacity and knowledge, particularly around strategic planning for aquaculture development, and to resolve potential conflicts between commercial and customary objectives.
- Exploring options for new aquaculture species and technologies in both existing and new aquaculture space, and investigating methods to encourage experimental aquaculture.

### **Civil Defence Emergency Management**

#### Exercise Pandora

A meeting of the South Island CDEM groups was held in Christchurch on 27 June to further discuss the preparation for Exercise Pandora. A timeline for organising the exercise was developed.

John Lovell and Simon Chambers will be on the West Coast on 9 and 10 July to develop the scenario with both the Group and TAs.

#### Test of the National CDEM Warning System

MCDEM tests the National Warning System 4 times a year, with two of these test conducted outside work hours, as required in the National CDEM Plan. Territorial Authorities are to confirm receipt of the test message to the CDEM Group within 30 minutes, and CDEM Groups are to check that the message was received (where TAs do not confirm receipt within 30 minutes) and contact the MCDEM Emergency Management Advisor within 1 hour.

A warning message was disseminated at 6.00pm 14<sup>th</sup> June by fax, email, and text message. Confirmation of receipt was received from the Buller and Westland District Councils within 30 minutes of this. Grey CDEM Staff were contacted after 30 minutes to confirm the message had been received. The Group responded to the National Crisis Management Centre within 40 minutes of the initial message being sent.



## Transport

### Stock Truck Effluent Disposal

A meeting was held at the Regional Council on 19 June with representatives from each of the Councils, Transit, and Beca Consulting to discuss proposed sites at Jacksons and Reefion/Springs Junction.

There are still two considerations for the Jacksons site; at the foot of Otrra Pass, and east of the Jacksons township. For the Otrra site further costings have been requested for an effluent pond system to treat the waste.

For the Reefion/Springs Junction site, the most preferred location was to the north of Reefion.

More details on sites and costings will be presented to the next RLTC meeting.

### Waste Minimisation

With Gill Pontin finishing her contract with the Council James Palmer has been appointed as the part-time Waste Minimisation Education Officer. James will undertake the new Sustainable Management Fund contract and as with previous contracts, the project is jointly funded by MFE and the West Coast Waste Management Working Group. The 16-hour position is for one year, and will include continuation of the Waste Exchange service, promoting waste minimisation education in schools and communities, and developing effective education tools to address tourism waste.

## RESOURCE SCIENCE

### **Hydrology / Flood warning**

A front preceded by a strong, moist northeast flow brought heavy rain to the West Coast Saturday morning. There was 66 to 105mm of rain recorded in a 24 hour period in the Grey mid-catchment and 168mm in Greymouth.

Site	Time of peak	Peak level	Warning Issued
Buller Rv @ Te Kuha	30/6/07 08:45	7985 mm	From 05:45
Grey Rv @ Dobson	30/6/07 10:30	4011 mm	From 04:00

Data requests were made relating to surface water hydrology, groundwater, and rainfall.

### **Cobden Lagoon Flood Warning Site Installation**

The site has been set up with rainfall data being collected and telemetered. Staff are waiting on a pressure transducer to arrive and the site will then be fully operational, with water levels in the lagoon also measured.

### **Water Quality**

The final Management Group meeting for the Harris Creek farm planning project was held on Monday 25 June. All farm plans have been completed, encompassing 70% of the catchment by ownership. Jan Derks, farm planning co-ordinator for the project, and local members of the Harris Creek farming community pointed out that works are also being conducted by many of the non-project participants that will have positive environmental outcomes. A summary of Harris Creek water quality state and trends was presented to the group by the WCRC, and made available to those involved in the project.

Staff have recently assisted Geological and Nuclear Science (GNS) to collect samples from the groundwater quality wells that are part of the National Groundwater

Monitoring Programme (NGMP). Analysis of the gaseous component of the groundwater by GNS will be used to date the water collected from aquifers in the Hokitika and Grey Valley's, and the Orowaiti/Buller flood plain.

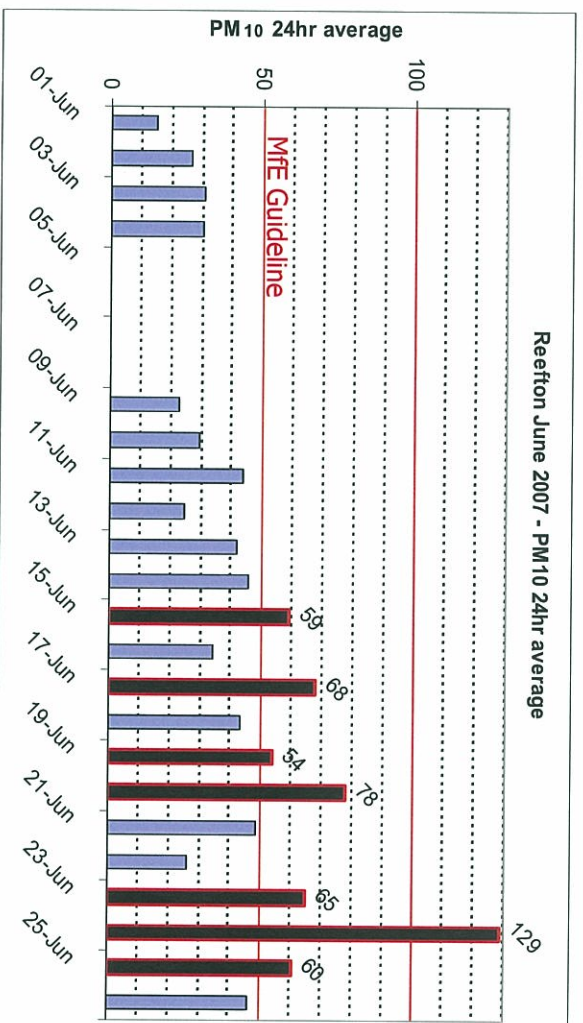
Staff will utilise another \$5000 grant from EnviroLink to use Susie Gaw from Environmental Science Research (ESR) to conduct an independent stock take of the Council's contaminated sites policy and information register.

Cawthron have completed a report on an ecological survey of the Orowaiti estuary on behalf of the Council as part of concluding the Orowaiti Catchment Project. This examined the condition of aquatic areas only in the brackish, tidal zone. To summarise, the Orowaiti estuary is in relatively healthy, functional condition. There was no evidence [at the time of sampling] to suggest over enrichment from inorganic or organic nutrients. Metal levels within sediments were within levels considered satisfactory for ecological health. Sampling suggested that the estuary was nitrogen limited, with moderate/high phosphorus levels relative to other estuaries in NZ.

ESR (through another \$5000 EnviroLink grant) has completed a report on faecal contaminant sourcing around the beach and river adjacent to Hokitika. The results were inconclusive as to which sources (eg human, cow, bird) were most significant because the faecal coliform levels recorded in the most recent contact recreation round were relatively low. If high faecal coliform levels resume this coming summer, then the techniques used in this study have real potential to determine the contaminant sources.

### Air Quality

There have been 7 exceedences of the PM<sub>10</sub> MFE Guideline of 50µg/m<sup>3</sup> in Reefton this winter (see graph below) so far. The highest PM<sub>10</sub> 24-hr average of 129µg/m<sup>3</sup> was measured on 24 June. Only one value measured in Christchurch this winter is higher than 129µg/m<sup>3</sup>.



An information brochure about PM<sub>10</sub> and better burning practice will be produced and distributed in Reefton as one measure to reduce the particulate concentrations.

### Environmental Information

Honda New Zealand Ltd allocates money from the sale of its cars (based on regional sales) to be distributed to communities for enhancing their local area with native plantings. The Council has the task of administering this fund and staff have made the grants for this year to nine groups from across the region. They were as follows:

- Fox Glacier School \$250
- Watson's Creek Restoration Fund \$250
- Rotary Club (Hokitika) \$400
- Granity School \$500
- Greymouth High School \$500
- Tauranga Bay Working Party \$500
- Karamea Estuary Enhancement Group \$750
- Westland Railway & Model Club \$1000
- Kumara Community Sports Group \$1000

**Recommendation**

*The report is received.*

Simon Moran  
Planning & Environmental Manager

**THE WEST COAST REGIONAL COUNCIL**

Prepared for: Resource Management Committee  
 Prepared by: Colin Dall - Consents & Compliance Manager  
 Date: 29 June 2007

**Subject: CONSENTS MONTHLY REPORT**

*Consents Site Visits from Late May to Late June 2007*

<b>DATE</b>	<b>ACTIVITY, NAME &amp; LOCATION</b>	<b>PURPOSE</b>
28/5/07	RC07100 – Gravel extraction, N Mouat, Punakaiki River	To view and assess the gravel availability at the proposed extraction sites.
31/5/07	Public Enquiry – Discharge of treated domestic sewage to land, M Little, Atarau Road, Moonlight	To view and assess site for proposed septic tank discharge and determine whether proposed discharge meets the relevant permitted activity rule.
31/5/07	Public Enquiry – Discharge of treated domestic sewage to land, C van der Geest, Logburn Road (Atarau)	To view and assess site for proposed septic tank discharge and determine whether proposed discharge meets the relevant permitted activity rule.
12/06/07	RC07091 – Gravel extraction, Avery Brothers, Mokihinui River	To view and assess the gravel availability at the proposed extraction site.
12/6/07	RC07106 – Gravel extraction, K Kees, Coal Creek (Seddonville)	To view and assess the gravel availability at the proposed extraction site.
12/6/07	RC06271 – Coastal rock protection, AJ Merrett, R Steadman & R Winkleblack, Ngakawau	To view and assess the proposed site for coastal protection works.
18/6/07	RC07118 – Discharge of treated domestic sewage to land, Jeanne Bader, Oxford Street (Taylorville)	To view and assess site for proposed septic tank discharge and determine whether proposed discharge meets the relevant permitted activity rule.
20/6/07	RC07114 – Gravel extraction, MBD Contracting Ltd, Grey River (adjacent to Ruby Creek)	To view and assess the gravel availability at the proposed extraction site.
22/6/07	RC07104 – Alluvial gold mining, Brian Blacktopp Contracting Ltd, Rimu Channel (Rimu)	To view and assess the proposed gold mining site.

*Non-Notified Resource Consents Granted From 24 May to 25 June 2007*

**CONSENT NO. & HOLDER**

**TYPE AND PURPOSE OF CONSENT**

RC03108  
Transit NZ

To construct erosion protection works in the bed of the Maruia River upstream of the Maruia River Bridge, and associated disturbance.

To divert water in the Maruia River as a result of the placement of spurs and rock extensions.

RC06017  
Westland Rock & Stone

To disturb the Coastal Marine Area between the southern end of Coastal Hazard Area 14 (as defined in the Regional Coastal Plan for the West Coast) in the north and the Totara River mouth in the south, for the purpose of removing selected stone.

To disturb the Coastal Marine Area between the Totara River mouth in the north and the Milkonui River mouth in the south, for the purpose of removing selected stone.

RC06169  
Westland Schist

To disturb the Coastal Marine Area between the southern end of Coastal Hazard Area 14 (as defined in the Regional Coastal Plan for the West Coast) in the north and the Totara River mouth in the south, for the purpose of removing selected stone.

To disturb the Coastal Marine Area between the Totara River mouth in the north and the Mikonui River mouth in the south, for the purpose of removing selected stone.

RC07049  
Westroads

To disturb the dry bed of the following creeks and rivers for the purpose of extracting gravel:

Canoe Creek, Granite Creek, Hokitika River upstream of the SH6 Bridge, Hokitika River at Kanlere, Kokatahi River, Donnelly's Creek, Kakapohahi River, Wanganui River at two sites, Poerua River, Whataroa River, Haast River at two sites, Waitangitona River at two sites, Waiho River, Docherty Creek, Cook River, Bullock Creek (Fox Glacier), Turnbull River at two sites, Arawata River, Jackson River at two sites, Crooked River, Crooked River downstream of the Moana-Rotomanu Road bridge, Grey River at St Kilda, Grey River at Kiwi Point, Grey River at Taylorville, Haupiri River, Taramakau River at Blakes Creek, and Taramakau River downstream of the William Stewart Bridge.

RC07054  
Souters Creek Mining

To undertake earthworks associated with alluvial gold mining activities adjacent to Nelson Creek.

To take water from Nelson Creek and Souters Creek for alluvial gold mining activities adjacent to Nelson Creek.

To take ground water for alluvial gold mining activities adjacent to Nelson Creek.

To discharge sediment laden water from alluvial gold mining settling ponds to water adjacent to Nelson Creek.

To discharge sediment laden water to land in circumstances where contaminants may enter water adjacent to Nelson

RC07056 Brookdale Mining RC07059 Animal Health Board	Creek. To divert a section of an unnamed tributary of Cascade Creek associated with coal mining activities. To authorise the aerial discharge of 1080 (sodium monofluoroacetate) possum control cereal baits (at a rate of up to 5 kg per hectare) or carrot baits (at a rate of up to 8kg per hectare) both containing between 0.08% and 0.15% weight/weight of 1080, to approximately 16,260 hectares of land in the Marsden Possum Control area.
RC07064 J & T Kersten RC07065 Noel Robb	To discharge dairy effluent to land where it may enter water near Matai, DS 459. To undertake land disturbance associated with humping, hollowing and flipping earthworks on farmland at Gladstone. To discharge water containing sediment, from humping, hollowing and flipping earthworks, to land in circumstances where it may enter water.
RC07067 P Fielding RC07091 Avery Bros RC07092 Fulton Hogan Central RC07095 Fulton Hogan Greymouth	To disturb the bed of Hart Creek associated with the diversion of two sections of the creek. To divert two sections of Hart Creek associated with alluvial gold mining. To disturb the dry bed of the Mokihinui River for the purpose of removing gravel. To disturb the dry bed of Boulder Creek for the purpose of removing gravel. To disturb the dry bed of the Taramakau River at Inchbonnie for the purpose of removing gravel.
RC07097 T Croft Ltd RC07106 Ken Kees RC07113 A Andersen	To disturb the dry bed of the Grey River (Kiwi Point) for the purpose of removing gravel. To disturb the dry bed of Coal Creek at Dawsons Road for the purpose of removing gravel. To undertake earthworks on slopes greater than 25 degrees at Welshmans Road, Rutherglen.

Changes to Resource Consents Granted During the Reporting Period

<b>CONSENT NO. &amp; HOLDER</b>	<b>CHANGE</b>
RC00135 Ponds Mining Ltd (Paynes Gully) RC05172 P Fielding	Change of Mining Permit number.  Cancel condition relating to buffer margins (now covered by Resource Consent RC07067).

(Hart Creek, Inangahua)	
RC06205	Amendment to ash/CCP testing programme.
Solid Energy NZ (Stockton Coal Mine)	
RC06212	Change conditions to enable Consent Holder to excavate gravel below water level.
A Cameron (Hokitika River)	

*Limited-Notified Resource Consents Granted During the Reporting Period*

<b>CONSENT NO. &amp; HOLDER</b>	<b>TYPE AND PURPOSE OF CONSENT</b>
RC06262	To disturb land, including land on slopes greater than 25 degrees, associated with the harvesting of exotic forest and land preparation, and constructing new sections of road, log processing sites and hauler pads in Waimea Forest, Compartments 26-28.
Timberlands West Coast	To disturb land on slopes in Erosion Prone Area One, outside riparian margins, associated with the harvesting of exotic forest in Waimea Forest, Compartments 26-28.
	To discharge stormwater containing sediment to land harvesting and land preparation, and roading, log processing and hauler construction sites in Waimea Forest, Compartments 26-28.
	To discharge sediment to water as a result of crossing unnamed creeks during harvesting operations in Waimea Forest, Compartments 26-28.

*Whitebait Stand Resource Consents Granted From 24 May to 25 June 2007*

<b>STAND NO. &amp; HOLDER</b>	<b>RIVER</b>
653 NJ Stack	Mokihinui
674 S Campbell and Sons	Mokihinui
705 K & C Hughey	Mokihinui
802 KM Robbins	Wanganui
805 J & J Langridge	Wanganui
812 DR Glass	Wanganui
833 J Langridge	Wanganui
846 P & J Hood	Waitoto
849 PA Hood	Waitoto
852 SM Shephard	Waitangitona
861 JL Hood	Waitoto
962 B Townrow	Orowaiti
969 GM Rea	Orowaiti
983 J & D Craig	Waitangitona
1045 CK Henderson	Whataroa
1050 Northburn Wine Co Ltd	Karangarua
1059 T & P Denham	Wanganui
1083 Cassidy and Klempe	Wanganui

1094 GJ Aburn	Waitangitooana
1096 Mawhinney and Cuddihy	Waiaoto
1097 DH Allan	Waiaoto
1098 FM Quinn	Waiaoto
1103 Mawhinney and Cuddihy	Waiaoto
1134 T & P Denham	Wanganui
1135 T & P Denham	Wanganui
1143 CM Emmerson	Hokitika
1205 Mawhinney and Cuddihy	Waiaoto
1208 RJ McDowall	Waiaoto
1210 P & J Hood	Waiaoto
1307 LJ Thomson	Wanganui
1312 TAGIM Partnership	Paringa
1344 MA Weir	Cascade
1352 SJ Harris	Ohinemaka
1368 JW Hewer	Waiaoto
1486 Cassidy and Klempel	Wanganui
1503 C Win and Partners	Haast
1549 CD Riley	Karangarua
1572 O Lane	Mokihinui
1600 Jackson and Toomey	Little Wanganui
1601 JR Roberts	Okuru
1604 PF Condon	Whataroa
1606 TR Condon	Whataroa
1613 MJ Alford	Whataroa
1634 NJ Win	Haast

A total of 44 whitebait stand consents were granted.

No publicly notified consents were granted during the reporting period.

## **RECOMMENDATION**

*That the July 2007 report of the Consents Group be received.*

Colin Dall  
Consents & Compliance Manager



## THE WEST COAST REGIONAL COUNCIL

Prepared for:

Resource Management Committee

Prepared by:

Colin Dall - Consents & Compliance Manager and Chris Pullen –  
Compliance Team Leader

Date:

31 May 2007

Subject:

**COMPLIANCE & ENFORCEMENT MONTHLY REPORT**

### Site Visits

A total of 82 site visits were undertaken during the reporting period, which consisted of:

- 26 resource consent compliance site visits
- 11 dairy shed inspections
- 19 site visits in response to complaints
- 26 mining compliance and bond release site visits

### Specific Issues

- **Dairy Shed Assessments & Compliance Monitoring:** Fewer dairy shed inspections were undertaken in the reporting period given the onset of winter. Compliance staff have been working with new farmers who have moved to the region. Seven farms changed hands, with a further two expected to have new owners before the end of July. A total of 11 follow-up inspections to earlier compliance assessments were carried out in the following districts:

- Kowhitirangi
- Kokatahi
- Reefton
- Mai Mai
- Whataroa
- Franz Josef

- **Gravel Extraction:** Gravel extraction resource consents at the following sites were monitored during the reporting period:

- Buller District;
- Buller River @ Organs Island\*
  - Upper Buller River @ Whitecliffs\*
  - Snowy River\*
  - Mokihinui River
  - Inangahua River @ Inangahua Junction
  - Inangahua River north of Reefton
  - Jones Creek

- Grey District;
- Grey River\* @ Beynons Beach, opposite golf course, Taylorville, St Kilda & opposite Brunner Mine site
  - Coal Creek\*
  - Taramakau River upstream & downstream of SH 6 Bridge\*
  - Karoro & Paroa Beaches

- Westland District;
- Hokitika River upstream & downstream of Kaniere Bridge\*
  - Kokatahi River
  - Docherty Creek (South Westland)

There has been ongoing demand for gravel in recent months at some sites, particularly in relation to rivers close to larger towns. Council staff have increased the compliance monitoring at these sites (denoted by \*)

- **Blaketown Beach & Karoro Beach Gravel Extraction – Westroads:** No gravel was taken from the Blaketown mining licence area during the reporting period. Gravel take continued, but at a reduced rate, at Karoro and Paroa Beaches.
- **Taramakau River Gravel Extraction:** Contractors continued to extract gravel using the agreed methods. Higher river flows in recent months have resulted in some replenishment of the extraction sites with small volumes of gravel. The latest assessment of gravel volumes available downstream of the SH6 Bridge indicate that some consents can now be granted for limited volumes of gravel.

- **Globe Progress Mine – Oceana Gold:** During the reporting period, an incident involving a burst ball valve occurred in the tailings line adjacent to the main Devils Creek sediment dam. The tailings line carries slurry to the Fossilickers Tailings Impoundment under high pressure. The ball valve is designed to allow the slurry to be diverted to a contingency pond if the main pipeline needs to be drained. On 8 June, Oceana Gold staff reported that the ball valve burst under pressure, and an unknown amount of slurry (comprised of finely ground rock and small amounts of processing chemicals), was sprayed for some distance around the area and into the Devils Creek sediment dam. The tailings pumps and process plant was shut down as soon as staff discovered the burst pipe, and the Council was notified of the incident. Compliance staff undertook a follow-up site visit. OceanaGold staff responded quickly to the incident and put in place mitigation measures to avoid any major adverse effects. An internal investigation into how and why this occurred is currently taking place. Compliance staff checked the discharge and samples were taken to check for any metal contaminants. The Company also undertook extra water sampling. Sampling results indicate that there was no detectable environmental effect at the downstream sampling point as a result of the incident.

Routine weekly monitoring results for the reporting period show that the discharge from Devils Creek sediment dam was within consent limits.

Oceana Gold announced that it launched a major rehabilitation project on site, in order to further improve its environmental performance.

- **Solid Energy Consent/Licence Monitoring:** Compliance staff carried out the following visits to Solid Energy sites:
 

- Stockton Opencast Mine	5
- Ngakawau Coal Handling Facility	2
- Reefton Coal Handling Facility	1
- Spring Creek Underground Mine	1
- Tilters Dump	1
- Rocky Creek Coal Handling Facility	1
- Rapahoe Coal Handling Facility	1
<b>Total</b>	<b>12</b>

#### Stockton Opencast Mine

Compliance staff carried out 5 visits to the mine during the last reporting period. Water sampling results show that the discharges were within compliance limits at the time of sampling. The Ngakawau River was also sampled and found to have a pH of 6.6, which is 1.8 'units' higher than when the pH was measured at the same site in January 2007. This indicates that the lime dosing of the Mangatini Stream is having a positive effect on the pH of the river.

A meeting was held between Compliance staff and Stockton environmental staff to discuss current site issues. It was decided that meetings of this nature should occur on a more regular basis. The following are some of the issues discussed at the meeting:

- Status of the abatement notice.
- Increased monitoring of the site and receiving environment.
- Future monitoring developments.

#### Ngakawau Coal Handling Facility

The results for the routine monthly water quality sampling run showed that the discharge was within compliance levels at the time of sampling.

#### Reefton Coal Handling Facility

Water sampling was undertaken once water levels had receded, allowing access to sampling sites. The discharges were within compliance levels at the time of sampling.

#### Strongman

Results from May show that the discharges were within compliance limits at the time of sampling.

#### Spring Creek Underground Mine

Routine water quality sampling was undertaken, the results of which were not available at the time of writing this report.

Results for May show that the discharges were within compliance levels at the time of sampling.

#### Tillers Dump

Runoff from the Tillers dump site was discharging to Seven Mile Creek. Water samples were taken, the results of which were not available at the time of writing this report. Previous samples have shown discharges to be within compliance limits.

#### Rocky Creek Coal Handling Facility

Routine water quality sampling was undertaken, the results of which were not available at the time of writing this report.

Results for May show that the discharges were within compliance levels at the time of sampling.

#### Rapahoe Coal Handling Facility

The Mining Compliance Officer undertook a follow-up visit to check on progress with the requested mitigation measures relating to the drainage issues outlined in the previous report for this site. SENZ had made good progress on all mitigation measures, apart from removing the coal fines from the clean water drain along the eastern side of the coal stockpile, but since then this has been commenced.

Routine water quality sampling was undertaken, the results of which were not available at the time of writing this report.

Results for May show non-compliance at sampling site RP9 for turbidity. This can be attributed to the Company cleaning out the settling ponds at the site. There was no adverse effect detected in Seven Mile Creek relating to this discharge.

- **Te Kinga Subdivision Development - Ngai Tahu Property Limited:** Mitigation work continued throughout the reporting period, including work in relation to a road culvert to ensure that the gradient of the creek bed was re-established, allowing proper flow and fish passage. The Company also consulted with bach owners to discuss any further mitigation measures required.
- **Franz Josef Subdivision:** Compliance staff has been working with developers and concerned neighbours in relation a subdivision at Franz Josef. Some flooding has occurred from the subdivision that led to erosion and adverse effects outside the development area. Compliance staff convened a mediation meeting between all interested parties and an agreement was reached which included mitigation measures that would prevent any further flooding as a result of the development work.

Complaints Received Between 25 May and 27 June 2007

There were 21 complaints received during the reporting period. A summary of these is as follows:

Activity	Number of complaints	Brief Description	Location
Discharge to Air	2	Discharge from sandblasting	Boddlytown
Discharge to Water	5	Discharge of effluent	Crooked River
Discharge to Water	1	Discharge of sediment	Devils Creek
Discharge to Water	2	Discharge of stock effluent	Reefton
Discharge to Water	1	Discharge of stock effluent	Ahaura Bridge
Discharge to Water	1	Discharge of sediment	Harris Creek
Disturbance CMA	1	Disturbance on beach	Waimangaroa
Disturbance Freshwater	1	Unauthorized river works	Bold Head Road
Disturbance Freshwater	1	Gravel extraction	Giles Creek
Disturbance Freshwater	1	Gravel extraction	Taramakau
Disturbance Freshwater	2	Unauthorized works in riverbed - gravel extraction	Arahura
Disturbance Freshwater	1	Gravel extraction	Organs Island Buller River
Disturbance Freshwater	1	Unauthorized works & in riverbed - gravel extraction	Waimea Creek
Disturbance Freshwater	1	Unauthorized rock protection	Waitaha
Disturbance Land	1	Gravel Take	Grey River
Disturbance Land	1	Humming & hollowing	Shearers Bold Head road
Disturbance Land	1	Land Clearance	Franz Josef
<b>Total</b>	<b>21</b>		

Enforcement

No formal enforcement action was taken during the reporting period.

**MINING**

Work Programmes

The Council received the following 2 mining work programmes over the reporting period, one of which was approved (shown in italics):

Date	Mining Authorization	Holder	Location
21/6/07	MP41914/RC06266	Palmer & Cummings	Goldsbrough
25/507	MP41865/RC05100	Barrett/Mathieson/Morley	Italians Gully

The other work programme approval will be considered if/when the resource consent is granted.

*Bonds Received*

The new surety bond for Oceana Gold's Globe Progress Mine was lodged following the annual review of the bond. The bond amount is in line with the current annual work programme for the mine. No other bonds were received for the reporting period.

*Bond Releases*

Mining Authorization	Holder	Location	Amount
RC93025	Hallaran	Bourkes Creek	\$6,643
RC94096	Diamond Gully Mining	Cockabulla Creek	\$12,000
RC94115	L & M Mining	Arahura	\$135,000
RC04186	Karoro Beach Syndicate	Karoro	\$5,700

Compliance staff have been liaising with the affected landowners including Timberlands, the Department of Conservation and Te Runanga O Ngati Waewae. All rehabilitation requirements for the mining sites covered by these bonds have been met. Therefore, it is recommended that the Council approve the release of these bonds.

**OIL SPILL RESPONSE**

No marine oil spills occurred during the reporting period.

Compliance staff attended a Maritime New Zealand oil spill conference during the reporting period. Grant Findlayson was appointed as the new alternate Regional on Scene Commander for the West Coast.

**RECOMMENDATION**

1. That the July 2007 report of the Compliance Group be received.
2. That the Council approves the release of the bonds for Resource Consents RC93025, RC94096, RC94115 and RC04186.

Colin Dall  
Consents & Compliance Manager

**THE WEST COAST REGIONAL COUNCIL**

Prepared for: Resource Management Committee  
 Prepared by: Colin Dall - Consents & Compliance Manager  
 Date: 2 July 2007

Subject: **STATUS OF MINING LICENCE BONDS**

**PURPOSE**

To update the Council on the status of the existing bonds for current mining licences held in the West Coast.

**BACKGROUND**

There are some 76 'current' mining licences in the West Coast. Two of these expired in June 2007 and another three expire by the end of this year. The bonds for these licences are held by the Ministry of Economic Development (Crown Minerals) and were set by its predecessor.

The main purpose of a mining licence bond is to indemnify the public against the cost of rehabilitating the environment affected by the licenced activity in accordance with licence requirements, in the event that the Consent Holder is unwilling or unable to undertake those rehabilitation works. Some of the bonds on existing mining licences have been previously identified as being insufficient to ensure this. For example, the bond on the Strongman Coal Mine was originally set at \$930.

In the last several years, the Council and Solid Energy New Zealand Ltd have progressively reviewed and revised (increased) the bond quanta for the Company's various West Coast coalmines. However, there are other mining operations for which the existing bonds held by the Ministry of Economic Development are likely to be insufficient. Compliance staff have commenced a review of the remaining licences to ascertain which of those licences should be increased.

**DISCUSSION**

Table 1 is a summary of the current mining licences in the West Coast, including the existing bond quanta for those licences. SENZ's mining licences are not included in Table 1 because the bonds on those licences have already been reviewed and revised. This leaves 61 current mining licences.

"On the face of it", there are a number of mining licences that have either no or nominal bonds that may well need to be increased, although further investigation is required do determine which specific licences have insufficient bonds. Bond quanta can be increased on mining licences and coal mining licences pursuant to Section 108A(3) of the Mining Act 1971 and Section 109(2) of the Crown Minerals Act, respectively.

It is recommended that staff undertake this further investigation, prioritising licences that are due to expire in the next five years and/or those with the greatest environmental effects.

**RECOMMENDATION**

1. *That this report be received.*
2. *That staff investigate further the adequacy of the existing bonds for current mining licences in the West Coast and routinely report back to the Council on the progress of their investigations via the Compliance & Enforcement Monthly Report.*

Colin Dall  
 Consents & Compliance Manager

TABLE 1 Mining Licence Bond Summary

License No	Holder	Location	Type	Active	Expiry Date	Bond	Comments
320009300	BIRCHFIELD MINERALS LIMITED	Ngahere	Gold	No	7/12/2016	\$30,000	Birchfield Dredge
320040000	WEST COAST HISTORICAL & MECHANICAL SOCIETY	Infants CK	Gold	Yes	21/08/2019	\$0	Shantytown
320104100	WEST COAST FARMERS LIME COMPANY LIMITED	Donnelly CK-Ross	Rock (Lime)	Yes	22/11/2023	\$0	No Disturbed Area Limit
320137400	LIME & MARBLE LIMITED	Milkouui-Ross	Gold	No	20/12/2010	\$360,000	Disturbed Area Limit-40ha
320218200	WEST COAST REGIONAL COUNCIL	Camelback-Kowhitrangi	Rock	Yes	12/01/2008	\$4,000	No Disturbed Area Limit
320252200	PROPRIETORS OF MAWHERA INCORPORATED	Jade Ck-Arahura	Rock	No	30/10/2031	\$5,000	Disturbed Area Limit-1ha
320274100	KEEP IT DARK ENTERPRISES LIMITED	Napoleons Hill	Gold	No	3/03/2008	\$15,000	Disturbed Area Limit-5ha
320276600	WESTLAND DISTRICT COUNCIL	Kaniere	Gravel	No	23/03/2008	\$0	No Disturbed Area Limit
320283100	HOLCIM (NEW ZEALAND) LIMITED	Bradshaws Ck-Westport	Gold	No	23/01/2013	\$15,000	No Disturbed Area Limit
320295000	FRANCIS MINING CO LIMITED	Burkes Ck-Reefton	Gold	Yes	5/12/2007	\$0	Expires this year
320296300	ELDON HOLDINGS LIMITED	Kangaroo Ck-Redficks	Gold	No	28/06/2014	\$20,000	Disturbed Area Limit-3ha
320300300	GERRY M AND TRACIE A TAEFE	Pine Ck-Arthurstown	Gold	No	31/10/2010	\$20,000	Disturbed Area Limit-3ha
320303800	WEST COAST REGIONAL COUNCIL	Turnwhate	Rock	Yes	3/10/2018	\$500	No Disturbed Area Limit
320306300	FERGUSON BROTHERS INDUSTRIAL DIVISION LTD	Stillwater Ck	Rock	No	1/10/2010	\$10,000	Disturbed Area Limit-2ha
320310300	GREY DISTRICT COUNCIL	Grey River-Taylorville	Gravel	Expired	14/06/2007	\$5,000	Currently being assessed
320310800	S BARRETT & T BARRETT	Candlelight	Gold	Expired	8/06/2007	\$21,500	Currently being assessed
320319100	BAKER RESOURCE LIMITED	Deadmans Ck-Notown	Gold	Yes	9/09/2017	\$16,150	Disturbed Area Limit-3ha
320319200	G G FERGUSON & M R FERGUSON	Marsden	Gold	Yes	18/03/2018	\$35,000	Disturbed Area Limit-5ha
320319700	WEST COAST REGIONAL COUNCIL	Wanganui River	Rock	Yes	26/04/2037	\$10,000	No Disturbed Area Limit
320320500	RAYMOND THOMAS	Ross	Gold	No	8/05/2011	\$17,000	Disturbed Area Limit-3ha
320320900	WESTROADS GREYMOUTH LIMITED	South Beach	Gravel	Yes	22/06/2013	\$2,000	No Disturbed Area Limit
320321100	WESTROADS GREYMOUTH LIMITED	Greymouth	Gravel	Yes	5/12/2013	\$2,000	No Disturbed Area Limit
320321200	WESTLAND DISTRICT COUNCIL	Hokitika	Rock	Yes	19/04/2036	\$2,000	No Disturbed Area Limit
320323000	WEST COAST REGIONAL COUNCIL	Okuru	Rock	Yes	26/06/2015	\$2,000	Disturbed Area Limit-3ha
320323400	HOLCIM (NEW ZEALAND) LIMITED	Cape Foulwind	Rock	Yes	9/06/2033	\$5,000	No Disturbed Area Limit
320323500	WESTROADS GREYMOUTH LIMITED	Blaketown Beach	Gravel	Yes	25/03/2013	\$2,000	No Disturbed Area Limit
320323700	PHELPS MINING LIMITED	Pine Ck-Hokitika	Gold	No	1/03/2012	\$30,400	Disturbed Area Limit-6ha
320325000	WESTROADS GREYMOUTH LIMITED	Blaketown Beach	Gravel	Yes	31/05/2013	\$2,000	No Disturbed Area Limit
320325300	SCHIST NEW ZEALAND LIMITED	Waipaha River	Rock	Yes	7/04/2018	\$4,000	No Disturbed Area Limit

Licence No	Holder	Location	Type	Active	Expiry Date	Bond	Comments
320325500	TERONICK MINING COMPANY LIMITED	Nelson Ck	Gold	Yes	4/12/2014	\$32,700	Disturbed Area Limit-4ha
320325700	ICON MINING COMPANY LIMITED	Hasty Ck-Notown	Gold	No	22/03/2020	\$16,000	Called for Rehabilitation
320327200	MANAGEMENT & PROCESSING LIMITED	Rapahoe	Rock	No	10/08/2023	\$18,000	No Disturbed Area Limit
320327300	RAYMOND THOMAS	Ross	Gold	No	14/12/2024	\$15,700	Disturbed Area Limit-3ha
320328000	WEST COAST REGIONAL COUNCIL	Blackball	Rock	Yes	13/02/2009	\$2,000	No Disturbed Area Limit
340005600	FRANCIS MINING CO LIMITED	Roa	Coal	Yes	29/07/2010	\$310	No Disturbed Area Limit
340005601	FRANCIS MINING CO LIMITED	Roa	Coal	Yes	22/03/2012	\$0	Coal Storage/Ancillary Works
340005800	KIWI COLLIERIES LIMITED	10 Mile	Coal	No	23/06/2011	\$60	Underground Mining Only
340006600	FRANCIS MINING CO LIMITED	Roa	Coal	Yes	22/03/2012	\$50	No Disturbed Area Limit
340006700	KIWI COLLIERIES LIMITED	10 Mile	Coal	No	23/06/2011	\$0	Ancillary Licence
340006800	MULLKEN MINING CO LIMITED	Garveys Ck-Blacks Point	Coal	No	11/12/2009	\$60	Underground Mining Only
340006900	MULLKEN MINING CO LIMITED	Garveys Ck-Blacks Point	Coal	No	11/12/2009	\$50	Ancillary Licence
340007100	FRANCIS MINING CO LIMITED	Roa	Coal	Yes	29/07/2010	\$50	Ancillary Licence
340029700	KIWI COLLIERIES LIMITED	10 Mile	Coal	No	23/06/2011	\$0	Underground Mining Only
340042100	KIWI COLLIERIES LIMITED	10 Mile	Coal	No	23/06/2011	\$0	Bathhouse Site
370005800	TERRACE COAL MINE LIMITED	Reefton	Coal	Yes	28/03/2010	\$590	Underground & Opencast Mining
370006100	MORRIS MINES LIMITED	Fletcher Ck	Coal	No	28/08/2008	\$2,750	Opencast Mining
370008700	JAMES BERNARD O'DONOGHUE	10 Mile	Coal	No	28/03/2010	\$60	Underground & Opencast Mining
370008701	JAMES BERNARD O'DONOGHUE	10 Mile	Coal	No	29/03/2010	\$0	Ancillary Licence
370011600	FRANCIS MINING CO LIMITED	Burkes Creek	Coal	Yes	6/12/2007	\$28,500	Expires this year
370011700	FRANCIS MINING CO LIMITED	Waitaha River	Coal	Yes	5/10/2007	\$16,260	Expires this year
370011900	MORRIS MINES LIMITED	Fletcher Ck	Coal	No	28/08/2008	\$2,750	Opencast Mining
370012000	NORTH WEST COAL COMPANY LIMITED	Giles Ck-Cronadun	Coal	No	1/10/2030	\$25,750	Opencast Mining
370012200	JOSEPH EDWARD ROGERS	Millerton	Coal	No	9/10/2010	\$1,000	Reviewed
370012300	JOSEPH EDWARD ROGERS	Millerton	Coal	No	8/11/2010	\$1,250	Reviewed
370012400	JOSEPH EDWARD ROGERS	Millerton	Coal	No	9/10/2010	\$1,250	Reviewed
370013300	TOPLINE COLLIERY	Garveys Ck-Blacks Point	Coal	No	18/04/2015	\$60	Underground Mining Only
370014700	BEVERLEY MASEFIELD HOSKINS	Garden Ck-Moonlight	Coal	No	11/07/2014	\$25,000	Opencast Mining
370016800	FRANCIS MINING CO LIMITED	Roa	Coal	Yes	13/12/2034	\$22,750	Underground & Opencast Mining
370017400	NEW CREEK MINING LIMITED	Pensini Ck-Irangahua Junc	Coal	No	12/09/2013	\$10,000	Opencast Mining
370017700	RADIANT COAL LIMITED	Garveys Ck-Blacks Point	Coal	No	26/05/2014	\$9,000	Opencast Mining Only



# **COUNCIL MEETING**

## THE WEST COAST REGIONAL COUNCIL

Notice is hereby given that an **ORDINARY MEETING** of the West Coast Regional Council will be held in the Offices of the West Coast Regional Council, 388 Main South Road, Greymouth on

**Tuesday, 10 July 2007** commencing on completion of the Resource Management Committee Meeting.

J.H. CLAYTON  
CHAIRPERSON

C. INGLE  
CHIEF EXECUTIVE OFFICER

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<u>AGENDA NUMBERS</u>	<u>PAGE NUMBERS</u>	<u>BUSINESS</u>
<b>1.</b>		<b>APOLOGIES</b>
<b>2.</b>		<b>PUBLIC FORUM</b> (if required)
<b>3.</b>	1 - 5	<b>MINUTES</b>
	3.1	Minutes of Council Meeting 12 June 2007
<b>4.</b>		<b>REPORTS</b>
	6 - 7	4.1 Planning and Environmental Manager's Report on Engineering Operations
	8 - 9	4.3 Vector Programme Manager's Report
	10 - 12	4.4 Corporate Services Manager's Report
	13 - 19	4.4.1 Council Investment Portfolio Benchmarks and Tactical Asset Allocation Ranges
	20	4.4.2 Setting of Rates for 2007 / 08 Year
	21 - 29	4.4.3 Council Implementation of International Financial Reporting Standards (IFRS)
<b>5.</b>		<b>CHAIRMAN'S REPORT (VERBAL)</b>
<b>6.</b>	30	<b>CHIEF EXECUTIVE'S REPORT</b>
<b>7.</b>		<b>GENERAL BUSINESS</b>

THE WEST COAST REGIONAL COUNCIL

**MINUTES OF THE MEETING OF THE COUNCIL HELD ON 12 JUNE 2007,  
AT THE OFFICES OF THE WEST COAST REGIONAL COUNCIL, 388 MAIN SOUTH ROAD,  
GREYMOOUTH, COMMENCING AT 11.44 A.M.**

**PRESENT:**

J. Clayton (Chairman), B. Chinn, D. Shannahan, D. Davidson, P. Ewen, R. Scarlett

**IN ATTENDANCE:**

C. Ingle (Chief Executive Officer), R. Mallinson (Corporate Services Manager), C. Dall (Consents and Compliance Manager), S. Moran (Planning and Environmental Manager), A. Macalister (Vector Programme Manager), T Jellyman (Minutes Clerk), The Media.

**1. APOLOGIES:**

There were no apologies.

**2. PUBLIC FORUM (if required)**

**APPOINTED TRUSTEE REPORT**

**Moved** (Clayton / Shannahan) that a report regarding The West Coast Development Trust be tabled and received.

*Carried*

Cr Clayton provided a written report concerning The West Coast Development Trust. He reported that it has been a hectic time on The Trust particularly if you have an alternative opinion to the Chairman. He reported a number of other Trustees are concerned also. Cr Clayton and another Trustee sought a legal opinion regarding the confidentiality clauses that Trustees are asked to sign. Under the Trust Deed Trustee's are charged with being transparent and accountable to the people. Prior to Cr Clayton tabling this report, the Chair of the Development Trust and told him that if the report were tabled he would make an immediate application in the High Court to have Cr Clayton removed as a Trustee. Cr Davidson stated that he understands that commercial sensitivity regarding the competitiveness of business but he agrees with Cr Clayton on matters relating to transparency. Cr Clayton stated that Trustee's are charged with looking after the fund on behalf of the people. Dr Davidson stated that The Trust is not a private bank. Cr Shannahan queried if Dr Cullen's report on The Trust is any closer. Cr Clayton said this is now getting quite close. Cr Ewen endorsed Cr Clayton's comments regarding transparency.

**3. CONFIRMATION OF MINUTES**

**Moved** (Shannahan / Ewen) that the minutes of the Council Meeting 8 May 2007 be confirmed as correct.

*Carried*

**Matters arising**

There were no matters arising.

**4. REPORTS:**

**4.1 PLANNING AND ENVIRONMENTAL MANAGER'S REPORT ON ENGINEERING OPERATIONS**

S. Moran spoke to his report and offered to answer any questions relation to this report. Cr Clayton asked for a running total of rock supplied for the year. S. Moran offered to supply this figures at a later date. Cr Davidson asked for an update regarding the drilling rig. S. Moran reported that the old rig motor has been returned. There is still some question surrounding the liability of the failure of the back up rig and a full investigation is

still under way. Cr Clayton reminded Council that we are investigating this matter thoroughly and that the responsibility and costs will lie where they should.

There was discussion as to when next rating district meetings are due. S. Moran advised that this is in October. Cr Shannahan asked that any issues relating to quarries be flagged prior to these meetings. There was general discussion regarding the management of quarries. Cr Scarlett stated that he is not in favour of one quarry subsidising another.

Cr Clayton stated these matters would be discussed prior to the rating district meetings in October.

**Moved** (Scarlett / Davidson) that this report be received.

*Carried*

#### **4.2 MANAGEMENT OF DAMS – CONSENTS & COMPLIANCE MANAGER**

C. Dall spoke to this report and tabled a report relating to legal advice he has sought regarding this matter.

Cr Scarlett queried the costs involved with this. C. Dall reported that costs are largely recoverable as they are passed on to the applicant. C. Ingle confirmed that Otago Regional Council would not be seeking to recover any costs relating to the accreditation process. Cr Scarlett suggested that an 'out' be included in the contract but he was also mindful that he did not want to hold up this process.

Moved (Scarlett / Ewen)

#### **RECOMMENDATION**

*Based on the assumption this is at reasonable cost*

1. *That Council confirms its desire not to seek accreditation and registration as a Building Consent Authority under the Building Act 2004.*
2. *That Council pursues to fully transfer, pursuant to Section 244 Building Act 2004, all of its BCA functions, duties and powers to another regional council seeking Building Consent Authority accreditation subject to that Council's agreement to accept the transfer.*
3. *That Council also pursues to transfer other functions, duties, and powers that do not relate to the exercise of BCA functions in relation to dams to another regional council, where appropriate.*
4. *That staff pursue the above transfer proposals with the Otago Regional Council while preparing documentation for the special consultative procedure process under Section 245 Building Act 2004 and Sections 83 & 88, and Part 6 Local Government Act 2002 for presentation to the July Council meeting.*
5. *That Chief Executive and Consents & Compliance Manager negotiate with the Otago Regional Council a function transfer agreement pursuant to Section 244 & 246 Building Act 2004, acknowledging Part 6 Local Government Act 2002, and the outcomes of special consultative procedure. The Council is prepared to consider contracting back a "post box" role or other minor roles as may be agreed between the Council and the Otago Regional Council. Any such selected functions, duties, and powers that do not require accreditation are to be negotiated as part of a separate document from the transfer agreement. The final negotiated function transfer agreement is to be presented to the Council for adoption under seal before 30 September 2007.*

*Carried*

#### **4.3 VECTOR PROGRAMME MANAGER'S REPORT**

A. Macalister spoke to his report. He stated that we are now in the transition period between the end of the 2006 / 07 programme and the commencement of the 2007 / 08 programme. A new contractor and monitor have been introduced to the market. It was noted that Target Pest failed to win any work in the first contract round. A. Macalister reported that two weeks later Target Pest went into receivership. This has required

Vector Management to make some changes to the programme which are now being worked through. Cr Scarlett asked what are the obligations and legal position now that Target Pest has gone into receivership. A. Macalister advised that VM have an agreement with the receiver regarding withholding of payments.

A. Macalister attended ERMA hearings on behalf of WCRC regarding the Reassessment of 1080. He stated that ERMA are very impressed with the professionalism, Quality Assurance and considerations that Council and aerial pilots put in place. He reported that they were receptive to Council's submission.

There was discussion regarding Target Pest's demise. A. Macalister stated they had lost quite a lot of market share in the last two years. There are some issues to work through but management confirmed VM they have enough capacity to deliver the ground control programme.

**Moved** (Clayton / Shannahan) that this report be received.

*Carried*

**The meeting broke for lunch at 12.21 p.m. and reconvened at 12.55 p.m**

**Cr Shannahan chaired the meeting following lunch.**

#### **4.4 CORPORATE SERVICE MANAGERS MONTHLY REPORT**

R. Mallinson spoke to his report noting that the financial result for the ten month reporting period is a very satisfactory result and is substantially ahead of budget.

Cr Scarlett asked what the surplus for the year is likely to be? R. Mallinson confirmed the overall surplus is expected to be close to \$800,000 or \$900,000. R. Mallinson advised that Council needs to be mindful of how the surplus is made up and that it is largely due to the Grey floodwall costs being spent in the coming year instead.

**Moved** (Davidson / Chinn) that this report be received.

*Carried*

#### **4.4.1 PERFORMANCE TARGETS TEN MONTH REVIEW 1 JULY 2006 – 30 APRIL 2007**

R. Mallinson spoke to this report stating that this is a review of the 2006 LTCCP Targets. Exceptions and highlights were explained in the report and comments welcomed.

Cr Scarlett stated that the reporting method is somewhat hard to follow. He asked if all reports use the same format such as achieved / not achieved. R. Mallinson explained that this is due to the different reporting format used by individual managers. All targets require an explanation for auditing purposes.

**Moved** (Scarlett / Chinn) that this report be received.

*Carried*

#### **4.4.2 CONSIDERATION OF DRAFT ANNUAL PLAN SUBMISSIONS AND CONFIRMATION OF 2007 / 08 ANNUAL PLAN. CONFIRMATION OF MINUTES OF SPECIAL MEETING 25 MAY 2007**

R. Mallinson spoke to this report and indicated that each submission and recommendation should be considered individually.

**Moved** (Ewen / Clayton) that this report be received.

*Carried*

1. *That the minutes of the Special Meeting to hear the Draft Annual Plan submissions for 2007 / 08, held on 25 May 2007, be confirmed as correct with the addition of the word "mention" in the second paragraph of the response to Mr John Woods submission which was inadvertently left out.*

2. *That the officer's reports be received.*

3. *Council considered the Officer's Reports as follows:*

**Submission No. 1 West Coast Commercial Gold Miners Association Inc. (John Wood)**

**Moved** (Clayton / Davidson) that the Officer's Report be adopted, including the proposed changes to the schedule of charges.

*Carried*

**Submission No. 2 Mr Paul Elwell-Sutton**

**Moved** (Ewen / Clayton) that the Officer's Report be adopted.

*Carried*

**Submission No. 3 Mr D & Mrs C Banks**

**Moved** (Clayton / Ewen) that the Officer's Report be adopted.

*Carried*

**Submission No. 4 Guardians of Paroa Taramakau Coastal Area Trust**

Cr Clayton queried whether the recommendation reflected the discussion had at the time of the hearing regarding the appropriateness of a monitoring programme at this time.

C. Ingle advised that the recommendation suggests only a preliminary investigation of the catchment be carried out.

**Moved** (Clayton / Davidson) that the Officer's Report be adopted.

**4. That Council confirms the 2007 /08 Annual Plan, including any amendments.**

R. Mallinson took Council through this process and spoke of the amendments made. These amendments are under the Schedule of Deposit Fees table a minor change to the second to last line of the table 1. Amended to "Application for Transfer of a Water Permit to another site within the same catchment under S 136 (2) (ii) RMA". The second amendment is to section C) "Transfer of consents and permits to another person that does not involve changes of consent sit: \$50.

**Moved** (Clayton / Chinn) that the 2007 / 08 Annual Plan be confirmed subject to these amendments.

*Carried*

**4.4.3 2007 WEST COAST REGIONAL COUNCIL ELECTIONS**

R. Mallinson spoke to this report and tabled a letter from Alan O'Connell of Grey District Council, who is the Returning Officer for the West Coast Regional Council election.

1. *That the voting documents for the 2007 elections be processed during the voting period in accordance with section 79 of the Local Electoral Act 2001, the Local Electoral Regulations 2001 and the Society of Local Government Managers' code of best practice.*

2. *The Returning Officer be advised that pursuant to section 31 (1) of the Local Electoral Regulations Councils decision is that candidates names on voting papers be listed in alphabetical order.*

**Moved** (Scarlett / Chinn) that this report be received.

*Carried*

**5. CHIEF EXECUTIVES REPORT**

C. Ingle spoke to his report and spoke of the various meetings he had attended including the Operation Cruickshank Exercise. This was held at Grey Base Hospital, C. Ingle was Acting Civil Defence Group Controller for this exercise.

C. Ingle attended the visit to Oceanagold Globe Progress Mine with Councillors. The in-house Civil Defence Training was also attended. This will be followed with an exercise in September.

C. Ingle visited the Stockton Mine noting this was a very successful day. There were five different presentations by the Solid Energy management team. He was particularly impressed with the rapid progress made with improvements to water quality management.

The NIWA coastal erosion seminar was also attended. There were around 34 attendees including staff from other Councils in the area.

The Mayors and Chairs and Civil Defence Group meeting was attended in Westport. Resolutions were made at the Civil Defence meeting to confirm that C. Ingle and C. Pullen are the new Alternate Controllers. Chris Pullen is the new Recovery Manager and Andrew Macalister is the Alternate Recovery Manager. C. Ingle stated that this gives us more depth at the higher level. Westland District Council has confirmed that they will participate in the September exercise on the Alpine Fault earthquake. Regional disaster recovery was also discussed. C. Ingle was asked to provide a Memorandum of Understanding for all councils; this will be available for the next Mayors and Chairs meeting.

C. Ingle and A. Macalister met with the CEO of the Animal Health Board yesterday. Future arrangements were discussed along with aerial 1080 drops. The demise of Target Pest was also discussed.

**Moved** (Shannahan /Clayton) that this report be received.

*Carried*

## **5.1 PROPOSED GRANITY SEA PROTECTION – RESIDENT'S FEEDBACK PERFORMANCE**

C. Ingle spoke to this report noting that due to a lack of support from affected ratepayers, it is recommended that these works should not be pursued. C. Ingle stated that following the recent NIWA presentation by Doug Ramsay he felt encouraged that the Granity event was an unusual event. He stated that the high seas and low pressure happened to coincide with a very high tide.

1. *That Council decline to proceed with the proposed scheme at this time due to Insufficient support from the eight affected ratepayers.*
2. *That the eight landowners be advised of the results of the survey, and the Council decision.*

**Moved** (Scarlett / Davidson) that this report be received.

*Carried*

## **6 CHAIRMANS REPORT (VERBAL)**

There was no report this month.

## **7 GENERAL BUSINESS**

There was no general business.

The meeting closed at 1.24 p.m.

.....  
Chairman

.....  
Date

**THE WEST COAST REGIONAL COUNCIL**

Prepared for: Council Meeting  
 Prepared by: Simon Moran – Planning & Environmental Manager  
 Date: 29 June 2007

Subject: **PLANNING AND ENVIRONMENTAL MANAGER'S REPORT ON  
 ENGINEERING OPERATIONS**

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**1. RIVER AND DRAINAGE INSPECTIONS**

- Okuru Rating District – Core Reconstruction
- Wanganui Quarry – Quarry Development
- Wanganui Rating District – Flood Damage Works Supervision
- Taramakau Rating District – Flood Damage
- Inchbonnie Rating District – Stockpiling Rock
- Greymouth Rating District – Cobden Cut Supervision
- Hokitika River – Gravel Extraction
- Ministry for the Environment Flood Risk Management Project

**2. WORKS**

- Inchbonnie Rating District – Rock Stockpiling  
 This work has been completed by MBD Contracting Ltd at a cost of \$14,800.00 (G.S.T Exclusive).  
 This 1,000 tonnes stockpile was placed at the Rating District's request along the section of bank most vulnerable from damage from the Taramakau River.
- Wanganui Rating District – Flood Damage and Replenishing Stockpiles  
 This work involving the placement of 3,160 tonnes of rock (1,500 replenishing stockpiles and 1,660 tonnes topping up existing works) was completed by MBD Contracting Ltd for a price of \$67,338.00 (G.S.T. Exclusive)

**3. FUTURE WORKS**

Vine Creek Rating District – Channel Cleanout and Flood Damage repair

**4. COBDEN CUT**

During the rainfall event on Friday 29 June staff carried out an inspection of Range Creek and the Cobden Lagoon to determine whether there was a possibility of the Lagoon 'backing up' and causing flooding in Cobden. It was evident that heavy localised rainfall was occurring in the Cobden area and Range Creek was in high flood. Given that the culverts under the north Tiphead Road were full and the Grey River was on the rise, it was decided to open the cut as a precautionary measure, although as it turned out it was not required.

**QUARRIES**

Rock movements for the period 1 May to 31 May 2007

QUARRY	ROCK IN QUARRY @ 30/04/07	ROCK USED	ROCK QUARRIED	ROCK IN QUARRY @ 31/05/07
Blackball	0	0	0	0
Camelback	820	300	0	520
Inchbonnie	720	640	0	80
Kiwi	100	628	528*	0



Miedema	0	200	200	0
Okuru	1840	0	0	1840
Taramakau	0	0	0	0
Wanganui	3000	3106	500	394
Wanganui Stockpile	3702	0	0	3702
Whataroa	100	0	0	100
<b>TOTALS</b>	<b>10282</b>	<b>4874</b>	<b>1228</b>	<b>6636</b>

\* Rock quarried and stockpiled during clean-out operations

#### WORK PERMITTED SINCE 1 MAY 2007

QUARRY	CONTRACTOR	TONNAGE REQUESTED	PERMIT START	PERMIT FINISH
Kiwi	Ferguson Bros.	150 Rubble	29/5/07	05/06/07
Wanganui	Arnold Contractors	100	29/5/07	4/6/07
Inchbonnie	MBD Contractors	1000	5/6/07	13/6/07

#### Use of the Council Seal

As required by delegation the use of the Seal is reported to Council. The Chief Executive used the Seal to sign off the transfer of that part of the esplanade reserve at Okuru that relates to the rating district's stopbank from the Westland District Council to this Council. Councillors were made aware of that this transfer would occur earlier in the year.

The Seal was also used to finalise a contract with the Ministry for the Environment to pay for the pick up and disposal of agrichemicals in the region and for a deed with the Ministry for the Environment to contribute \$15,000 per year for three years for Lake Brunner water sampling. These had to be signed by the end of the financial year to meet the Ministry's requirements.

#### Okuru Rating District

The Okuru rating district formally surrendered part of its resource consent that related to an area north of the current stopbank. A resource consent application for private works was made that overlapped this area and agreements have been reached with that party so that the rating district is not disadvantaged by this action.

#### **Recommendation**

*The report is received.*

Simon Moran  
Planning and Environmental Manager

### THE WEST COAST REGIONAL COUNCIL

Prepared for: Council Meeting – July 2007  
 Prepared by: Andrew Macalister  
 Date: 29 June 2007

Subject: **VECTOR PROGRAMME MANAGER'S REPORT**

#### 1.0 Contracts awarded

The following vector contracts have been awarded this report period.

#### CONTROL

First Contract Round 2007-08

Contract Name	Number	Successful Tenderer	Price Range
Hokitika South	10	Hunta Services	\$109,832 - \$149,984
Blacks Point	13	Leith Contractors	\$57,740 - \$79,091
Marsden Bk 4 Re tender	23a	Hunta Services	\$39,624 - \$56,330

#### AERIAL

Contract Name	Number	Successful Tenderer	Price Range
West Coast Aerial Carrot Application	209	EPRO	n/a

#### MONITORING

Contract Name	Number	Successful Tenderer	Price Range
Hohonu Aerial	301	Enviro First	\$22,685 - \$43,200
Kokatahi Aerial	302a	H & M	\$9,900 - \$29,000
Miltown Aerial	302b	Scope Hunting	\$14,650 - \$23,400
Kowhitirangi Blk 1 Aerial	303a	Forest Rangers	\$18,900 - \$36,000
Kowhitirangi Blk 2 Aerial	303b	H & M	\$6,000 - \$17,550
Te Kinga Aerial	307	H & M	\$16,600 - \$40,500
Moana East Aerial	308	Forest Rangers	\$21,850 - \$27,140
Buller South	100	Holden Contracting	\$36,006 - \$48,100
New Creek	103	H & M	\$7,285 - \$9,500
Upper Ahaura	104	Scope Hunting	\$23,760 - \$34,000
Arnold Valley	106	Holden Contracting	\$25,850 - \$31,600
Hokitika South	109	Scope Hunting	\$17,300 - \$26,900
Franz Josef/Waiho	110	H & M	\$25,440 - \$28,900
Blacks Point	112	Forest Rangers	\$13,860 - 25,200
Grey Valley North	115	Holden Contracting	\$22,740 - \$28,000

SURVEY  
Nil

## 2.0 Operations Completed

The following Vector Control results have been confirmed this report period.

Operation	Block	Contractor	RTCI	PPL	Notes
Buller North	Block 1	Target Pest Contracting (Northern)	%0.58	3	Repeat farmland failure. Assigned to new contractor
Buller North	Block 3	Target Pest Contracting (Northern)	%0.000	0	Pass
Buller North	Block 6	Target Pest Contracting (Northern)	%1.50	3	Bush-pasture failure. Assigned to new contractor
Grey Valley West	Block 1	Vector Control Services (VCS)	%0.6667	1	Successful rework
Inangahua East Aerial & Exclusions	Block	WCRC	%0.4181	2	Investigative monitor
Inangahua West Aerial & Exclusions	Block	WCRC	%1.1667	3	Investigative monitor
Karamea	Block	Leith Contractors Ltd	Input		Pass
Marsden	Block 1	Vector Control Services (VCS)	%0.833	1	Pass
Marsden	Block 2	Vector Control Services (VCS)	%0.3419	1	Pass
Marsden	Block 3	Vector Control Services (VCS)	%0.71	1	Pass
Marsden	Block 4	Vector Control Services (VCS)	Input		Pass
Miltown	Block 1	Deane Shute Contracting	%0.8158	2	Pass
Mokihinui	Block	Leith Contractors Ltd.	%0.4444	1	Successful 2 <sup>nd</sup> farmland rework
Waitaha	Block 3	Pelton Contracting	%1.7208	4	Farmland and bush-pasture failure
Whataroa/Waitangi	Block 2	Target Pest Contracting (Southern)	%0.0000	0	Successful rework
Whataroa/Waitangi	Block 3	Target Pest Contracting (Southern)	%0.5612	2	Pass

## 3.0 General

- i. As at 30 June, the value of work uncompleted from the 2006-07 West Coast vector control programme was \$85,620, or about 1% by programme value, which is well within Animal Health Board performance targets and represents an excellent effort from contractors during the year.
- ii. With the receivership of Target Pest Enterprises, there has been a busy period involving the termination of 2007-08 contracts, and the re-tendering of this work to other providers. Two new firms comprising ex-Target Pest employees have been established, of which one has been successful in obtaining work.
- iii. The pre-feed on the Barrytown aerial operation was conducted on 26 June, with the operation expected to be completed in early July.

## RECOMMENDATION

*That this report be received.*

Andrew Macalister  
Vector Programme Manager

**THE WEST COAST REGIONAL COUNCIL**

Prepared for: Council Meeting  
 Prepared by: Robert Mallinson – Corporate Services Manager  
 Date: 28 June 2007

**Subject CORPORATE SERVICES MANAGER'S MONTHLY REPORT**

**1. Financial Report to 31 May 2007**

FOR THE ELEVEN MONTHS TO 31 May 2007

	ACTUAL	YEAR TO DATE BUDGET	ACTUAL % ANNUAL BUDGET	ANNUAL BUDGET
<b>REVENUES</b>				
General Rates	1,686,735	1,682,083	92%	1,835,000
Penalties	63,164	59,583	97%	65,000
Investment Income	1,017,587	834,167	112%	910,000
Regulatory	775,109	696,638	104%	743,250
Planning Processes	263,253	136,354	177%	148,750
Environmental Monitoring	9,765	0	0%	0
Emergency Management	74,764	40,333	170%	44,000
River, Drainage, Coastal Protection	981,822	826,828	109%	901,994
AHB Programme	6,648,097	8,310,165	73%	9,065,635
Vector Mgmt	1,008,334	1,008,333	92%	1,100,000
Regional % Share Controls	526,979	516,313	94%	563,250
VCS Business Unit	893,901	710,417	115%	775,000
	13,949,510	14,821,214	86%	16,151,879
<b>EXPENDITURE</b>				
Representation	246,566	254,643	89%	277,792
Regulatory Activities	1,442,796	1,364,434	97%	1,488,473
Planning Processes	652,844	630,507	95%	687,826
Environmental Monitoring	461,303	492,859	86%	537,664
Emergency Management	178,298	119,324	137%	130,172
River, Drainage, Coastal Protection	818,891	1,805,378	42%	1,969,503
AHB Programme	6,629,161	8,310,165	73%	9,065,635
Vector Mgmt	879,239	856,501	94%	934,365
Regional % Share Controls	620,775	762,705	75%	832,042
VCS Business Unit	781,801	604,988	118%	659,987
Other	48,699	0		0
	12,760,373	15,201,504	77%	16,583,459
<b>SURPLUS / (DEFICIT)</b>				
Transfer Rating District Interest	1,189,137	-390,290		-431,580
Prior Year Adjustment	-136,069			
To Transfer to Balance Sheet	-25,631			
	1,027,437			

BREAKDOWN OF SURPLUS (-/DEFICIT)		ACTUAL	BUDGET	ANNUAL BUDGET
		Year to date		
Rating Districts		372,922	-764,412	-833,904
Quarries		-61,018	30,585	33,365
Regional % Share of AHB Programmes		-93,796	-246,393	-268,792
Investment Income		1,017,588	834,167	910,000
VCS Business Unit		112,100	105,429	115,013
AHB Programmes		18,936	0	0
Vector Mgmt		129,095	151,832	165,635
Other		-48,699	0	0
All Other Activities		-257,990	-491,497	-552,897
<b>TOTAL</b>		1,189,137	-380,290	-431,580

Net Contributors to "Other Activities" Surplus (-/Deficit)		Actual	Budget Ytd	Annual Plan	Net Variance Actual v budget Ytd
Rates		1,686,735	1,682,083	1,835,000	4,652
Penalties		63,164	59,583	65,000	3,581
Representation		-246,566	-254,643	-277,792	8,077
Regulatory Activities		-667,987	-667,796	-745,223	109
Planning Activities		-389,591	-494,153	-539,076	104,562
River, Drainage, Coastal Protection (excl. RD's and Quarries)		-149,973	-244,723	-266,970	95,750
Environmental Monitoring		-451,536	-492,859	-537,664	41,321
Emergency Management		-103,534	-78,991	-86,172	-24,543
		-257,990	-491,497	-552,897	233,507

STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2007

	@ 31/5/07	@ 30/06/2006
<b>CURRENT ASSETS</b>		
Cash & Bank Balances	376,302	115,182
Accounts Receivable - Rates	245,064	311,500
Accounts Receivable - General Debtors	14,132	2,316,546
Prepayments	35,300	35,369
Accrued Revenue	1,208,753	171,716
Revenue Work in Progress	304,079	0
Stock - explosives	1,428	1,428
Stock - VCS	20,587	5,090
Stock - Rock	20,656	31,174
Stock - Office Supplies	20,750	20,750
	<u>2,247,051</u>	<u>3,008,755</u>
<b>Non Current Assets</b>		
Investments	11,563,464	10,947,136
Fixed Assets	2,725,673	2,814,256
Infrastructural Assets	24,153,488	24,153,488
	<u>38,442,625</u>	<u>37,914,880</u>
<b>TOTAL ASSETS</b>	<u>40,689,676</u>	<u>40,923,635</u>
<b>CURRENT LIABILITIES</b>		
Short Term Bank Loan		700,000
Accounts Payable	795,795	1,024,145
GST	-82,858	4,660
Resource Consent Deposits	22,127	
Sundry Payables	70,526	479,732
Accrued Annual Leave, Payroll	162,762	235,788
Rates Revenue in Advance	244,412	
Cash Mining Bond Liabilities	323,102	293,486
	<u>1,535,866</u>	<u>2,737,811</u>
<b>NON CURRENT LIABILITIES</b>		
Punakaiki Loan	348,970	374,610
Computer Equipment Leases	110,729	144,540
	<u>459,699</u>	<u>519,150</u>
<b>EQUITY</b>		
Ratepayers Equity	19,538,023	19,538,023
Surplus Trsd.	1,027,437	0
Rating District Equity Mvmts	-390,410	0
Rating Districts Equity	2,394,568	2,004,158
Tb Special Rate Balance	384,291	384,291
Revaluation	6,872,570	6,872,570
Quarry Account	-41,368	-41,368
Investment Growth Reserve	8,909,000	8,909,000
	<u>38,694,111</u>	<u>37,666,674</u>
<b>LIABILITIES &amp; EQUITY</b>	<u>40,689,676</u>	<u>40,923,635</u>

## 2. Summary of Forsyth Barr Ltd Portfolio @ 31 May 2007

PORTFOLIO @ Summary & Reconciliation	31 May 2007	Cash	Bonds	Australia International Equities	Property Equities	Alternative Asset Classes	Total
Portfolio Value @ Start	01 July 2006	3529081	2635794	776079	1503100	575945	1893092
Contributions )		759381	235000		1063		179041
Withdrawals )		-818570	-29093		-456046		-274877
Realised Gains/(Losses)					92		92
Price		69370	-9169	1851	135946	233485	431383
FX				-2039	-37958	82	4075
Unrealised Gains/(Losses)							
Price		65559	-78820	144360	176508	86015	149292
FX				-34800	-181714	-16155	-347768
Mgmt Fee				-34	-1029		-1063
Interest Income		115938	180598	1442	9	4480	37329
Changes Accrued Interest				-10133			-10133
Dividends				28452	101206	26715	20510
Hedges				43349	43349		133928
Portfolio Value @ End Period	31 May 2007	3721360	2924178	915311	1284427	676981	2019107
			2924178				11541364

Asset Allocation %'s	31 May 2007	Benchmarks	Variance
Cash	32%	30%	-2%
Bonds	25%	32%	7%
Australian Equities	8%	8%	0%
International Equities	11%	10%	-1%
Property Equities	6%	4%	-2%
Alternative Asset Classes	17%	16%	-1%
	100%	100%	0%

### 3. General Comment

Total operating expenditure for the eleven month period was \$12.760 million, of which AHB programme expenditure made up \$6.63 million.

Total revenues for the period amounted to \$13.949 million.

Net Investment income for the period amounted to \$1,017,000 compared to the budgeted \$834,000.

The VCS Business Unit generated an operating surplus of \$112,000.

Budget variances are similar to those previously reported, i.e. significant positive budget variances amounting to \$233,000 in a number of areas. We are expecting June expenditure to pull this figure back somewhat but Councillors should still expect a very positive financial result for the full twelve months.

The full twelve month financial results will be reported to the August meeting.

The Draft Annual Report for the year to 30 June 2007 will be presented to the September meeting for adoption by Council.

During July and August I will be heavily committed with Annual Report work. As in previous years the first results reported to Council for 2007/08 will be for the July/August 2007 period to the October meeting.

### RECOMMENDATION

That this report be received.

Robert Mallinson  
Corporate Services Manager

**THE WEST COAST REGIONAL COUNCIL**

Prepared for: Council Meeting – 12 June 2007  
 Prepared by: Robert Mallinson – Corporate Services Manager  
 Date: 22 June 2007

Subject:

**COUNCIL INVESTMENT PORTFOLIO BENCHMARKS  
 AND TACTICAL ASSET ALLOCATION RANGES**

Council Portfolio benchmarks and tactical asset allocation ranges as per the most recent Statement of Investment Policies and Objectives March 2007 are as follows.

<b>Strategic Benchmarks</b>	Existing (March 07)	Proposed (July 07)
NZ Cash	30%	25%
NZ Bonds	32%	25%
Property Securities	4%	5%
Australasian equities	8%	15%
International Equities	10%	15%
Emerging Market Debt	5%	7.5%
Absolute Return Funds	8%	7.5%
Structured Credit	3%	0%
Total	100%	100%

<b>Tactical asset Allocation Ranges</b>	Existing	Proposed
<b>Fixed Interest</b>	<b>55-100%</b>	<b>25%- 100%</b>
Limited by		
NZ Cash	25-60%	10-50%
NZ Bonds and Fixed Interest	25-50%	10-50%
<b>Property</b>	<b>0-7%</b>	<b>0-10%</b>
Limited by		
Australasian Property Equities	0-7%	0-10%
NZ Property Equities	0-7%	0-10%
<b>Equities</b>	<b>0-20%</b>	<b>0-40%</b>
Limited by		
Australasian Equities	0-12%	0-20%
International Equities	0-15%	0-20%
<b>Alternative Asset Classes</b>	<b>0-20%</b>	<b>0-20%</b>
Limited by		
Emerging Market Debt	0-10%	0-10%
Structured Credit	0-10%	0-10%

Investment returns including hedge positions amounted to \$1040872 for the 11 months to 31 May. This is a very good return and exceeds the Annual budget of \$900000 with returns for June still to take into account.

However, the \$2.9 million Bonds in our portfolio have not performed well, with a return of only 3% for the 11 months to 31 May.

I asked Forsyth Barr Ltd to review the benchmarks and tactical asset allocation ranges of our portfolio.

Kevin Stirrat, Head of Funds Management, Forsyth Barr Ltd, has undertaken a review as requested and I attach a copy.

Kevin comments that reviewing the high weightings to cash and fixed income will allow considerably more flexibility in the management of the portfolio without increasing the risk profile.

## **RECOMMENDATION**

*That the Council Investment Policy be amended to provide for amendments to the strategic benchmarks and tactical asset allocation ranges as shown in the above "Proposed July 2007" table.*

Robert Mallinson  
Corporate Services Manager

22 June 2007



## West Coast Regional Council

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### SIPO Strategic Benchmark and Tactical Ranges Review

The current strategic benchmark for the investment portfolio is made up as follows:

NZ Cash	30%
NZ Bonds	32%
Property Securities	4%
Australasian Equities	8%
International Equities	10%
Emerging Market Debt	5%
Absolute Return Funds	8%
Structured Credit	3%

#### Performance Benchmarks

The performance benchmark of the fund is a composite index comprising:

The NZX 90 Day Bank Bill Index	30.00%
The NZX NZ Government Bond Index	32.00%
NZX Property Gross Index	2.68%
S&P ASX 200 Real Estate Accumulation Index (NZ\$)	1.32%
NZX50 Gross Index	4.00%
S&P/ASX 200 Accumulation Index (NZ\$)	4.00%
Morgan Stanley International World Index (NZ\$)	10.00%
JP Morgan Emerging Market Bond Index (hedged into NZ\$)	5.00%
The NZX 90 Day Bank Bill Index – Absolute Return	8.00%
The NZX 90 Day Bank Bill Index – Structured Credit	3.00%

*Note: The property securities benchmark is split 67%/33% between NZ and Australia. The Australasian Equities benchmark is split 50/50 for performance monitoring.*

With the redemption in absolute return funds likely to be effective during the third quarter 2007, it is timely to review the strategic weightings taking into consideration the deliberate absence of hedge funds in the portfolio looking forward. Additionally, although the current benchmark was structured to give the portfolio a very conservative risk profile, we consider it appropriate to review the high weightings to cash and fixed income. This will allow considerably more flexibility in the management of the portfolio without increasing the risk profile as the proposed ranges will still allow a conservative positioning of the portfolio if market conditions deteriorate for growth assets.

Decreasing the fixed income benchmark weightings necessitates a need to increase the growth asset weightings elsewhere within the benchmark.

Our proposed benchmark weightings are as follows:

Cash	25%
NZ Bonds	25%
Property	5%
Australasian Equities	15%
International Equities	15%
Emerging Market Bonds	7.5%
Structured Credit	7.5%

The proposed tactical asset allocation ranges are as follows:

<b>Fixed Interest</b>	<b>25 – 100%</b>
Limited by:	
New Zealand Cash	10 – 50%
New Zealand Bonds and Fixed Interest	10 – 50%
Property	0 – 10%
Limited by:	
Australasian Property Equities	0 – 10%
New Zealand Property Equities	0 – 10%
<b>Equities</b>	<b>0 – 40%</b>
Limited by:	
Australasian Equities	0 – 20%
International Equities	0 – 20%
<b>Alternative Asset Classes</b>	<b>0 – 20%</b>
Limited by:	
Emerging Market Debt	0 – 10%
Structured Credit	0 – 10%

Emerging market Debt and Structured Credit are global fixed income type asset classes. Although they are still classified as “alternatives” within the benchmark, both of these asset classes have become more main stream globally over the last five years. As such, we regard the increased benchmark weightings for these two asset classes to partially offset the reduced weighting to cash and fixed income.

In the current market conditions, the proposed benchmark puts a greater onus on the asset mix to perform as the higher weighting to equities in a strong market will be reflected in a higher benchmark performance. The changes to the tactical ranges enable more flexibility to take advantage of extreme market conditions in any asset class but at the same time allow a conservative positioning of the portfolio if appropriate.

## Modelled Historical Return and Risk Profiles

A comparison of the historical return and risk profile from the current benchmark portfolio and the proposed benchmark portfolio is shown in the table below:

	Current Benchmark	Proposed Benchmark
5 year annualised return	6.87%	7.32%
5 year annualised volatility	2.68%	4.23%
10 year annualised return	7.74%	8.48%
10 year annualised volatility	3.18%	4.92%

The performance benchmark for the 7.5% weighting in structured credit is proposed to be:

- NZX 90 Day Bank Bill Rate +2%

This has been assumed in the modelled historical returns. This higher benchmark is more consistent with the return objectives from this asset class.

The return profile is significantly higher for a portfolio weighted according to the proposed benchmark for both the medium and long term periods. At the same time the volatility or risk of the portfolio has also increased as would be expected. However, with historical volatility still below 5% the risk and return profile of the proposed benchmark is still acceptable. This means that the forecast return from the portfolio is likely to be met or exceeded with a greater than 95% chance of probability.

Kevin Stirrat

Head of Funds Management

June 2007

**Robert Mallinson**

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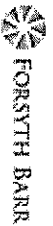
**From:** Kevin Stirrat [Kevin.Stirrat@forbar.co.nz]  
**Sent:** Thursday, 21 June 2007 4:31 PM  
**To:** Robert Mallinson  
**Subject:** RE: WCRC SIPO Benchmark Weightings Review

Hi Robert, running the proposed benchmark and adjusted TAA weightings the forecast model generates the following expectations:

Benchmark Return     9.89%  
TAA Return            10.92%

Rgds  
Kevin

**Kevin Stirrat**  
Head of Funds Management



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---

**From:** Robert Mallinson [mailto:rm@wcrc.govt.nz]  
**Sent:** Thursday, 21 June 2007 1:21 p.m.  
**To:** Kevin Stirrat  
**Subject:** RE: WCRC SIPO Benchmark Weightings Review

Hello Kevin,

Good to hear from you.

I will be putting a report to our July Council meeting recommending an adjustment to the benchmarks and tactical asset allocation ranges.

As regards the presentation made to Council earlier in the year, there was a page dealing with forecast portfolio returns which showed benchmark forecast portfolio return of 8.47% and a TAA forecast portfolio return of 9.11%.

I wonder if you could rework these forecast portfolio returns to take into account the proposed adjustments to the benchmark and TAA.

Kindest Regards,

Robert Mallinson,  
West Coast Regional Council

---

**From:** Kevin Stirrat [mailto:Kevin.Stirrat@forbar.co.nz]  
**Sent:** Thursday, 21 June 2007 09:14  
**To:** Robert Mallinson  
**Cc:** Mary Freeman  
**Subject:** WCRC SIPO Benchmark Weightings Review

Hello Robert, following your discussion with Mary the other day, we have undertaken a review of the strategic benchmark for the investment portfolio and the tactical ranges with. I have enclosed our proposed changes in the document attached. Let me know if you have any questions regarding the content – otherwise we will wait for the Council's feedback.

Kind regards  
Kevin

**Kevin Stirrat**  
Head of Funds Management



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**THE WEST COAST REGIONAL COUNCIL**

Prepared for: Council Meeting – 12 June 2007  
Prepared by: Robert Mallinson – Corporate Services Manager  
Date: 22 June 2007  
Subject: **SETTING OF RATES FOR 2007/08 YEAR**

---

Council confirmed the 2007/08 Annual Plan at its meeting on 12 June.

The intended rates for 2007/08 were set out in the Funding Impact Statement on pages 33 to 39 of the Draft Annual Plan.

Council now needs to formally set its rates in accordance with sections 23 and 24 of the Local Government (Rating) Act 2002.

**RECOMMENDATION**

*That Council set rates for the year 1 July 2007 to 30 June 2008 in accordance with the Annual Plan approved on 12 June 2007.*

*First instalment: Due Date 1 September 2007. Final date for payment 20 October 2007.*

*Second instalment: Due Date 1 March 2008. Final date for payment 20 April 2008.*

Robert Mallinson  
Corporate Services Manager

**THE WEST COAST REGIONAL COUNCIL**

Prepared for: Council Meeting – 12 June 2007  
 Prepared by: Robert Mallinson – Corporate Services Manager  
 Date: 22 June 2007

Subject: **COUNCIL IMPLEMENTATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)**

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**Background**

In 2002 the NZ Accounting Standards Review Board decided that NZ IFRS would apply to all NZ reporting entities for periods commencing on or after 1 January 2007. Entities had the option to adopt NZ IFRS for periods beginning on or after 1 January 2005.

All Councils have to comply with NZ IFRS which replaces previous NZ Generally Accepted Accounting Practice (NZ GAAP).

Councils were required to prepare last year's LTCCP and this year's Annual Plan in accordance with NZ IFRS. This means that our first reporting under NZ IFRS will be for the 30 June 2007 reporting year.

We have had to convert Council's balance sheet to NZ IFRS @ 1 July 2005 and also restate the 2005/06 comparative results in accordance with NZ IFRS.

**Comment**

Earlier this year Audit NZ strongly recommended that we engage outside assistance to help us with this conversion process. We engaged KPMG in Christchurch to assist us with this process and I attach a copy of the executive summary of their report. KPMG has assisted all the West Coast Councils in this process.

The main impacts of NZ IFRS on this Council are:

1. Future Quarry restoration costs need to be brought on balance sheet and depreciated over the estimated remaining life of each Quarry. I am seeking information from the Planning and Environmental Group to enable this to be done. I cannot yet attempt to quantify this effect but it will be material.
2. Council Finance Leases need to be brought on balance sheet as assets and liabilities. This includes IT equipment, photocopier leases and phone system leases. This has no impact on Council's Statement of Financial Performance or previously reported surpluses as the Lease payments are simply apportioned between Interest and Principal payments. In effect depreciation replaces the Loan principal repayment part of the Lease payments. It does impact on our balance sheet with matching assets and liabilities. IT equipment leases were brought on balance sheet @ 30 June 2005.
3. Our Investment Portfolio had already moved to "fair value" accounting @ 30 June 2005. There are no major impacts here except that fixed interest deposits < 4 months are now treated as cash or cash equivalents.
4. Recognition of long service leave for the small number of staff in the collective employment agreement who have > 10 years service. The amount involved is not material.
5. Impairment adjustment of value of improvements at 388 Main South Road to reflect market valuation. I calculate this balance sheet adjustment at negative \$443,405. However, this is offset by the adjustment to land value of positive \$300,000.

6. Other Council property holdings will be adjusted to market value.

This Council has a simple structure, which does not include any subsidiaries, associates or joint venture business combinations. This has made the NZ IFRS conversion project substantially less complex.

The completed 1 July 2005 NZ IFRS balance sheet and NZ IFRS accounting policies will be subject to a separate audit process which is expected to be undertaken by Audit NZ some time in July.

## **RECOMMENDATION**

*That this report be received.*

Robert Mallinson  
Corporate Services Manager





AUDIT & RISK ADVISORY SERVICES

# West Coast Regional Council

**NZIFRS Conversion Project – Result of Assess Phase**

14 JUNE 2007



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KPMG at Cranmer  
Christchurch

Telephone +64 3 363 5764  
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West Coast Regional Council  
P O Box 66  
Greymouth

Attention: Robert Mallinson

14 June 2007

Dear Robert

#### Scope

The scope of this engagement is set out in our engagement letter dated 28 March 2007 and is limited to:

- 1 completing KPMG's accounting and disclosure checklists to identify gaps between the current accounting policies/disclosures adopted by West Coast Regional Council ("Council") and the requirements of the New Zealand International Financial Reporting Standards ("NZIFRS").
- 2 preparing a report outlining the key issues arising from KPMG's assessment and proposed action items.

#### Use

This report is provided on the basis that it is for your information only and that it will not be copied or disclosed to any third party or otherwise quoted or referred to, in whole or in part, without KPMG's prior written consent. KPMG accepts no responsibility to anyone other than the parties identified in the engagement letter for the information contained in this report.

#### Limitations

This report has been prepared on the basis of currently applicable NZIFRS. Consideration should be made by the Council to future potential changes and developments of NZIFRS.

While this report contains our advice to you on accounting issues, we cannot provide any assurance that the accounting policies that you choose to adopt will be acceptable to the relevant statutory authorities.

The procedures we carried out in performing the work that forms the basis for this report was not such as to constitute an audit or review. As such, this report and the accompanying appendices should not be considered as providing the same level of assurance as an audit or review.

Yours sincerely

Bruce Loader  
Partner



The contacts at KPMG in connection with this report are:

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## Contents

1	Glossary of Terms.....	1
2	Executive Summary.....	2
3	Key Accounting and Reporting Issues Arising.....	5
3.1	Framework/Adoption date.....	5
3.2	First time adoption.....	7
3.3	Property, plant and equipment.....	9
3.4	Leases.....	14
3.5	Financial Instruments.....	17
4	Less significant accounting and reporting issues.....	25
4.1	Employee Benefits.....	25
4.2	Investment property.....	27
4.3	Impairment testing.....	29
4.4	Revenue Recognition.....	32
4.5	Service Concession Agreements.....	34
5	Other Issues Raised.....	36
6	Action Plan.....	37
7	Current IASB projects.....	41
8	Detailed disclosure log.....	42

# 1 Glossary of Terms

Council	West Coast Regional Council
NZIFRS	New Zealand equivalent to International Financial Reporting Standards
NZIAS	New Zealand equivalent to International Accounting Standards
NZ GAAP	New Zealand Generally Accepted Accounting Practice
PBE	Public Benefit Entity
LTCCP	Long Term Council Community Plan
NPV	Net Present Value
DRC	Depreciated Replacement Cost
RC	Replacement Cost

Some issues noted within this report relate to areas whereby the accounting gap potentially relates to a difference between current NZ GAAP and the Council accounting policies. These are marked with a \*.


## 2 Executive Summary

The following issues were identified and are detailed within this report. Risk relates to the complexity and magnitude of the assessment impact.

**Legend:** Volatile Decrease Increase No change Low Risk Medium Risk High Risk

Issue	Impact	Impact on P/L	H/M/L
First time adoption (section 3.2)	<p>On transition to NZIFRS (transition date of 1 July 2005 for adopting NZIFRS in 2006), the Council needs to ensure that the general principles of the NZIFRS 1 standard are adhered to. The general principles of that standard are as follows:</p> <ul style="list-style-type: none"> <li>• Recognise all assets and liabilities required by NZIFRS.</li> <li>• Derecognise any assets and liabilities if NZIFRS does not permit recognition.</li> <li>• Reclassify items recognised differently between NZIFRS and NZ GAAP.</li> <li>• Apply NZIFRS in measuring assets and liabilities.</li> <li>• All adjustments for NZIFRS transitional balance sheet are posted to equity.</li> </ul> <p>The Council has a number of options and requirements when preparing its first NZIFRS balance sheet. The main option that would impact the Council is:</p> <ul style="list-style-type: none"> <li>• <i>Property, plant and equipment</i> – opt to fair value all or some fixed assets as at the date of transition and deem this value as cost. This does not create an ongoing requirement to revalue under NZIFRS.</li> </ul>		

<p>Property, plant &amp; equipment (section 3.3)</p>	<p>* The Council has an obligation to restore the quarries it operates to an agreed condition, under the terms of the mining licenses issued to it. Under NZIAS 37 Provisions, this results in a requirement to recognise a provision for estimated restoration costs that will be incurred at the end of the license period.</p> <p>The Council should depreciate its infrastructure assets over there estimated useful lives, with annual remediation work on these assets being capitalised if it meets the criteria for recognition under NZIAS 16.</p>	<p>⇕</p>	<p>■</p>
<p>Leases (section 3.4)</p>	<p>The Council leases IT and office equipment that should potentially be classified as finance leases under NZIFRS.</p>	<p>⇕</p>	<p>■</p>
<p>Financial instruments (section 3.5)</p>	<p>The Council must determine which of the categories of financial instruments identified by NZIAS 39 its investments should be classified as. They may be “held for trading”, “held to maturity” or “available for sale”.</p> <p>The fair value of interest rate swaps and forward currency contracts should be calculated and recognised on the balance sheet as an asset or liability, based on the fair value of all future cash flows. Any changes in the fair value of these instruments should be recognised in the Income Statement, unless hedge accounting is adopted going forwards.</p>	<p>⇕</p>	<p>■</p>
<p>Employee Benefits (section 4.1)</p>	<p>The Council should recognise a provision for long service leave liabilities. These should be provided for on an actuarial basis for every employee that may receive the benefit.</p>	<p>⇕</p>	<p>■</p>
<p>Investment property (section 4.2)</p>	<p>Investment property is required to be separated from other property, plant and equipment and valued on an annual basis with all movements being recognised in the Income Statement.</p> <p>We consider it unlikely that any of the Council’s property will meet the criteria to be classified as investment property, as property is owner occupied, or held for strategic purposes.</p>	<p>⇕</p>	<p>■</p>

Impairment testing (section 4.3)	PBE's are allowed to measure the value in use of assets as a DRC valuation when certain criteria are met. Thus impairment testing may not have a significant impact on the Council's assets.  However all assets will require annual impairment consideration.	↓	
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**THE WEST COAST REGIONAL COUNCIL**

Prepared for: Council Meeting – 10 July 2007  
Prepared by: Chris Ingle – Chief Executive  
Date: 30 June 2007

Subject: **CHIEF EXECUTIVES REPORT**

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**Meetings Attended**

The meetings I have attended since the June 2007 Council meeting are as follows:

- Met with MFE flood management experts to discuss flood hazard management on the West Coast.
- Union negotiations took place on 20 June 2007.
- Attended the Governance Panel meeting in Christchurch on Monday 25 June discussing the science work addressing acid mine drainage.
- Met Kevin Hague on 28 June to discuss health matters that relate to environmental quality.

**Annual Leave**

I am taking four days annual leave from 2<sup>nd</sup> to 5<sup>th</sup> July, to coincide with the school holidays.

**RECOMMENDATION**

*That this report be received.*

Chris Ingle  
Chief Executive