

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

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

MONDAY, 9 FEBRUARY 2009

The programme for the day is:

**09.30 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 **Monday, 9 February 2009**

P. EWEN
CHAIRPERSON

S. MORAN
Planning and Environmental Manager
C. DALL
Consents and Compliance Manager

<u>AGENDA NUMBERS</u>	<u>PAGE NUMBERS</u>	<u>BUSINESS</u>
1.		APOLOGIES
2.	1 – 4	MINUTES 2.1 Confirmation of Minutes of Resource Management Committee Meeting – 9 December 2008
3.		PRESENTATION
4.		CHAIRMAN'S REPORT
5.		REPORTS
		5.1 Planning and Environmental Group
	5 – 7	5.1.1 Planning & Environmental Manager's Monthly Report
	8 - 31	5.1.2 Draft Submission on Proposed National Policy Statement for Freshwater Management
		5.2 Consents and Compliance Group
	32 - 37	5.2.1 Consents Monthly Report
	38 – 41	5.2.2 Compliance & Enforcement Monthly Report

THE WEST COAST REGIONAL COUNCIL**MINUTES OF THE MEETING OF THE RESOURCE MANAGEMENT COMMITTEE
HELD ON 9 DECEMBER 2008 AT THE OFFICES OF THE WEST COAST REGIONAL COUNCIL,
388 MAIN SOUTH ROAD, GREYMOUTH, COMMENCING AT 10.32 A.M.****PRESENT:**

P. Ewen (Chairman), R. Scarlett, D. Davidson, B. Chinn, A. Robb, T. Archer, A. Birchfield, T. Scott,
R. Barber

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. PRESENTATION

Mr John Wood from West Coast Commercial Gold Miner's Association Inc addressed the meeting.
He spoke of enforcement matters relating to gold mining.

3. MINUTES

Moved (Davidson / Robb) *that the minutes of the previous Resource Management Committee
meeting dated 11 November 2008, be confirmed as correct.*

Carried

Matters Arising

T. Scott expressed his concern that the matter that Cr Birchfield wished to discuss in committee was
not discussed in committee as part of the Resource Management Committee meeting. This was
discussed in committee at the Council meeting. T. Scott felt that he and R. Barber were excluded
from these proceedings. T. Scott felt that the matter should have been heard by this committee in
committee. T. Scott stated that the matter discussed in committee had been in the newspaper prior
to the meeting. Cr Ewen agreed to follow this matter up with the Chief Executive.

4. CHAIRMAN'S REPORT

The Chairman reported that the decision following the hearing for the Hokitika Oxidation Ponds is in
the process of being drafted and may be released by Christmas.
The Chairman reported that the Wetlands Hearing Variation was reconvened on the 27th of
November. This was attended by Crs Scarlett, Davidson and Archer and Iwi Representative Mr Terry
Scott. The Chairman advised that the desired outcome on some of the issues of contention was
achieved. A copy of the Variation was supplied to all Councillors and Iwi Representatives present.
The Chairman reported that he gave an opening address at the Hydrology and Metrology Society
National Conference hosted at Shantytown on the 18th of November. He stated that the conference
was well received and a very successful event for all concerned.

Moved (Ewen / Davidson) *that the Council receive this 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 advised that the decision report for Wetlands Variation 1 hearing is being circulated, it is hoped that the decision will be released on Friday.

S. Moran advised that further work with Local Government New Zealand has been done on the Proposed National Policy Statement on Freshwater Management. A staff policy has also been drafted. S. Moran informed Council that this is due on the 23rd of January and will be circulated via email for councillors to consider.

S. Moran reported that the Ministry of Civil Defence recently carried out a Capability and Capacity Assessment. He advised that the outcomes were reasonably good and on par with what they expected. He stated that a paper is currently being circulated around the Coordinating Executive Group, this will then go to the CDEM Group (Mayors and Chair) for their consideration.

Civil Defence: S. Moran spoke of the Local Government Subsidy review, he stated that currently WCRC receives a very small amount of funding from MCDEM. It is proposed that the fund will become a contestable fund which may allow for the opportunity to obtain further funding for civil defence work. T. Scott asked what is contestable funding based on. S. Moran advised that the criteria is yet to be set but the awaited paper will contain this information. S. Moran reported that a Tsunami risk assessment was discussed, he advised that the message is that if you feel an earthquake and are near the coastline, get to higher ground.

S. Moran reported that C. Ingle and W. Moen undertook Controller Training in November. S. Moran spoke of the civil defence training session for all staff on the 25th of November. This was tailored for our needs and was very useful.

Transport: S. Moran advised that the Regional Transport Advisory Group have met and have agreed on the drafting of a Terms of Reference. This will go to the Regional Transport Committee for ratification.

S. Moran reported that work is progressing on the funding programmes, a draft was submitted on the 14th of November.

Hydrology / Flood Warning: S. Moran reported that there have been two recent events. One relatively minor one on the 1st of November which triggered alarms on the Grey River and Karamea River.

S. Moran advised that the second event on the 24th and 25th of November was more significant with 590mm of rain recorded in 24hours in the Cropp Basin. S. Moran advised that the Duty Officers monitored this event and there were no issues to report.

S. Moran spoke to the contact recreation report noting that it is the first round of results for the summer months. He reported that Buller and Orowaiti Rivers had moderate to high readings.

Cr Archer if there has been any work done on finding source of the higher pollution at Marrs Beach. S. Moran advised that the November reading may be a one – off anomaly. Last year's results in this area were better than previous years.

Cr Archer noted that clear result at Shingle Beach which is opposite Marrs Beach. Cr Archer wondered if the water coming into the Marrs Beach area is not mixing and going to the other side of the river.

Cr Archer asked if the result in the Picnic Area at the Orowaiti Lagoon is likely to improve in view of the implementation for the connection of the reticulated sewerage system in this area. S. Moran confirmed that this is the expectation. Cr Davidson feels that the source of contamination in the Marrs Beach should be found. C. Ingle stated that staff look for a trend in these circumstances but usually would wait for two or three readings prior to investigating to see if there is an identifiable source.

Moved (Archer / Scarlett) *that the report is received.*

Carried

5.2 CONSENTS AND COMPLIANCE GROUP

5.2.1 CONSENTS MONTHLY REPORT

C. Dall spoke to this report. He stated that the key matter during the reporting period is the release of the decision on the notified consent for the Proposed Arnold Valley Hydro Power Scheme.

C. Dall stated that three appeals on the decision to grant all the consents sought have been received. This includes one from TrustPower Ltd on conditions imposed. C. Dall stated he is hopeful that a lot of the matters can be dealt with through mediation. C. Dall revealed that the other appellants are Gordon Graham, Paul Miles and a possible fourth party is yet to be advised.

C. Dall advised that appeal period is closed but slightly later appeals are usually granted waiver by the Court.

C. Dall reported that the consent for Meridian Energy Ltd's Proposed Mokihinui River Hydro Scheme is still in the process of being heard. The Hearing Committee has received the Right of Reply from Meridian Energy Ltd and they are considering what further action to take.

C. Dall reported that the decision on Council's consent application to heighten the Greymouth Floodwall has been granted for a 35 year term. C. Dall advised that the no appeals have been received and the appeal period closes today.

Moved (Scarlett / Davidson) *that the December 2008 report of the Consents Group be received.*

Carried

5.2.2 COMPLIANCE & ENFORCEMENT MONTHLY REPORT

C. Dall spoke to this report noting that over 70 site visits were made with generally a good level of compliance. However, he stated that there were a number of complaints found to be related to non-compliant activities.

C. Dall reported that during the reporting period water monitoring results at Globe Progress Mine did not reveal any non-compliance. He advised that since writing this report further sampling done by the company revealed non-compliance on the 26th of November. This was nine above the limit, it was noted that this result was preceded by a 120mm of rain over a 48 hour period. C. Dall reported that OceanaGold sought and obtained a further extension of their Abatement Notice as problems with the supplier of the flocculation plant have been encountered.

C. Dall reported that the recent power outage in Hokitika caused problems for processing and picking up of milk at Westland Milk Products Dairy Factory. C. Dall advised that he is not aware of any significant problems arising from the power outage. T. Scott asked where is milk discharged to if it needs to be discharged. Cr Scarlett explained that usually it is fed to calves, stored on farm or put through the effluent system on farm. Cr Scarlett advised that a lot of farms have large tank holdings which are used for colostrum storage.

Cr Chinn asked for further information regarding the discharge to water at Stockton Mine Site being exceeded. Cr Chinn asked who sets the trigger. C. Dall explained that the trigger limit is in relation to the historic resource consent for the site which goes back to the late 1980's. C. Dall advised that consent did not have any explicit limits and this trigger limit is mutually agreed with Solid Energy and it is an indicator as to whether or not there are problems at the site. Cr Chinn asked if smaller operators are able to negotiate a trigger limit. C. Dall stated that in this case the trigger limit is in place of a standard whereas a lot of the consents for other mining operations will have a set standard. C. Dall clarified that this is an old consent pre RMA. Cr Scarlett asked if consents subsequent to the RMA have trigger limits. C. Dall advised that new consents can have an explicit standard or a range of explicit standards and they may also include trigger levels which might trigger additional monitoring.

Cr Scarlett asked if any consents have been granted with trigger levels. C. Dall confirmed that some have. Cr Ewen asked if a consent holder could seek a variation to their present standard at any time.

C. Dall confirmed this is correct. Cr Ewen stated that the Stockton licence has caused problems in the past due to the lack of specific conditions. He added that he feels that a lot of the upgrades Solid Energy have done in recent times has not been a result of conditions of their licence but of public conscience. Cr Scarlett asked if the level is triggered then the Council has an ability to make a decision to waive it if it was for heavy rain. Cr Scarlett stated that if the level was triggered through negligence then the Council could take action as necessary.

Cr Ewen stated that he is pleased to see that Globe Progress Mine now has their flocculant plant which this council encouraged. Cr Ewen stated that he hopes that muddied water from gravel extraction in nearby creeks doesn't interfere with what Globe Progress Mine is trying to achieve.

Moved (Archer / Birchfield)

1. *That the December 2008 report of the Compliance Group be received.*
2. *That the Council notifies Crown Minerals that the bonds held for Mining Licences CML 37092 and CML 37148 may be released.*

Carried

6. GENERAL BUSINESS

There was no general business.

The meeting closed at 11.42 am.

.....
Chairman

.....
Date

THE WEST COAST REGIONAL COUNCIL

Prepared For: Resource Management Committee
Prepared By: S. Moran – Planning & Environment Manager
Date: 30 January 2009

Subject: **PLANNING & ENVIRONMENT MANAGER'S MONTHLY REPORT**

PlanningVariation 1 (Wetlands) – Proposed Land & Riverbed Management Plan

The Decisions Report for Variation 1 was notified on 12 December 2008 and a copy sent to all submitters. The closing date for appeals is the 17th of February 2009.

Civil Defence and Emergency ManagementTest of the National Warning System

MCDEM conducted a test of the National Warning System on the 15th of December 2008 via text, email, and fax. These were received successfully and the warning responded to within the 30 minute deadline.

TransportRegional Land Transport Programme

The next meeting of the Regional Transport Committee is scheduled for the 2nd of March. The main purpose of the meeting will be to finalise the draft Regional Land Transport Programme (RLTP) and recommend it to the Regional Council at its March meeting to be put out for consultation.

This is the first RLTP prepared for the West Coast and it will:

- Identify key transport issues in the region and how transport activities proposed in this programme address these;
- List proposed transport activities that will be undertaken during 2009 – 2012;
- Give an indication of significant activities for 2012 – 2015;
- Provide a ten year forecast of anticipated revenue and expenditure on transport activities.

The Regional Transport Advisory Group is scheduled to meet on the 3rd of February to finalise the draft RLTP for the Regional Transport Committee to consider.

Draft West Coast Walking and Cycling Strategy

Submissions closed on the Draft West Coast Walking and Cycling Strategy on 18 December 2008. A total of 62 submissions were received on the Strategy with a very high level of support. The submissions are currently being reviewed by the Steering Group before the final Draft is put to the Regional Transport Committee for adoption.

Passenger TransportNew Services

Cliff Sandrey Contracting Ltd has registered a 3 month trial bus service to operate between the townships of Hokitika and Greymouth.

Super Gold Card

Council staff are working with the New Zealand Transport Agency (NZTA) so that in off peak times (9.00am to 3.00pm, and after 6.30pm to the end of service) Super Gold card holders will be able to use their card for free travel. The 'free' ride is to be funded by the NZTA.

Regional Public Transport Plan

With the commencement of the Public Transport Management Act 2008 there is now a legislative requirement for the Council to have a Regional Public Transport Plan in order to fund passenger transport activities (for example in our case, the Total Mobility Programme). Staff will work through developing a draft Plan for consultation with the assistance of the New Zealand Transport Agency over the coming months.

Resource Science

Hydrology / Flood Warning

On the 20th of December a warm moist airflow brought some heavy rain to the Grey and Buller areas producing first stage alarms on both those rivers.

Site	Time of peak	Peak level	Warning Issued
Grey Rv @ Dobson	20/12/08 06:30	4512mm	From 22:30 (19/12/08)
Buller Rv @ Te Kuha	20/12/08 07:15	7767mm	01:15

Water Quality

Jack Grinstead, Technical Officer in the Resource Science team, is leaving the Council after two years of valuable service. Jack has enjoyed his time with the WCRC and he hopes to return to the West Coast in the future. Recruitment for his replacement is underway.

GNS Science are working on the WCRC Groundwater SOE report, which is so far on track for completion in March 2009.

Another technical addition has been made to the Council back lawn - a rain collector. Two litres of rainwater will be taken at the end of each month and sent to GNS Science for analysis of tritium. Tritium is used to age groundwater. GNS will compare the variation of tritium in this rainwater to the tritium results from West Coast groundwater samples. This will give us a better idea as to the accuracy of our groundwater aging work.

The summer surface water quality round has been completed, making the most of the good weather over the New Year period. Lake Brunner sampling will commence in February, as scheduled.

Water Quality at Contact Recreation Sites: December/January



The December 2008 results for West Coast contact recreation monitoring are shown in the table below. The December sampling took place on the 1st in the Buller and Orowaiti River area and 2nd elsewhere. Sampling took place during overcast/drizzle conditions, with light to moderate winds. During the previous 24 hours rainfall was between 10-30 mm in the Grey and Hokitika areas, and up to 10 mm further north. Three days prior to sampling, 30-60 mm of rain fell in the Buller and Hokitika areas, with 10-30 mm elsewhere. Surface runoff from this amount of rain can cause higher faecal coliform levels, especially in rivers and streams.

January's sampling took place on the 5th in fine/overcast conditions, with light to moderate winds. In the 3 days prior to sampling rainfall was in the range of: 0-10 mm in the Buller region; 10-30 mm in Greymouth and the Grey Valley; and 30-60 mm around Lake Brunner and the Hokitika area. There was minimal rainfall (0-10mm) throughout the region in the 24 hours prior to sampling.

Risk to Bathers¹

Site	Dec 2008	Jan 2009
Buller River @ Marrs Beach	J	K
Buller River @ Shingle Beach	J	J
Orowaiti Lagoon @ Picnic Area	L	K
Rapahoe Beach @ End of Statham St	J	J
Seven Mile Creek @ SH6 Rapahoe	K	J
Nelson Creek @ Swimming Hole Reserve	J	J
Grey River @ Taylorville Swimming Hole	J	J

Key:

-  **Moderate to High Risk**
>550 *E.coli*/100ml or
>280 *Enterococci*/100ml
-  **Low Risk**
260-550 *E.coli*/100ml or
140-280 *Enterococci*/100ml
-  **Very Low Risk**
<260 *E.coli*/100ml or
<140 *Enterococci*/100ml

Cobden Beach @ Bright St West end	J	J
Blaketown Beach @ S Tiphead	J	J
Blaketown Lagoon @ Slipway Beach	J	K
Arnold River @ Blairs Rd No. 2 Bridge	J	J
Arnold River @ Kotuku Fishing Access	J	J
Crooked River @ Te Kinga	L	J
Lake Brunner @ Cashmere Bay Boat Ramp	J	J
Lake Brunner @ Iveagh Bay	J	J
Lake Brunner @ Moana	J	J
Hokitika Beach @ Hokitika	J	J
Kaniere River @ Kaniere Kokatahi Rd	K	J
Lake Kaniere @ Hans Bay Boat Ramp	J	J
Lake Kaniere @ Hans Bay Jetty	J	J
Lake Kaniere @ Sunny Bight	J	J

¹ Due to the limited number of samples taken the Regional Council suggests the risk status above be used as a guide only. The current risk category assigned to a particular site is made by comparing results of individual samples to National guidelines.

RECOMMENDATION

That this report is received.

Simon Moran
Planning and Environmental Manager

Prepared for: Resource Management Committee Meeting – 9 February 2009
Prepared by: L Sadler, Policy Analyst
Date: 26 January 2009

Subject: **DRAFT SUBMISSION ON PROPOSED NATIONAL POLICY STATEMENT FOR FRESHWATER MANAGEMENT**

Purpose

To seek approval from the Resource Management Committee of the draft submission on the Proposed National Policy Statement (NPS) for Freshwater Management.

Background

The Proposed NPS for Freshwater Management was prepared in recognition that there is increasing pressure and demand for water resources in many parts of the country, and trends indicating a decline in water quality in some areas. MFE consider that an NPS is needed to provide greater national guidance both to water users and to regional and district council. However, we consider it does not achieve this aim.

Submission

A draft submission was circulated to the Resource Management Committee prior to being lodged before the closing date during the January holiday period. No changes were made to the draft, and a copy is attached to this report. The main points in the submission are:

- That many of the policies in the NPS may well be required in water short and populous regions, however, they are not necessary for the West Coast given our small population and relatively higher water quality.
- We strongly disagree with the timeframes stipulated to incorporate the NPS into regional policy statements and plans, as this creates unnecessary cost for little or no benefit, and are impractical.
- Some of the requirements may be outside the scope of the RMA, for example, avoiding further degradation of water quality from stormwater discharges; which may be compliant with the RMA if they have only minor adverse effects;
- Several of the objectives and policies do not add value to what is already in our regional Water Management Plan, and will be costly to implement, for example, identifying ecological flows and levels for all freshwater resources;
- The release of this NPS is out of sync with other water-related National Environmental Standards (NES's) previously notified, so the NES's should be placed on hold until this NPS is finalised.

Local Government New Zealand have lodged a submission on the Proposed NPS which includes alternative objectives and policies. Staff had input into development of the alternative NPS, and while we support most of it, there are some parts we do not, for example, use of the term "degraded", and identifying areas of outstanding natural character as a measure of an outstanding water resource. Our comments on the LGNZ alternative NPS are included in our submission.

RECOMMENDATION

That Council approve the submission on the Proposed National Policy Statement for Freshwater Management.

Simon Moran
Planning and Environmental Manger

15 January 2009

General

The West Coast Regional Council takes this opportunity to submit on the draft National Policy Statement for Freshwater Management (NPS) and wishes to thank the Ministry in advance for their consideration of the submission points we wish to make.

The West Coast is a 'water rich' region receiving frequent and plentiful rainfall, in excess of 8,000mm annually near the Main Divide, declining to around 2,000mm at the coast. Annual rainfall increases as one moves south down the West Coast due to the influence of the Southern Alps. There are limited pressures placed on freshwater resources on the West Coast and our primary concerns regard water quality in specific catchments with high values.

Timing of the NPS

Ideally this proposed NPS should have been the first of the suite of consultation documents for the management tools to be released as a result of the Government's Sustainable Water Programme of Action (SWPA). The West Coast Regional Council (the Council) has already made submissions on the Proposed National Environmental Standard (NES) for Water Measuring Devices and the Proposed NES on Ecological Flows and Water Levels. We feel that there is a conflict in having these documents out of sync in the consultation process as the proposed NES's have yet to be finalized, and comments made in this submission may be influenced by what the final outcomes and structure the NES's will take. This leaves us in a position unable to comment effectively in each process.

We request that this matter be addressed through placing the further development of the NES's on hold while this NPS is finalised. Once this document has been completed, there may be a requirement to withdraw, redraft and renotify the NES's to ensure consistency between documents.

Process Oriented

The Policies as drafted in this NPS are extremely process oriented, unclear in their direction and provide little guidance on the roles and responsibilities of regional and territorial authorities. The NPS needs to have a change of focus to identify the national priorities/targets that are being sought and then enable the scope for regions and districts to achieve these through the RMA planning process.

Application and relevance of timeframes

We do not support the use of timeframes as stipulated throughout the policies of the Proposed NPS. Although Policy Statements and Plans need to give effect to an NPS it should not be timeframed in the legislation as this creates unnecessary cost for little benefit. The NPS is there and it will have, and be given, greater weight in an officers report than pre-existing policies in an RPS or Plan, therefore these planning documents can be amended at their next full review. To impose unnecessary costs to go through plan changes every time a new NPS or NES becomes operative, for 'nice to have' clauses as directed by the MfE, is inefficient and a waste of ratepayers money. For example a \$100,000 programme on top of what we already do would require a 5% rates increase.

There is a need for more flexibility within the NPS in order to adopt policies, and their clauses, where appropriate and necessary to manage the most pressing issues in the region, whilst allowing for other policy provisions to be adopted and integrated into planning processes in the future as resourcing allows, or when required. Therefore timeframes should be deleted as requested throughout our submission to ensure costs do not overburden Councils.

Alternative draft NPS by LGNZ

We have participated in the development of the alternative NPS on freshwater management that Local Government New Zealand has co-ordinated and lodged in their submission. We would like to see most of the LGNZ's alternative NPS adopted, except for the following:

- *Objective 3 Outstanding Freshwater Resources: Explanation para's 18.8 and 18.9:* This objective will be problematic to implement on the West Coast. A considerable proportion of the headwaters of waterbodies in mountainous and forested areas would probably meet the section 6 criteria of "significant indigenous vegetation and significant habitats of indigenous fauna", as they are likely to be nationally rare (but locally abundant). This means they may meet the section 6 criteria for being "outstanding". However, protection of these values must be weighed against other values such as the ability of some catchments to be used for hydro electricity generation, for example with the Arnold hydro dam proposal. The objective needs to allow for the balancing of values that will achieve sustainable outcomes for West Coast communities, rather than placing a 'protect at all costs' burden on local communities which will be detrimental to their wellbeing.
- *Objective 4 and Policy 7 Degraded Freshwater Resources: Explanations and Examples para's 18.11-18.14 and 19.16-20:* The term "degraded" is still used. We think this is an unsuitable term to use. If "degradation" is interpreted to mean a lowering of water quality from discharges of contaminants or other uses, then the objective may be outside the scope of the RMA, which allows for minor adverse effects from appropriate use. It is unclear what level of water quality is deemed to be "degraded". It is the values of the waterbody that are the important determinant for managing to a particular water quality. If "degraded" means where the water quality is below a standard appropriate to protect the values and/or uses of that water body, then this should be stated either in the Explanation, objective, or definitions, to make it clear what is meant.
- *Objective 2 Identification of National Values and Objective 5 Managing freshwater resources Example:* The "safe swimming" criteria in Objective 2 may be impractical for the West Coast as many of our water bodies aren't used for swimming. Ratepayers should not have to pay for statutory protection of a waterbody to meet a contact recreation standard if this isn't a value or use of the water body.
- *Policy 2 Amendment of regional policy statements and relevant plans: Explanation para 19.3 and Example clause (a):* The wording should be changed to "the next full review date", to avoid unnecessarily having to undergo plan changes triggered by the section 35 statutory five year review requirement.

We strongly disagree with the need for RPS's to require timeframes for regional and district plans to give effect to the NPS. Whatever timeframe is set will be difficult to meet because of the uncertainty of level of public participation affecting Councils ability to state times when plans will become operative. All decisions will have to give effect to the NPS when it becomes operative and any decision that does not consider the effect of the NPS will be open to challenge.

- *Policy 3 Resource consents and notices of requirement:* We think this policy is unnecessary. Clause (a) is already in the Act and doesn't need to be repeated in a policy. Clause (b) has to be done once the NPS is operative, regardless of whether the NPS has been included in a RPS or plan.
- *Policy 6 Outstanding Freshwater Resources: Example: Subclause ((b)(v):* We question why sourcing a lake or estuary makes a water body outstanding. This subclause would be more appropriate in Policy 4 on integration rather than in Policy 6.
- *Policy 6: Subclause (b)(ii):* Identifying areas of outstanding natural character as a measure of an outstanding water resource will be difficult on the West Coast, given the high proportion of conservation land that adjoins the small proportion of land

available to utilise. Our experience is that this is a highly subjective matter which tends to be litigated at a cost to ratepayers, so this subclause will not be of much assistance to help us sustainably manage outstanding and not-so-outstanding land and water resources.

- *Policy 7 Degraded Freshwater Resources: Example:* This example appears to involve considerable work which will substantially stretch our limited resources, and we would prefer that the policy didn't have the term "shall". Additionally, we consider the term "degraded" is not useful, and "including potential values" raises concerns about fanciful conjecture that ends up being litigated.

Submission on Proposed NPS Objectives and Policies

We have also prepared our own submission on the Proposed NPS with comments on the Objectives and Policies, prior to the alternative NPS being written. Even if the Board accepts the alternative LGNZ draft NPS, we still wish the Board to consider the specific points in our detailed submission where these are still relevant.

Attached are our comments on specific Objectives and Policies. In particular we would like to make reference to the following:

- Several of the objectives and policies do not add value to what is already in our regional Water Management Plan;
- Some of the terms used are unclear as to their meaning, and need clarifying;
- Some of the requirements are outside the scope of the RMA;
- It is unclear what standard of water quality is intended to be achieved.

**WEST COAST REGIONAL COUNCIL SUBMISSION - SPECIFIC COMMENTS ON OBJECTIVES AND POLICIES OF
PROPOSED NPS ON FRESHWATER MANAGEMENT – 15 January 2009**

Section of Proposed NPS	Comments and Decisions Sought
<p>Grammar</p>	<p>We query the continual use of capital letters throughout the text of draft NPS. These are unnecessary and do not add any further benefit to the text.</p> <p>Decision sought: Delete use of capitals through text where inappropriately used.</p>
<p>Preamble</p> <p>Given the central importance of Freshwater Resources to New Zealand and New Zealanders and in order to achieve the purpose of the RMA, the Crown recognises that there is a particular need for clear central government policy that directs local government to implement measures necessary to achieve the following goals:</p> <ul style="list-style-type: none"> • meet the recreational aspirations of New Zealanders, including Freshwater Resources are swimmable; <p>In developing and applying measures, local government should aim wherever possible to provide flexibility in how these goals are achieved, so as to encourage and empower innovation and local solutions.</p>	<p>We have several concerns regarding comments made in the preamble:</p> <p>We query how 'clear' this 'central government policy' is, and how much "certainty" is provided in the goals, through the Proposed NPS. One of the key points of this submission is the uncertainty and ambiguity that is apparent throughout the current document. If the changes suggested in our submission are adopted, the proposed NPS will provide clear direction. If the objectives and policies are not made clearer, then this statement in the preamble should be amended.</p> <p>Decision sought: Adopt changes suggested in this submission to provide clarity and certainty, or redraft this statement in the Preamble as follows: "Given the central importance of Freshwater Resources to New Zealand and New Zealanders and in order to achieve the purpose of the RMA, the Crown recognises that there is a particular need for clear and flexible central government policy that directs local government to implement measures suivable for a range of natural environments, which are necessary to achieve the following goals:....."</p> <p>What are "the recreational aspirations of New Zealanders"? Query whether this is actually achievable for ALL freshwater resources. This is an inclusive definition therefore it provides no certainty at all and will require litigation both during plan and resource consent processes.</p> <p>Decision sought: Define what recreational aspirations are.</p> <p>It is positive to note that there is support for flexibility and innovation at the local level. However this does not match with what is set out in Policy 7 which has a limited scope for non-regulatory methods. Additionally, we consider that this flexible scope should be employed at all levels of government to allow Councils to</p>

operate in a best practice approach to deal with issues.

Decisions sought:

1. Retain the paragraph in the Preamble which refers to local government providing flexibility to achieve the NPS goals, and encouraging innovation and local solutions.
2. Allow further flexibility in policies of NPS where practicable to enable regional variation via the RMA planning process. Refer to our decision sought to change the wording in Policies 2 and 3 to include "policies, rules, or other methods" in regional and district plans.

This statement is vague and misleading. What are these "aspirations"? Expect that these will differ depending on what each person may want from the resource. Instead these resources should be managed in order to meet the Schedule 3 Water quality classes.

Decision sought:

Delete the reference.

This is in order that by 2035 the quality of these resources meets the aspirations of all New Zealanders.

<p><u>Objectives – General Comments</u></p>	<p>Generally the objectives tend to be neither clear nor concise in the direction they are providing. We consider that there is a poor choice of language used to draft these and suggest that keeping more in line with RMA terminology provides for more effective, and tried and tested, interpretation. There is also a large degree of repetition throughout the 9 Objectives where careful redrafting can result in an objectives section which provides clear concise national policy guidance.</p> <p>Decision sought: Implement decisions sought throughout objectives section of this submission.</p> <p>We support this objective as, while it repeats sections of the RMA, it illustrates the intent of the Proposed NPS to be a management tool to enable communities.</p> <p>Decision sought: Retain current wording of objective.</p>
<p><u>Objective 1 – Enabling well-being of people and communities</u> To ensure that Freshwater Resources are managed in a way that enables the people and communities of New Zealand to provide for their social, economic and cultural well-being, and their health and safety.</p>	<p>It is unclear what this objective means, and it is too wordy. The section in brackets reads more like a method and is currently covered by Policy 1 (j) (i). It detracts from what seems to be the focus of the objective i.e. to ensure effective integrated management of effects.</p> <p>Decisions sought: Delete section in brackets to have the following: "To ensure effective integrated management of the effects of land-use development and discharges of contaminants on the quality and available quantity of fresh water."</p>
<p><u>Objective 2 – Ensuring integrated management of effects on fresh water</u> To ensure effective integrated management (including by the co-ordination and sequencing of Land-use Development with investment in infrastructure for supply, storage and distribution of fresh water) of the effects of Land-use Development and discharges of contaminants on the quality and available quantity of fresh water.</p>	<p>The term "...progressive enhancement of the overall quality of Freshwater Resources..." is outside the scope of section 5 of the RMA, which allows for minor adverse effects. This part of the objective as it presently reads means that no discharges, even of less than minor adverse effects, could occur.</p> <p>If the purpose of this objective is to improve water quality generally, this is too vague and uncertain, and may be unrealistic or impractical for less resourced councils. It does not take into account the values, uses or sensitivity of certain water bodies. Not all water bodies may need to be improved, or improved to the same standard. It is unclear what "overall quality" means. The objective needs to be clarified as to what end-point it is trying to achieve.</p>
<p><u>Objective 3 – Improving the quality of fresh water</u> To ensure the progressive enhancement of the overall quality of Freshwater Resources, including actions to ensure appropriate Freshwater Resources can reach or exceed a swimmable standard.</p>	

The second part of the objective could potentially be interpreted to mean that all water resources would have to be managed for Contact Recreation (CR) standard as it uses the term appropriate and in some people's opinion it is appropriate that all water bodies are managed for CR. Where this is the case it would be impossible to meet Objective 1 and be in keeping with the last point made in the preamble section. Requiring actions to ensure appropriate freshwater resources can reach or exceed a swimmable standard is contrary to what the Act provides for, which is a range of standards that can be appropriately applied to different water resources, depending on what the values and uses of that water body are. The RMA does not set out water quality standards in a hierarchy.

In our view, it is not "appropriate" on the West Coast to require all freshwater resources to be managed to CR standard. There are many waterbodies in remote locations, for instance on Department of Conservation land, which are not used for swimming or any other use, and which have good water quality that does not need to be "progressively enhanced". However, leaving the term "appropriate" open-ended creates the potential for litigation for what water resources should and should not be managed to CR standard. Essentially this section of the Objective is an example of what it is trying to achieve and is unnecessary.

The term "swimmable" is unclear and is not a recognised term. If this section of the Objective is retained, it should be replaced with the CR standard.

Decisions sought:

1. Redraft the objective (which seems to be to enhance freshwater resources where appropriate) to a relevant water quality standard, according to the significance of the values or uses identified for that resource, i.e. 3rd Schedule Water quality classes.
2. Delete reference to examples in Objectives.
3. If the example is retained, replace it with:
"....including actions to ensure that Freshwater Resources *identified in regional plans as having significant contact recreation values meet or exceed the Contact Recreation standard bathing season median for E. coli, Enterococci, and faecal coliforms.*"

<p>Objective 4 – Recognising and protecting life supporting capacity and ecological values</p> <p>To ensure the life supporting capacity and ecological values of Freshwater Resources are recognised and protected from inappropriate –</p> <ol style="list-style-type: none"> a. taking, use, damming or diverting of fresh water; and b. Land-use Development; and c. discharges of contaminants. 	<p>We support the intent of this Objective which reflects the approach taken in the West Coast RPS and Regional Plans.</p> <p>To further improve the effectiveness of this objective the word ‘significant’ should be added prior to ecological values. This will then provide for better thresholds to be put in place to protect these values from the listed activities.</p> <p>Decision sought: Reword objective 4: “To ensure the life supporting capacity and <i>significant</i> ecological values of Freshwater Resources are recognised and protected from inappropriate...”</p>
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Objective 5 – Addressing freshwater degradation
To control the effects of Land-use Development and discharges of contaminants to avoid further degradation of Freshwater Resources.

We oppose the use of the word “degradation” in this Objective. This has negative connotations and we consider that rewording the policy in a positive frame is more likely to succeed.

We query how “To avoid further degradation....” is defined? If “degradation” is interpreted to mean a lowering of water quality from discharges of contaminants or other uses, then the objective may be outside the scope of the RMA, which allows for minor adverse effects from appropriate use. It is unclear what level of water quality is deemed to be “degraded”. If there are no important values attached to a water resource, then some discharges may be appropriate. If this objective applies to water resources with “notable” or significant values as implied by the definition of “degraded freshwater resources”, then this should be made clear in the objective. Refer to our other comments on “degraded freshwater resources in the definitions section of this submission.

Is the term “further” intended to set a baseline threshold to be measured when the NPS becomes operative from which there will be no more reductions in the quality of water bodies? If this is the intention, it should be clarified. We question how practical is this part of the objective for existing consents granted for discharges to water.

This objective may not be necessary as it is the converse of Objectives 3 and 4 which seek to enhance water quality and protect values, particularly 4(c) which refers to discharges of contaminants.

Decisions sought:

1. Delete the Objective in its entirety.
2. If not deleted then redraft the Objective as follows:

Objective 5 – Addressing freshwater quality

To avoid, remedy, or mitigate the effects of land use development and discharges of contaminants on water quality.

3. If the Objective is to be retained and not reworded as suggested, remove all references to “degradation” and replace with the definition suggested in the definitions section of this submission.
4. If the Objective is to be retained, it should state that it applies to

<p>Objective 6 – Managing demand for fresh water To ensure that demands (including social, economic and cultural demands) for fresh water are sustainably managed in a manner that has regard to the following:</p> <ol style="list-style-type: none"> available supply of fresh water; the need to provide for resilience against the biophysical effects of climate change (such as through infrastructure for supply, storage and distribution of fresh water); the adverse effects that arise from those demands. 	<p>freshwater resources with significant values.</p> <p>It is not necessary to have the text that is in brackets in this objective. The term “demands” is inclusive, so social, economic and cultural demands would be covered by this term.</p> <p>What is “Fresh Water” defined as? Throughout the NPS the term “Freshwater Resources” is used but not “fresh water”. There needs to be consistency throughout the document.</p> <p>This objective seems more like a policy with the sub-clauses.</p> <p>There is no need to include clause c. as this should be achieved through the fact that these demands are being ‘sustainably managed’ in the first instance and section of this Objective. This is unnecessary repetition.</p> <p>Taking into account these comments, this objective should be redrafted as “<u>To ensure that the demand for fresh water resources is sustainably managed</u>”. This provides for the same intent as what was originally intended in the draft objective but is both easier to interpret and provides far better guidance for councils. Further methods of ensuring this can then be provided within the policies as opposed to the use of sub- clauses.</p> <p>Decisions sought:</p> <ol style="list-style-type: none"> Redraft the objective to say: Objective 6 – Managing demand for fresh water <u>To ensure that the demand for fresh water resources is sustainably managed.</u> If the objective is to be retained then: <ul style="list-style-type: none"> - redraft wording around the use of ‘demands’; and, - delete the text in brackets that reads (“including social, economic and cultural demands:); and - delete clauses a) to c) as these are covered within the policies. <p>As currently worded, sub clauses (a), (b), and (c) are examples that should be covered in the policies instead of in the objective.</p> <p>In addition, regarding sub clause (b): how does this fit with the intent of Objective</p>
<p>Objective 7 – Efficient use of fresh water To ensure that allocated fresh water is used efficiently particularly in terms of the following:</p> <ol style="list-style-type: none"> avoiding wastage: 	

<p>b. avoiding excessive contamination: c. facilitating opportunities to increase benefits from the use of fresh water.</p>	<p>5 which seeks to "avoid further degradation of Freshwater Resources" (which we have requested to be deleted). Sub clause b. seeks to avoid excessive contamination. Interpretation of Objective 7. b. would indicate that water resources could be degraded further as long as they were not "excessively contaminated". Would expect that any contamination would further degrade resources which is not allowed for under Objective 5. Worded in this way the two objective sub clauses are inconsistent.</p> <p>We also query how "excessive contamination" is defined? This is an undefined and subjective criteria and provides no certainty for decision makers when implementing planning frameworks. Contamination of water resources is covered by other Objectives and policies, and doesn't need to be repeated here.</p> <p>(c): What does this clause mean? What does 'facilitate' mean in this context? We consider that this is inappropriate and outside of the scope of the RMA. Objective 1 already refers to 'enabling'. This clause should be deleted.</p> <p>Decisions sought: Redraft objective to read: <u>To ensure that allocated fresh water is used efficiently.</u></p> <p>Add clause (a) to Policy 2(c)(i). Delete clauses (b) and (c).</p>
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<p><u>Objective 9 – Ensuring effective monitoring and reporting</u> To ensure that regional councils and territorial authorities undertake effective monitoring and reporting of the matters specified in Objectives 1–8.</p>	<p>Rename the Objective heading. As it is currently worded this could be the objective itself.</p> <p>What is “...effective monitoring...”? Do we interpret what this means or are there guidelines to determine what this is. Councils currently undertake section 35 reporting and State of the Environment reporting which include assessing the effectiveness of RPS’s and plans. We do not consider that any further reporting is warranted or required.</p> <p>Decision sought: redraft Objective 9 as: Objective 9 – Monitoring and Reporting <u>That regional councils and territorial authorities undertake monitoring and reporting as required in regional and district plan processes.</u></p>
<p>Policies</p> <p>Policy 1 By the second anniversary of the date of commencement of this National Policy Statement, every regional council must notify, in accordance with Schedule 1 of the Act, a proposed regional policy statement or variation to a proposed regional policy statement or change to its operative regional policy statement in order that as soon as practicable thereafter every regional policy statement specifies objectives, policies and methods which –</p> <ol style="list-style-type: none"> a. Determine and timetable priorities for when regional plans will set Freshwater Quality Standards and Environmental Flows and Levels for all Freshwater Resources of the region; and b. Identify Notable Values (including potential values) of – <ol style="list-style-type: none"> i. Any Outstanding Freshwater Resources; and ii. Any Degraded Freshwater Resources; and c. In accordance with Policy 1(a) and (b), guide and direct the setting in regional plans for all Freshwater Resources of the region of – <ol style="list-style-type: none"> i. Freshwater Quality Standards; and ii. Environmental Flows and Levels; <ul style="list-style-type: none"> including for the protection of Notable Values of any Outstanding Freshwater Resources and the enhancement or restoration of Notable 	<p>Clause (a): We oppose the requirement to include priorities and timetables in RPS’s for when regional plans will set water standards and environmental flows and levels as this results in unnecessary costs for little benefit. Priorities and timetables are more appropriately dealt with in Annual Plan and LTCCP processes. Having to include these in a RPS may make them unachievable, as flexibility is needed with timetables and priorities. Unforeseen costs and staff time on things such as plan appeals means that other planning timeframes sometimes have to be changed. Officer planning reports will give greater weight to the NPS than pre-existing policies in an RPS or plan therefore there is no need to stipulate timeframes. Planning documents can then be amended at their next review to give effect to the NPS as required.</p> <p>Clauses (b)-(h): In our situation these are unnecessary as our RPS has similar policies to these which are more appropriate to the West Coast situation. Our RPS policies have adequately guided development of our Water Plan. However, if Clauses (b)-(h) are retained, these should be redrafted as general topic matters to be considered in RPS’s, similar to the abbreviated style used in the Proposed Policy 4. This will give more flexibility for councils to address these matters in their RPS’s in a way that is relevant and practical for their regions.</p> <p>The following comments give further reasons for why we consider specific clauses</p>

<p>Values of any Degraded Freshwater Resources; and</p> <p>d. Guide and direct local authorities as to the involvement of iwi and hapū in the management of, and decision-making regarding, all Freshwater Resources of the region, including but not limited to, requiring local authorities to disclose how they are intending to achieve this involvement; and</p> <p>e. Identify Tangata Whenua Values and Interests in respect of all Freshwater Resources of the region; and</p> <p>f. Guide and direct regional and district plans (including considerations for the determination of resource consent applications and notices of requirement) in relation to the recognition of Tangata Whenua Values and Interests in respect of all Freshwater Resources of the region; and</p> <p>g. Guide and direct regional plans (including considerations for the determination of resource consent applications) to restrict existing takes, uses, damming and diversion of fresh water in order to sustain Notable Values and non-consumptive Tangata Whenua Values and Interests in times of low flow; and</p> <p>h. Guide and direct regional and district plans (including considerations for the determination of resource consent applications and notices of requirement) to effectively manage Land-use Development and discharges of contaminants to control the adverse effects of the discharge of contaminants into fresh water or onto or into land in circumstances where contaminants may enter fresh water; and</p> <p>i. Guide and direct regional and district plans (including considerations for the determination of resource consent applications and notices of requirement) to manage demands for fresh water, including demands arising from Land-use Development and discharges of contaminants, in a manner which –</p> <ol style="list-style-type: none"> i. Provides certainty to communities and water users (including as appropriate through prioritisation of allocation for takes of fresh water for reasonably foreseeable Consumptive Use); and ii. Provides priority for reasonably foreseeable domestic water supply, over other competing demands, provided that appropriate demand strategies are established for such supply; and iii. Promotes efficient Freshwater use (including through the 	<p>do not need to be in an NPS:</p> <p>Clause (b): The West Coast Regional Council’s Proposed Water Management Plan already has schedules listing water bodies with important ecological, cultural, recreational values, and community water supplies. It is not necessary to include these within our RPS as it duplicates planning processes and costs, and is neither efficient nor effective. Having this information in the RPS will not add any further value to the Water Plan.</p> <p>We do not agree with using the term “Notable Values” as it is unclear and is not RMA terminology. We have sought its deletion throughout this submission.</p> <p>With respect to the phrase “(including potential values)”, this is too uncertain, difficult to interpret, and could potentially attract substantial litigation. The term sits well outside of current RMA terminology and Section 6, and should be deleted. Using the word “significant” is more appropriate.</p> <p>It is unclear what the criteria are for “outstanding” and “degraded”. We consider that the use of the term “degraded” is poor. Our comments on these values apply wherever the terms occur. Refer also to our comments under the definitions section.</p> <p>We see no benefit in identifying the Notable Values of degraded water bodies in an RPS. If the intention is to improve the quality of these water bodies or limit further contamination, this should be stated and better dealt with in regional plans.</p> <p>With respect to including in the RPS guidance/direction for protecting Notable Values of Outstanding Freshwater Resources, this can currently be done through the Water Conservation Order process, and should not be the cause of prolonged plan processes.</p> <p>Clause (c): It is not practical to set flows and levels for wetlands and groundwater resources.</p> <p>Clause (c): “...guide and direct...”: This should be reworded as “guide and/or direct”. Amending the wording in this way allows for flexibility for the approaches of different regional councils with the territorial authorities. Policies developed in the Regional Policy Statement and Regional Plans can then take a “guidance” or</p>
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<p>transferability of resource consents, where appropriate); and</p> <p>iv. Increases resilience to the effects of climate change; and</p> <p>v. Controls adverse effects; and</p> <p>j. Guide and direct regional and district plans (including considerations for the determination of resource consent applications and notices of requirement) to ensure integrated management of the effects of Land-use Development –</p> <p>i. by encouraging co-ordination and sequencing of infrastructure for supply, storage and distribution of fresh water; and</p> <p>ii. by controlling adverse effects (including associated discharges of contaminants) on the quality and available quantity of Freshwater Resources.</p>	<p>“direction” approach as required by the specific policy/issue referring to. This submission point also relates to clauses (d), (f), (h), (i), and (j).</p> <p>Clause (c) (ii): We refer to the attached map showing all the River Environment Classifications for fresh water bodies on the West Coast. This map is included with our submission to give the Board of Inquiry an understanding of the vast number of freshwater resources on the West Coast. Given the sheer numbers, it is unrealistic to set individualized environmental flows and levels on all of them, particularly when a substantial number are on conservation land and are not affected by takes or discharges.</p> <p>Clause (d): This is a process matter for each local authority to work out with respective iwi, and it is not appropriate that a process be imposed on territorial authorities through RPS’s. Refer also to our comments about clause (f).</p> <p>Clause (e): We have undertaken the identification of Tangata Whenua values in our Water Plan, and consider that it is unnecessary to repeat this level of detail within the RPS. The wording in this clause should be changed to: “...in respect of all Freshwater Resources of significance to iwi....”.</p> <p>Clause (f): This clause is similar to clause (d), refer to our comments under clause (d). If the Crown wants to make a particular agreement such as co-management with Maori, then they should do it and make it clear rather than create a situation where local authorities are expected to interpret vague legislation.</p> <p>Clause (g): This is undertaken as a matter of course when processing consent applications and setting minimum flows on takes for consents, according to the policies in our regional Water Plan. It does not need to be repeated within the RPS.</p> <p>Clause (h): We have completed this in the Water Plan. This clause does not provide any clearer or specific guidance on a particular aspect of managing adverse effects of land use and discharges than what is already in the RMA and should consequently be deleted.</p> <p>Clause (i): Sub-clauses (i)-(iii) and (v) can be deleted as they are already in either the RMA or our Water Plan. The point is the same as for (e) and (g).</p> <p>Clause (j)(i): In our comments on Objective 2, we suggested that the part in</p>
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<p>Policy 2 Every regional council must –</p> <p>a. By the date or dates specified in the regional policy statement, notify a proposed regional plan, change or variation, to set Freshwater Quality Standards and Environmental Flows and Levels for the Outstanding, Degraded and other Freshwater Resources of the region to give effect to the regional policy statement in relation to the matters in Policies 1(a) to (c); and</p> <p>b. By no later than 40 working days following the date a regional policy</p>	<p>brackets can be deleted from the Objective because it is in Policy 1 (j)(i). Clause (j)(i) should therefore be retained.</p> <p>Clause (j)(ii): This provides no further guidance on cross-boundary management of land use affecting water resources, and is already covered in our regional plans. It should be deleted.</p> <p>In summary, it is not efficient, effective, or necessary to include most of the matters in Policy 1 in RPS's, as they are more appropriately dealt with in regional plans. The Proposed Policy 1 will only duplicate existing processes that councils undertake.</p> <p>Decisions sought: Delete clauses (a)-(h).</p> <p>If Clauses (c), (d), (f), (h), (i), and (j) are retained, then amend to “guide and/or direct”.</p> <p>If Clauses (b)-(h) are retained, these should be redrafted as general topic matters to be considered in RPS's, similar to the abbreviated style in Policy 4.</p> <p>If Clause (c) is retained, it should exclude wetlands and groundwater resources.</p> <p>If Clause (c)(ii) is retained, redraft it to exclude the word “degraded”, as per comments on the use of this term in the definitions section.</p> <p>Clause (i): Retain subclause (iv), and delete the rest of this clause. Clause (j): Retain subclause (i), and delete the rest of this clause.</p>
<p>Policy 2 Every regional council must –</p> <p>a. By the date or dates specified in the regional policy statement, notify a proposed regional plan, change or variation, to set Freshwater Quality Standards and Environmental Flows and Levels for the Outstanding, Degraded and other Freshwater Resources of the region to give effect to the regional policy statement in relation to the matters in Policies 1(a) to (c); and</p> <p>b. By no later than 40 working days following the date a regional policy</p>	<p>Clause (a): We oppose having to notify a change to a regional plan according to a timeframe set in the RPS. Timetables are more appropriately dealt with in Annual Plan and LTCCP processes. This set timeframe may be unachievable, as unforeseen costs and staff time on things such as appeals means that other planning timeframes sometimes have to be changed.</p> <p>Clauses (b) and first part of (c): We do not agree with the timeframes. These could lead to some problems through the appeals process unless these are dealt with in</p>

<p>statement or change notified pursuant to Policy 1 is made operative, every regional council must notify a proposed regional plan, change or variation to give effect to the regional policy statement in relation to all other matters in Policy 1; and</p> <p>c. By no later than 40 working days following the date a regional policy statement or change notified pursuant to Policy 1 is made operative, every regional council must notify a proposed regional plan, change or variation to include rules to achieve the following:</p> <ul style="list-style-type: none"> i. Require that all water permits for the Consumptive Use of fresh water granted after the date of commencement of this National Policy Statement include conditions for the efficient Consumptive Use of fresh water including, as a minimum, providing for the use of industry good practice and technology to achieve efficient use; ii. Require that all water permits for the Consumptive Use of fresh water granted after the date of commencement of this National Policy Statement include conditions for, where appropriate, the return of fresh water to Freshwater Resources, in order to achieve the requirements of paragraph (a) of this Policy; iii. Require that all discharge permits affecting Freshwater Resources granted after the date of commencement of this National Policy Statement include conditions for – <ul style="list-style-type: none"> a. Protection against degradation of the quality of fresh water of Freshwater Resources (including through the management of activities giving rise to stormwater discharges); and b. Sustainable management of demands on fresh water in a manner which has regard to available supply of fresh water and adverse effects, both individual and cumulative; and c. Integrated management of the effects of Land-use development and discharges of contaminants on the quality and available quantity of Freshwater Resources; iv. Require effective monitoring and reporting on matters relating to paragraphs (c)(i), (ii) and (iii) of this Policy. 	<p>tandem. It could also have high costs for our Council to have to notify a plan change within 40 working days after the water provisions in our RPS become operative. We are intending to merge our Water Plan, Discharge to Land Plan, and Land and Riverbed Plan in 2009. Our RPS is also due for its 10 year review by February 2010. If this Proposed NPS is not in force in time to incorporate it into our RPS and Water Plan, this potentially means a second change to our RPS and merged Water Plan would have to be made within a fairly short timeframe. This could place unreasonable costs on the Council. If the NPS is to have a timeframe for changes to RPS's and plans, more flexibility is needed to enable councils to budget for and co-ordinate planning processes.</p> <p>Clause (c): We do not agree that the use of "rules" is the only way in which to achieve the intent of this policy. Councils should be enabled to provide for a varied management approach through regulatory and non-regulatory means where appropriate.</p> <p>(c) (i): What is expected with the terms "industry good practice" and "technology" in the context of this clause? We support in principle promoting the use of industry good practice and technology to achieve efficient water use. However, we are unsure what the costs of implementing this policy will be for West Coast water users, and whether it means that more technical and expensive equipment or procedures will have to be used which may not be necessary in a water-rich environment like the West Coast. We would not want to have to put conditions on consents requiring hi-tech when it's not necessary. This part of the policy is not relevant for all regions/areas where there is not the pressure on the water resource to warrant the additional costs. The policy seems to apply more to regions at high risk of water shortages. It could be made clearer by specifying that the policy applies in areas or situations with a high risk of running out of water.</p> <p>(c)(ii): This sub-clause does not make sense. We are unsure what activities it is intended to apply to, or what it is trying to achieve.</p> <p>(c)iii(a): All discharges are likely to have some form of adverse effect on the quality of the freshwater resource except a freshwater to freshwater discharge which is unlikely to occur often. This sub clause is also outside the scope of the RMA which allows for minor adverse effects from appropriate use. We consider that the use of the term "degradation" is poor. As stated previously under Objective 5, the term degradation has negative connotations and this policy clause should be</p>
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reworded as follows:

“Limiting further reduction in water quality where water resources have significant values which need protecting (including from stormwater discharges).”

(c)(iv): As raised earlier in our submission for Objective 9, we query what is “...effective monitoring...”? Do we interpret what this means or are there guidelines to determine what this entails? Currently Council undertakes section 35 and State of Environment reporting which considers issues over and above what is considered for water quality in Schedule 3 Water Quality Classes. Do not consider that further reporting in excess of this is required.

Decisions sought:

Clause (a): Delete the whole clause.

Clauses (b) and first part of (c): Delete both clauses and replace with: “Every regional council must notify a proposed regional plan, change or variation to give effect to the regional policy statement in relation to all relevant matters in Policy 1, and include policies, rules, and other methods to achieve the following:....”

Amend Clause (c)(i) as follows: “Require, if necessary in identified catchments at high risk of running out of water, that all water permits for the consumptive use of fresh water granted after the date of commencement of this National Policy Statement include conditions for the efficient consumptive use of fresh water including, as a minimum, providing for the use of industry good practice and technology, and avoiding wastage, to achieve efficient use:

(c)(ii): Delete or redraft to clarify what the clause is trying to achieve.

Clause (c)(iii): Add “if necessary” after “Require”.

(c)(iii)(a): Replace the current wording with: “Limiting further reduction in water quality where water resources have significant values which need protecting (including from stormwater discharges).”

If Clause (c)(iii)(a) is retained, redraft it to exclude the word “degradation”, as per comments on the use of this term in the objectives/definitions section.

	<p>Clause (c)(iv): Replace with: <u>“Undertake monitoring and reporting as required by section 3.5 of the RMA.”</u></p>
<p>Policy 3 By no later than 40 working days following the date a regional policy statement or change notified pursuant to Policy 1 is made operative, every territorial authority must notify a proposed district plan, change or variation in order that as soon as practicable thereafter every district plan –</p> <ol style="list-style-type: none"> a. Gives effect to the regional policy statement; and b. Includes rules to require that all relevant land-use and subdivision consents granted after the commencement of this National Policy Statement include conditions for – <ol style="list-style-type: none"> i. Protection against degradation of the quality of fresh water of Freshwater Resources (including through the management of activities giving rise to stormwater discharges); and ii. Sustainable management of demands on fresh water in a manner which has regard to available supply of fresh water and adverse effects, both individual and cumulative; and iii. Integrated management of the effects of Land-use Development and discharges of contaminants on the quality and available quantity of Freshwater Resources; and to be achieved, as a minimum, by the use of industry good practice; and c. Includes rules to require that all relevant land-use and subdivision consents granted after the commencement of this National Policy Statement include conditions to require monitoring and reporting on matters relating to paragraph (b). 	<p>We question the timing around Policy 3. Why should a territorial authority be required to notify a proposed district plan, change, or variation when the RPS has not yet been made operative? The 40 day time period implies that a change to the District Plan has been investigated, drafted, consulted on, printed, and is virtually ready to be notified. However, district councils would not be able to do this preparation until any appeals on the RPS are resolved, to ensure that the policies won't change. This preparation cannot realistically be done in 40 working days.</p> <p>Clause (a): This is unnecessary as the RMA requires district plans to give effect to regional policy statements.</p> <p>Clause (b): We do not agree that the use of “rules” is the only way in which to achieve the intent of this policy. Councils should be enabled to provide for a varied management approach through regulatory and non-regulatory means where appropriate.</p> <p>Clause (b)(i): All discharges are likely to have some form of adverse effect on the quality of the freshwater resource except a freshwater to freshwater discharge which is unlikely to occur often. This sub clause is also outside the scope of the RMA which allows for minor adverse effects from appropriate use. We consider that the use of the term “degradation” is poor.</p> <p>Clause (c): This is unnecessary as section 108 of the RMA enables councils to place monitoring and reporting conditions on consents.</p> <p>Decisions sought: Delete the requirement for territorial authorities to notify changes to their district plan no later than 40 working days after changes to the relevant RPS are made operative.</p> <p>Introduction and Clauses (a) and (b): Amend to read: <u>“Every territorial authority</u></p>

	<p><u>must notify a proposed district plan, change or variation in relation to all relevant matters in Policy 1, and include policies, rules, and other methods to achieve the following:....”</u></p> <p>(b)(i): Replace the current wording with: “Limiting further reduction in water quality where water resources have significant values which need protecting (including from stormwater discharges).” Any redrafting of this clause should exclude the word “degradation”, as per comments on the use of this term in the definitions section.</p> <p>Clause (c): Delete.</p>
<p>Policy 4 When preparing a regional policy statement or variation or change to give effect to Policy 1 and when preparing a regional plan or variation or change to give effect to Policy 2, every regional council must consider the following:</p> <p>a. The Notable Values of each Freshwater Resource:</p> <p>b. The sensitivity of each Freshwater Resource and its Notable Values to adverse effects including effects of Land-use Development and the discharge of contaminants:</p> <p>c. The needs of primary and secondary industry and communities for sustainable fresh water supply:</p> <p>d. The contribution of existing and potential uses of Freshwater Resources and of existing economic investment to regional and national social, economic and cultural well-being:</p> <p>e. The importance of avoiding over-allocation of Freshwater for Consumptive Use:</p> <p>f. Tangata Whenua Values and Interests:</p> <p>g. Social and economic transition costs:</p> <p>h. The value of swimmability to the community.</p>	<p>We query the relevance of having to consider all of the factors listed for Policy 4 when preparing an RPS. We do not believe that there is any added value in considering these aspects for an RPS and these would more appropriately sit within the Water Plan. There is nothing listed in this policy which is not already covered in sections 5 -8 of the RMA. Clause (c) would be considered under section 5 – economic and the ability to provide for current and future generations. Therefore, we recommend deleting this policy in its entirety.</p> <p>If this policy is retained in this format, support the retention of the word “consider”.</p> <p>Clauses (a) and (b): There are considerable water resources on the West Coast due to the nature of the area and considerable rainfall. It is neither efficient nor effective to have to go through and identify the Notable Values and sensitivity of “each” Freshwater Resource on the West Coast, and will provide no added benefit in going through this process. A more effective mechanism of undertaking the intent of this policy is to consider these values and sensitivities on a case-by-case basis through the consenting process, and/or identifying the most valuable and sensitive, which is already undertaken within the Water Plan.</p> <p>Clause (h): The term “swimmability” is unclear and is not a recognised term. This should be reworded. Refer to our earlier submission point under Objective 3.</p> <p>Decisions sought: Delete policy in its entirety.</p>

	<p>If this policy is not deleted as requested the following points need to be taken into consideration:</p> <p>Delete: “When preparing a regional policy statement or variation or change to give effect to Policy 1 and....”.</p> <p>Retain the word “consider”.</p> <p>Clauses (a) and (b): Delete the word “each”, and replace “Notable Values” with <u>“significant values”</u>.</p> <p>Clause (h): Amend the clause to read: <u>“The value of a water resource to the community for swimming.”</u></p>
<p>Policy 5 When preparing a district plan or variation or change to give effect to Policy 3, every territorial authority must consider the following:</p> <p>a. The importance of controlling Land-use Development in a way and at a rate that minimises the adverse effects on the quality and available quantity of Freshwater Resources:</p> <p>b. The importance of ensuring that the planning and implementation of Land-use Development applies industry good practice in order to –</p> <p>i. Minimise the adverse effects on the quality and available quantity of Freshwater Resources; and</p> <p>ii. Maximise efficiency in the use of Freshwater Resources:</p> <p>c. The importance of ensuring that the planning for and implementation of infrastructure for water supply, wastewater treatment and stormwater are undertaken –</p> <p>i. In an integrated manner; and</p> <p>ii. At a rate that, as a minimum, keeps pace with the rate of Land-use Development:</p> <p>d. Tangata Whenua Values and Interests:</p> <p>e. Social and economic transition costs.</p>	<p>In regards to (a) and (b)(i), district plans should include consideration of the effects of changes in land use, e.g. increased residential development in rural areas, or increased stocking rates from intensified farming, on water quality and quantity. However, District Councils may not have enough knowledge of water management and be outside the scope of what they know how to deal with. This policy should ideally flag the need for joint management approaches such as joint consent processing and hearings, where land use change or development may significantly affect water resources.</p> <p>Support the retention of the word “consider”.</p> <p>Decisions sought: Amend Clause (c) as follows: The importance of ensuring that the planning for and implementation of infrastructure for water supply, wastewater treatment and stormwater are undertaken –</p> <p>- In an integrated manner <u>by having joint regional and district consent processing and hearings where land use change or development may significantly affect water resources</u>; and</p> <p>- At a rate that, as a minimum, keeps pace with the rate of land-use development:</p> <p>Retain the word “consider”.</p>

<p>Policy 6 Without limiting Policies 1 to 3, this National Policy Statement will be achieved also through the inclusion, unless inappropriate, of conditions on any relevant resource consents granted and recommendations on designations confirmed in respect of the following:</p> <ul style="list-style-type: none"> a. Efficient Consumptive Use of fresh water (including where appropriate, the return of fresh water to Freshwater Resources): b. Protection against degradation of the quality of Freshwater Resources (including through the management of activities giving rise to stormwater discharges): c. Sustainable management of demands on fresh water in a manner which has regard to available supply of fresh water and adverse effects, both individual and cumulative: d. Integrated management of the effects of Land-use Development and discharges of contaminants on the quality and available quantity of Freshwater Resources: <p>to be achieved, as a minimum, by the use of industry good practice:</p> <ul style="list-style-type: none"> e. Monitoring and reporting on matters relating to paragraphs (a) to (d). 	<p>This policy relates to consent processing, and it is not required within this document. The policy is unnecessary because the matters listed are already mentioned in other proposed objectives or policies in this NPS, which require their inclusion in RPS's and regional or district plans. When these matters are in RPS's and plans, they will be considered under section 104 when assessing consent applications. The policy provides no additional direction and adds no value to local authority decision-making.</p> <p>Decision sought: Delete the policy in its entirety.</p>
<p>Policy 7 In addition to giving effect to Policies 1 to 3 and Policy 6 by regulatory means, regional councils and territorial authorities may give effect to this National Policy Statement through non-regulatory methods (including financial contributions, development contributions under the Local Government Act 2002 and other methods).</p>	<p>Policy 7 conflicts with the preamble where it suggests that local government should aim wherever possible to provide flexibility in how goals are achieved in order to encourage and empower innovative and local solutions. This preamble comment suggests a recognition that not all regions are the same and that different mechanisms have to be applied in different areas in order to achieve what is required to sustainably manage Freshwater Resources. Policy 7 goes against this having a limited scope for non-regulatory measures.</p> <p>We have sought that Policies 2 and 3 be amended so that councils can use policies, rules or other methods to achieve the NPS. The changes sought make Policy 7 redundant, and it should therefore be deleted.</p>

<p>Policy 8</p> <p>All local authorities will make publicly available (including electronically) a record of the process used to identify the Tangata Whenua Values and Interests in Freshwater Resources of the region as required to give effect to Policy 1(e), including the identification of the relevant iwi and hapū.</p> <p>All local authorities will assist the Minister for the Environment by making publicly available (including electronically) an up-to-date register of the regulatory and non-regulatory methods to give this National Policy Statement full effect.</p>	<p>Decisions sought: Delete the Policy in its entirety.</p> <p>We question why this action is required. The first part of the policy is unnecessary as councils keep records of the work done on the plan preparation process as good practice, which includes consultation with iwi and their participation in policy and plan development.</p> <p>The second part of the policy is also unnecessary, and we see no benefit from implementing it. Rules and Other Methods are listed in plans, and additional water management activities are recorded in LTCCP's, Annual Plans, and Annual Reports. Assessment of the effectiveness of methods and environmental outcomes is covered in RMA section 35 monitoring reports, and State of the Environment reports. These are publicly available for the Minister's office to inspect, and keeping an additional register would only duplicate these records. It is also not clear in the policy how often a register would need to be updated. It is the Ministry's role to collect information to monitor the performance of this NPS, and this work should not be pushed off onto councils.</p> <p>Decision sought: Delete this policy.</p>
<p>Definitions</p> <p>"Degraded Freshwater Resources" means those Freshwater Resources of a region whose Notable Values have been so degraded by inappropriate Land-use Development, discharge of contaminants and/or the taking, use, damming or diverting of fresh water as to require that priority be given to enhancement or restoration in order to achieve the purpose of the Act.</p> <p>"Notable Values" in relation to any Freshwater Resource includes:</p> <ul style="list-style-type: none"> (a) Scientific, ecological and biodiversity values; (b) Cultural values; (c) Recreational (including contact recreational; eg, swimming) values. <p>"Outstanding Freshwater Resources" means those Freshwater Resources of a region whose Notable Values and/or Tangata Whenua Values and Interests are such as to require that priority be given to protection in order to achieve the purpose of</p>	<p>"Degraded Freshwater Resources": As per our comments on this term in Policies 1-3, the term "degraded" is too emotive and broad. The definition should refer to water bodies which do not meet a water quality standard that is a minimum needed to protect the significant values of a particular water body. We do not agree with the inclusion of "Notable Values" in the definition as this term is unclear and we have sought its deletion throughout this submission.</p> <p>"Notable Values" and "Outstanding Freshwater Resources": The use of these definitions in Policy 1(b) is repetitive as a water resource identified as outstanding is outstanding because it has "notable values". Policy 1 is the only policy that refers to "outstanding freshwater resources, and we have sought that this part of Policy 1 be deleted. The definition of "outstanding freshwater resources" should therefore also be deleted.</p> <p>These two definitions are not RMA terminology, and because they don't include</p>

the Act.

further guidance or criteria for to help councils determine what should be given priority to as 'outstanding', they have limited use.

Decisions sought:

Delete the definition for "Degraded Freshwater Resources", or replace it with:

"Further reduction in water quality" means where water bodies don't meet a RMA water quality standard that is a minimum needed to protect the identified significant values of that particular water resource."

Delete the definitions of "Notable Values" and Outstanding Freshwater Resources", and replace with:

"Significant Values" means important values of freshwater resources, including scientific, ecological, biodiversity, cultural, recreational (including contact recreation eg, swimming) that are identified through RMA planning or consent processes.

Alternatively replace the definition of "Notable Values" with a caselaw definition if one exists, or criteria to guide councils on what may be considered 'significant'.

THE WEST COAST REGIONAL COUNCIL

Prepared for: Resource Management Committee
 Prepared by: Colin Dall - Consents & Compliance Manager
 Date: 27 January 2009

Subject: CONSENTS MONTHLY REPORT**CONSENTS**Consents Site Visits from 27 November 2008 to 26 January 2009

DATE	ACTIVITY, NAME & LOCATION	PURPOSE
28/11/08	RC08186 – Gravel extraction, Grey District Council, Rough River	To investigate the site and gain a better understanding of the proposed gravel extraction.
28/11/08	RC08187 – Gravel extraction, Grey District Council, Craigieburn Creek	To investigate the site and gain a better understanding of the proposed gravel extraction.
28/11/08	RC08185 – Gravel extraction, WestStone, Grey River at Omoto	To investigate the site and gain a better understanding of the proposed gravel extraction.
28/11/08	RC02260v – Alluvial gold mining, G Kirkland, Notown	To investigate the site and gain a better understanding of the proposed variation of the consent.
11/12/08	RC07094, RC07101, RC07133 – Gravel extraction, Multiple Applicants, Grey River at St Kilda	To investigate the site and gain a better understanding of the proposed gravel extraction.
11/12/08	RC07133 – Gravel extraction, Ferguson Brothers, Grey River at Kiwi Point	To investigate the site and gain a better understanding of the proposed gravel extraction.
12/12/08	Public Enquiry – Standoff pad, Weir, Barrytown	To investigate the site and gain a better understanding of the proposed stand off pad.
16/01/09	RC08188 – Dairy effluent discharge, Dymac Farms Ltd, Taramakau	To investigate the site and gain a better understanding of the dairy effluent discharge.
20/01/09	Greymouth Coastal Walkway Project	Visiting the likely key points of the walkway to assess routes and potential access issues.
23/01/09	RC09006 – Gravel extraction, Westreef Services Ltd, Mawheraiti River	To investigate the site and gain a better understanding of the proposed gravel extraction.
15/01/09	PA09002 – Wastewater assessment, R Ayers, Maori Gully Road	To investigate the site and gain a better understanding of the proposed onsite sewage treatment and disposal system.
19/01/09	RC08200 – Coal mining activities, L & M Coal, Denniston Plateau	To investigate the site and gain a better understanding of the proposed coal mining operation.
23/01/09	RC08132 – Gold mining activities, Birchfield Minerals, Grey River on Blackball side	To undertake a site visit with a representative of Ngati Waewae to investigate matters that potentially affect the iwi relating to the operation of the Grey River Dredge.

Non-Notified Resource Consents Granted From 27 November 2008 to 26 January 2009

CONSENT NO. & HOLDER	PURPOSE OF CONSENT
RC02294 T & M Turner	To discharge treated dairy effluent to land and water in an "adit channel" near DS190, Ross.
RC07117 Punakaiki Downs	To discharge treated domestic sewage effluent to land, from a subdivision at Punakaiki.
RC07191 PF Olsen	To disturb land, including land on slopes greater than 25 degrees, associated with the harvesting of exotic forest and land preparation; constructing new sections of road; constructing log processing sites and hauler pads; in Hochstetter Forest, Compartment 21. To disturb land on slopes in Erosion Prone Area One and on Non-erosion Prone Areas, outside riparian margins, associated with the harvesting of exotic forest and gravel extraction; in Hochstetter Forest, Compartment 21. To discharge stormwater containing sediment to land from roading; construction of log processing and hauler sites; harvesting and land preparation in Hochstetter Forest, Compartment 21.
RC08047 MBD Contracting	To disturb the dry bed of the Fox River for the purpose of removing gravel. To disturb the dry bed of the Fox River within the Coastal Marine Area for the purpose of removing gravel.
RC08085 Pike River Coal	To undertake earthworks associated with the construction of a coal rejects disposal facility, Pike River Coal Mine. To deposit material in a wetland associated with the construction of a coal rejects disposal facility, Pike River Coal Mine. To divert uncontaminated and contaminated site runoff, Pike River Coal Mine. To discharge treated wastewater to water from a coal rejects disposal facility, Pike River Coal Mine. To discharge contaminants (coal rejects) to land, Pike River Coal Mine. To discharge leachate to land from a coal rejects disposal facility where it may enter groundwater, Pike River Coal Mine. To discharge dust to air from a coal rejects disposal facility and associated coal handling, Pike River Coal Mine.
RC08086 Slupertop Holdings	To discharge dairy effluent to land and water (Murray Creek) near DS222, Kowhitirangi.
RC08135 D Woollaston	To divert water from an unnamed tributary of Nemona Creek for hydro electricity generation, Marsden. To take and use surface water from an unnamed tributary of Nemona Creek for hydro electricity generation, Marsden. To disturb the bed of an unnamed tributary of Nemona Creek during the installation of a hydro electricity generation scheme, Marsden. To undertake earthworks and vegetation clearance for pasture development, Marsden.

RC08161 Longview Farms	<p>To undertake land disturbance associated with the humping and hollowing and/or flipping of land adjacent to State Highway 7, Ahaura.</p> <p>To undertake disturbance of an unnamed tributary of Callaghans Creek associated with water diversion.</p> <p>To discharge water containing sediment to land from land disturbance activities in circumstances where it may enter Callaghans Creek.</p> <p>To divert a farm drain.</p> <p>To divert an unnamed tributary of Callaghans Creek.</p> <p>To divert, take and use surface water for the purposes of irrigation.</p>
RC08162 G Smith	To disturb the dry bed of New River within the Coastal Marine Area for the purpose of gravel extraction.
RC08163 Buller District Council	<p>To alter the foreshore/seabed of the CMA, Carters Beach.</p> <p>To erect a structure (erosion protection wall) on the foreshore/seabed of the CMA, Carters Beach.</p> <p>To remove a structure (erosion protection wall) from the foreshore/seabed of the CMA, Carters Beach.</p> <p>To occupy space within the CMA, Carters Beach.</p>
RC08167 BA & JM Morrison Farming	<p>To undertake land disturbance associated with humping and hollowing of farmland adjacent to Kapitea Creek, Chesterfield.</p> <p>To disturb the wet bed of an unnamed tributary of Waimea Creek associated with water diversion.</p> <p>To discharge water containing sediment to land in circumstances where it may enter Kapitea Creek and/or Waimea Creek associated with the humping and hollowing activities.</p> <p>To divert an unnamed tributary of Waimea Creek into Kapitea Creek.</p>
RC08168 Jackson Bay Mussels, G Robinson & J Davison	<p>To alter the foreshore/seabed (CMA) in Jackson Bay for the purposes of placing structures (boat moorings).</p> <p>To occupy space within the foreshore/seabed in the CMA of Jackson Bay.</p>
RC08169 J Henderson	<p>To disturb the bed of Vine Creek for the purpose of removing stone.</p> <p>To disturb the bed of Diedrichs Creek for the purpose of removing stone.</p>
RC08172 Fulton Hogan	<p>To discharge cured bitumen and wastewater to land at Aickens.</p> <p>To discharge cured bitumen and wastewater to land at Reefton.</p>
RC08176 Avery Bros	To disturb the dry bed and the wet bed of the Buller River for the purpose of gravel extraction.
RC08177 Fulton Hogan Central	To discharge contaminants (green waste and spoil) from road construction and maintenance to land, Omoeroa Saddle.
RC08179 Fulton Hogan Central	To disturb the dry bed of Docherty Creek for the purpose of gravel extraction.

RC08183 Fulton Hogan Central	To disturb the dry bed of the Waiho River for the purposes of gravel extraction.
RC08185 West Stone / Coastal Constructors	To disturb the bed of the Grey River at Omoto for the purpose of gravel extraction.
RC08186 Grey District Council	To disturb the dry bed of the Rough River for the purpose of gravel extraction.
RC08187 Grey District Council	To disturb the dry bed of Craigieburn Creek for the purpose of gravel extraction.
RC08189 GC Smith Contracting	To disturb the bed of the Arahura River for the purpose of gravel extraction.
RC08190 Pike River Coal	To undertake earthworks in the bed of Pike Stream for the purpose of constructing a v-notch type weir. To dam water associated with the installation of a v-notch type weir, Pike Stream.
RC08191 Coastal Constructors	To disturb the dry bed of the Buller River for the purpose of gravel extraction.
RC08196 John Dimmick Contracting	To disturb the dry bed of the Hokitika River for the purpose of gravel extraction.
RC08203 V Kersten	To take and use ground water for the purpose of irrigation of pasture, Reefton.
RC08204 R Beckford	To discharge treated domestic sewage effluent into land at Atarau, from an effluent disposal system.
RC09002 G & L Irving	To discharge household grey water from an Autoflow treatment system (vermi-tank) to land at Lower Buller Gorge Road, which is located less than 50 metres to a waterbody.
RC09004 Prospect Farm	To disturb the bed and banks of an unnamed creek near Haupiri for the purpose of creating a creek diversion. To permanently divert water from an unnamed creek near Haupiri.
RC09007 Dept of Conservation	To disturb the dry bed of the Whakapohai River for the purpose of gravel extraction.

Changes to Resource Consents Granted During the Reporting Period

CONSENT NO. & HOLDER	CHANGE TO CONSENT CONDITION (S)
RC02260 G Kirkland Notown Road	To 'tailor' the bond amount on a gold mining operation to accommodate different scales of operation.
RC08081 Dept of Conservation Fox Glacier	To change groundwater sampling requirements.
RC08123 Colligan Farm Waimangaroa	To change the buffer margin required in relation to a humping and hollowing operation.

CONSENT NO. & HOLDER

PURPOSE OF CONSENT

RC06154
Westland District Council

To discharge solid contaminants to land as a result of desludging the Hokitika sewage oxidation ponds.

To discharge liquid, produced from dewatering of sewage sludge, to land by way of seepage from the base of a sewage sludge dewatering area adjacent to the Hokitika sewage oxidation ponds.

To discharge contaminants (odour) to air during the desludging and ongoing operation of the Hokitika sewage oxidation ponds.

To discharge reduced quality, treated sewage effluent to the Coastal Marine Area via an outfall pipe, during the desludging of the Hokitika oxidation ponds. [Recommendation to the Minister of Conservation – Restricted Coastal Activity.]

To discharge treated sewage effluent from the Hokitika oxidation ponds to the Coastal Marine Area, via an outfall pipe. [Recommendation to the Minister of Conservation – Restricted Coastal Activity.]

RC06244
Westland District Council

To disturb the riparian margins of the tributaries of Stenhouse Creek.

To disturb the wet bed of the tributaries of Stenhouse Creek associated with water diversion.

To undertake land flipping and/or humping and hollowing associated with creating a land treatment field for refuse landfill leachate disposal.

To undertake earthworks associated with refuse landfill operations.

To discharge solid waste (refuse) to land (disposal cells) within a refuse landfill.

To discharge treated refuse landfill leachate to land where it may enter water.

To discharge stormwater containing sediment to land that may enter Stenhouse Creek and its tributaries.

To discharge treated stormwater containing sediment to Stenhouse Creek from a refuse landfill.

To discharge treated refuse landfill leachate to Stenhouse Creek.

To discharge odour from a refuse landfill to air.

To discharge dust particulates to air associated with the operation of a landfill operation.

To divert tributaries of Stenhouse Creek.

To take groundwater incidental to operations at a refuse landfill.

To take and use water from a stormwater holding pond at a refuse landfill for dust suppression purposes.

No limited notified consents were granted during the reporting period.

Notified Consents Updates & Other Matters

The Hearing Committee determining the consent applications lodged by Meridian Energy Limited for its proposed Mokihinui River Hydro Power Scheme undertook a further site visit and met in the last week of January 2009 to set a timetable for the completion of the consent hearing.

The Council and the Buller District Council publicly notified the consent applications lodged by Hydro Development Limited for hydro power scheme involving a dam on the Stockton Plateau and power station at Granity, with the water used for electricity generation being discharged to the Tasman Sea via a submerged outfall. The submission period for the applications closed on 30 January 2009.

The Christchurch District Court Collections Unit has been unable to execute the "Orders for Examination of Judgement Debtor" on Powelliphanta Augustus sought by the Council because the house at the registered address of the group was empty.

The Consents & Compliance Manager attended a hearing of the Disputes Tribunal in Greymouth on 18 December 2008 in regard to a claim lodged by Alistair Brooker against the Council for \$630 for damage to trees on his land that had been mined under Mining Licence 323191. The Tribunal released its decision on 19 December dismissing the claim.

The Consents & Compliance Manager prepared an affidavit in relation to an application by Philip Anthony Paterson for an Enforcement Order against the Council in relation to further discharges of 1080 under Resource Consents RC05082 and RC05084, which are held by the Animal Health Board for aerial 1080 operations in the Whataroa – Hari Hari area. The Environment Court has scheduled a telephone conference on the matter on 18 February 2009. It is considered that enforcement proceedings are miss-directed (should not have been sought against the Council).

RECOMMENDATION

That the February 2009 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 Michael Meehan
 Compliance Team Leader
 Date: 29 January 2009
 Subject: **COMPLIANCE & ENFORCEMENT MONTHLY REPORT**

Site Visits

A total of 83 site visits were undertaken during the reporting period, which consisted of:

Activity	Number of Visits	Fully Compliant (%)
Resource consent monitoring	19	90
Dairy shed inspections	35	77
Complaint response	18	78
Mining compliance & bond release	11	64

Specific Issues

Dairy Effluent Discharges: Compliance staff were busy inspecting dairy sheds all over the region. Generally, as in the previous reporting period, compliance was better than in the beginning of the season. Nevertheless, Compliance staff continue to find some non-compliances during prolonged periods of fine weather, which is of concern.

Globe Progress Mine – Oceana Gold: Oceana Gold Limited has advised the Council that the high-rate flocculation plant has been fully installed, trialed and commissioned.

The Company applied for, and was granted, a second extension to the abatement notice timeframe allowing it until 27 December 2008 to comply with the notice. The extension was sought after the company supplying the flocculation system supplied some over-sized and inadequate components that needed to be replaced.

The results of the Council's water quality monitoring of Devils Creek for the reporting period showed the following compliance in relation to the consent compliance limit for suspended solids:

- 27/11/08 - Non-compliant (30 g/m³ above limit)
- 4/12/08 - Compliant
- 10/12/08 - Compliant
- 18/12/08 - Compliant
- 6/01/09 - Compliant

The Company's self-monitoring results showed the following two non-compliances during the reporting period:

- 26/11/08 – 34.4 g/m³ above limit. The report for the result noted that for the week preceding sampling over 125mm of rain had fallen and of that over 120mm fell within 48 hours of sampling.
- 22/12/08 – 69 g/m³ above limit. The report for the result noted that for the week preceding sampling over 90mm of rain had fallen.

Grey River Dredge: At the time of writing this report, the gold dredge was almost resting on the Blackball side of the Grey River. Good weather and low flows in the river allowed for an uncomplicated crossing of the river. Council staff will visit the site over the next month to ensure that the river is restored in compliance with the resource consent.

Compliance staff carried out the following visits to Solid Energy sites:

- Stockton Opencast Mine	2
- Ngakawau Coal Handling Facility	2
- Terrace Mine	1
Total	5

Stockton Opencast Mine & Ngakawau Coal Handling Facility

Two visits were undertaken to the mine and the coal handling facility during the last reporting period.

The results of the Council's routine water quality sampling did not reveal any problems, except for those for the St Patrick Stream for December which showed the monitoring parameters were above compliance limits.

SENZ identified the source of contamination was the "Fiji Coal Stockpile". The non compliance was caused by increased trucking of coal to the stockpile and the stockpile reaching a threshold size where runoff was able to drain off the rear of the stockpile and down the Webb Central Road. In addition, the issue was compounded by the upgrade and improvement of water management controls on the "A1 Haul Road". A culvert was being laid under this road at the time that required the diversion of all trucks to the Webb Central Road, exacerbating runoff issues. The depositing of coal at the Fiji Coal Stockpile will very soon take place from a new ramp within the stockpile, rather than from the top edge of the stockpile, as was the case at the time the non-compliance happened.

At present SENZ does not have a formal protocol for monitoring the downstream effects of diversions when they are undertaken. However, it has informed the Council that it is in the process of drafting a formal protocol that will cover this.

The Council issued a formal warning in relation to this incident, advising SENZ that any further breaches of compliance limits relating to water diversions would likely result in formal enforcement action being undertaken.

The Council received notifications from SENZ for 2 incidents during the last reporting period:

1. 20 December 2008 – Hydrocarbon spill (550 Litres)

This spill occurred when a drilling rig overturned in the Mangatini Sump footprint. Immediate emergency response procedures were activated which resulted in the majority of the material spilt being contained. Some material entered broken ground which has subsequently been excavated with the contaminated soil being soil stockpiled. The contaminated soil will be analysed to determine treatment and/or disposal requirements.

2. 13 January 2009 – Hydrocarbon spill (40 Litres)

A hose on a fuel cart disconnected when the fuel cart began moving backwards while refuelling of a number of articulated trucks was being undertaken. Immediate spill response measures were undertaken.

Terrace Mine & Reefton Coal Handling Facility

The results of the Council's routine water quality sampling for the Terrace Mine showed discharges for its December and January visits showed discharges to be within compliance limits at the time of sampling.

SENZ self-monitoring results for December and January for the Reefton Coal Handling Facility showed discharges were within compliance limits at the time of sampling.

Complaints/Incidents between 27 November 2008 to 27 January 2009

There were 19 complaints/incidents received during the reporting period.

Activity	Description	Location	Action/Outcome
Septic tank discharge	Complaint received regarding septic tank runoff to neighbouring property	Kaiata	Problem resolved, but further monitoring will be undertaken
Milk tanker crash	Milk tanker overturned on State Highway.	South of Barrytown	Some milk discharged to sea via culvert, Council unable to contain any milk
Truck crash	Glue/resin tanker overturned and discharged a small amount of glue/resin to a drain	Maruia	Crash site inspected, no major adverse effects noted
Coal mining	Water quality trigger limit exceeded	Stockton Mine	Heavy rain resulted in exceedance
Sand extraction	Contractor taking sand off beach within CMA without resource consent.	Westport	Infringement notice issued
Coal mining	Water quality trigger limit exceeded in St Patrick Stream	Stockton Mine	Formal warning issued
Gravel extraction	Gravel extraction vehicle movements re-suspending sediment in river	Inangahua River	Compliant with resource consent conditions
Earthworks	Alleged illegal earthworks within riparian margin	Mallinsons Creek	Compliant
Odour	Whey dumping causing odour nuisance	Takutai	Compliant
Earthworks	Concerns regarding vegetation clearance and earthworks	Greymouth	Compliant
Gravel extraction	Concerns regarding gravel take	Kokatahi	Still under investigation
Earthworks	Flood protection works	Taramakau	Still under investigation
Earthworks	Track construction within the Greymouth Earthworks Control Area	Greymouth	Compliant
Discharge to air	Complaint regarding alleged fat deposits on vehicles	Hokitika	Still under investigation
Discharge to CMA	Discharge from wastewater treatment plant non compliant	Karoro	Working with GDC to find problem
Discharge to Land	Hydrocarbon spill	Stockton Mine	Environmental effects mitigated adequately
Discharge to Land	Hydrocarbon spill	Stockton Mine	Environmental effects mitigated adequately
Earthworks	Earthworks associated with new development	Greymouth	Still under investigation
Earthworks	Concerns over runoff from humping and hollowing works	Karamea	Still under investigation

Enforcement

41

The following 3 abatement notices were issued during the reporting period:

Activity	Location
Dairy effluent discharge to land where it may enter water	Haupiri
Dairy effluent discharge to land where it may enter water	Westport
Discharge from gold mining operation outside of consent conditions	Bell Hill

The following 11 infringement notices were issued during the reporting period:

Activity	Location
Dairy effluent discharge to land where it may enter water (2 notices served)	Barrytown
Discharge from gold mining operation outside of consent conditions (6 notices served)	Reefton
Dairy effluent discharge to land where it may enter water	Totara Flat
Dairy effluent discharge to land where it may enter water	Haupiri
Dairy effluent discharge to land where it may enter water	Westport

MINING

Work Programmes

The Council received and approved the following five mining work programmes over the reporting period:

Date	Mining Authorisation	Holder	Location
2/12/08	MP41972, RC07054	Sueters Creek Mining	Nelson Creek
3/12/08	MP41866, RC04290	Graeme Hobbs	Nelson Creek
23/12/08	CML37160, RC97012	SENZ	Island Block
23/12/08	CML371601, RC97011	SENZ	Reefton
23/12/08	CML37058-37162, RC87122	SENZ	Terrace Mine

Bonds Received and Bond Releases

No bonds were received or released during the reporting period.

OIL SPILL RESPONSE

No marine oil spills were reported during the period.

RECOMMENDATION

That the February 2009 report of the Compliance Group be received.

Colin Dall
Consents & Compliance Manager

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 **Monday, 9 February 2009** commencing on completion of the Resource Management Committee Meeting.

A.R. SCARLETT
CHAIRPERSON

C. INGLE
CHIEF EXECUTIVE OFFICER

<u>AGENDA NUMBERS</u>	<u>PAGE NUMBERS</u>	<u>BUSINESS</u>
1.		APOLOGIES
2.		PUBLIC FORUM
3.		MINUTES
	1 – 4	3.1 Minutes of Council Meeting 9 December 2008
4.		REPORTS
	5 – 6	4.1 Planning and Environmental Manager's Report on Engineering Operations
	7 – 9	4.2 Vector Programme Manager's Report
	10 – 12	4.3 Corporate Services Manager's Reports
	13 – 24	4.3.1 Audit Management Report for the Year to 30 June 2008
	25 - 27	4.3.2 Indicative Remuneration Pool for 2009 / 10
5.		CHAIRMAN'S REPORT (VERBAL)
6.	28 – 29	CHIEF EXECUTIVE'S REPORT
	30	6.1.1 Envirolink Update
7.		GENERAL BUSINESS

THE WEST COAST REGIONAL COUNCIL

**MINUTES OF THE MEETING OF THE COUNCIL HELD ON 9 DECEMBER 2008,
AT THE OFFICES OF THE WEST COAST REGIONAL COUNCIL, 388 MAIN SOUTH ROAD,
GREYMOUTH, COMMENCING AT 11.43 A.M.**

PRESENT:

R. Scarlett (Chairman), P. Ewen, A. Robb, D. Davidson, B. Chinn, A. Birchfield, T. Archer

IN ATTENDANCE:

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

1. APOLOGIES:

There were no apologies.

2. PUBLIC FORUM

There was no presentation.

3. CONFIRMATION OF MINUTES

Moved (Ewen / Birchfield) that the minutes of the Council Meeting 11 November 2008 be confirmed as correct.

Carried

Matters arising

Cr Chinn asked for further information regarding G. Hilton's appointment to carry out the health and safety function for quarries. Cr Chinn was not present at the November meeting. S. Moran advised that G. Hilton is G. Trenwith's replacement and part of that role is putting health and safety systems in place for council owned quarries.

REPORTS:

4.1 PLANNING AND ENVIRONMENTAL MANAGER'S REPORT ON ENGINEERING OPERATIONS

S. Moran spoke to his report and took it as read. He drew council's attention to the minor typographical error in the rock quarry.

Moved (Archer / Davidson) *that the report be received.*

Carried

4.1.2 ADOPTION OF MINUTES FROM THE RATING DISTRICT ANNUAL MEETINGS

S. Moran spoke to this report. He drew attention to the Wanganui Rating District meeting suggestion that each landowner should be in charge of the spraying and mowing of their stopbank and if they don't then the work should be done by the Council and the cost charged back to the landowner. S. Moran advised that there is no legal ability to do this and the most efficient way that this work can be funded is to have it as works under the Rating District Scheme (i.e. as it is now). Cr Scarlett agreed.

Cr Ewen drew attention to the minutes of the Greymouth Floodwall meeting where a staff officer from Grey District Council (Mr Pretorius) had seconded two motions. Cr Ewen stated that the members of the Greymouth Floodwall Committee are elected members only.

Cr Scarlett stated that Mayor Kokshoorn who chaired the meeting, should have prevented this.

Cr Archer asked if Council Standing Orders apply at Rating District meetings and if they do what status do they have in terms of Council Standing Orders. He also asked if two members of the rating district form a quorum. R. Mallinson confirmed that rating district meetings are subcommittees of council therefore two members form a quorum. Cr Archer asked if the council has a vote. Cr Scarlett stated it is the members of the rating districts that have voting rights and councilors in attendance do not vote. C. Ingle stated that decisions made at the rating district meetings are ratified at council meetings and he would be advising Council at the time if any decisions are of concern.

Moved (Archer / Birchfield)

1. *That Council reject the resolution of the Wanganui Rating District **"that the adjacent landowner that leases the stopbank should be in charge of spraying or mowing their stopbank and if they don't then they should be charged by West Coast Regional Council"***
2. *That Council receive and adopt the attached Rating District minutes and endorse all other resolutions.*

Carried

4.2 VECTOR PROGRAMME MANAGER'S REPORT

C. Pullen spoke to this report. He reported that progress has been hampered by rain over the past month but contractors have exceeded themselves during fine weather. C. Pullen reported that all remaining contracts for monitors for 2009 have been awarded. Two out of the five monitors went to local contractors.

C. Pullen reported that Buller South Block 3, Karamea Block 3 and Karamea Block 1 have all have been brought in for their interim completion certificates which suggests control work has been completed and monitoring is awaited.

C. Pullen drew attention to the failed block at Kaiata / Marsden noting that there is a history of high possum numbers in this area. C. Pullen reported that the strata that failed was a bush pasture margin. Rework and re-monitoring has now been completed and the area has been passed.

C. Pullen reported that the two Tb positive possums picked up just outside of Greymouth would go through a Tb focus survey. This will involve radiating a quadrant around this area to see if any other possums can be picked up that are infected with Tb. C. Pullen stated that this would determine how control work and monitoring proceeds for next year.

C. Pullen reported that good results are coming through from the Karamea Block 3 monitor; he stated that over 2,400 possums were eliminated from this area.

C. Pullen spoke of the recent visit to the West Coast by the Directors of the Animal Health Board. He reported that they were impressed with operations here on the West Coast, and he is hopeful of obtaining further funding to extend operations on the West Coast. Cr Robb stated that he also attended this visit. He spoke of the importance of supporting the vector management programme and working toward the goal of eradication Tb on the West Coast. Cr Scarlett stated he would like to see the Animal Health Board front up in terms of media exposure, explaining their position on the Coast. He felt they did not do this well this year. Cr Scarlett spoke of the very good DVD that has been put out by the Animal Health Board. C. Pullen advised that an information pack has been put together; a series of open days will be run from January through to March in various communities. Cr Scarlett asked if the information packs would be sent out to the wider community. C. Pullen advised that the information packs would be made available at the open days.

Cr Archer asked if there is a risk to public health in view of the Tb positive possums found in the Kings Domain area. C. Pullen stated that there is more of a risk to the public's pets than to public health. He advised that the chances of humans contracting Tb through animals is very rare although possible. There is a greater chance of dogs and cats contracting Tb from

vectors that are in the throes of dying from Tb. C. Pullen stated he is working closely with Public Health regarding this matter.

Moved (Archer / Robb) *that this report be received.*

Carried

4.3 CORPORATE SERVICE MANAGER'S REPORT

R. Mallinson spoke to this report noting the poor investment income return for the four months especially during October. He advised that he has suspended the programmed transfers from the portfolio to Council's bank account until further notice.

R. Mallinson advised that there is \$977,000 worth of unrealized losses, and if the market turns then those unrealized losses would reduce. R. Mallinson stated that given the under-spending in excess of \$100,000 in a number of areas, the good result from the VCS Business Unit and our strong cash position, there is no immediate cause for concern. R. Mallinson stated that management would be keeping this matter under close review.

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

Carried

4.3.1 FOUR MONTH REVIEW – 1 JULY 2008 – 31 OCTOBER 2008

R. Mallinson spoke to this report and took it as read. Cr Archer stated that these are impressive results, on a focused and measurable and appropriate standard. He passed on his congratulations to staff and management for this excellent report.

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

Carried

R. Mallinson introduced Mr John Mackey from Audit New Zealand to the meeting. Mr Mackey is our Audit Director and is to take councillors through a private session later in the day.

5.0 CHIEF EXECUTIVES REPORT

C. Ingle spoke to his report. He spoke of various meetings he has attended during the month including the Development West Coast's Industry Advisory Committee meeting. He met with DoC staff to progress the Wetlands issues. C. Ingle attended the Mayors and Chairs meeting with Cr Scarlett. C. Ingle and C. Dall met with management from Solid Energy to discuss future issues and bonding issues. C. Ingle met with personnel from Crown Public Health to discuss things that we have a common interest in including pest control and water and air quality matters. C. Ingle advised that he is aiming to have six monthly meetings with this group.

C. Ingle reported that he attended the half day Civil Defence Training with all staff. He also attended the Wetlands Hearing.

C. Ingle drew Council's attention to the expected costs from Audit New Zealand for the auditing of the LTCCP. He stated the cost is considerably higher than three years ago when they were subsidised to an extent by Government.

C. Ingle stated that he has spoken to Audit New Zealand and advised them that the audit costs are in excess of 3% of our rate take just for the LTCCP audit. C. Ingle feels this cost is beyond what is reasonable. He has been told that that is the law. He is currently in discussions with the CEO from Local Government New Zealand. C. Ingle advised that he has discussed the matter with his colleagues from the four local councils regarding the disproportionate costs to smaller councils.

R. Mallinson advised that our audit fees have gone from \$32,500 to \$62,000 in addition to our normal annual audit fee. This is over a 90% increase.

Cr Chinn stated that Audit New Zealand is out of step with present day thinking and needs to be brought under control. Cr Davidson advised that he spoke to Mr John Key whilst he was on the campaign trail regarding increasing costs faced by councils. Cr Davidson identified the LTCCP is one of these. Cr Scarlett stated we have a good case and he is not prepared to

have constituents lumbered with this cost. Cr Archer stated this is becoming a growth industry and he agrees with the other speakers that it should be collectively resisted with representation being made to the new minister of Local Government. Cr Birchfield agreed that this fee increase is shocking and this money could be spent on roads and bridges.

Moved (Robb / Archer) *that the Chief Executive's Report be received.*

Carried

4.0 CHAIRMANS REPORT (VERBAL)

The Chairman reported that he attended the recent Mayors and Chairs meeting. On the 27th of November Cr Scarlett attended the Wetlands Hearing. Cr Scarlett advised that the RAC meeting was being held in Nelson on the same day but he choose to go to the Wetlands hearing as he felt this was more important. Cr Scarlett advised that the final discussion took place on the Hokitika sewage scheme, this was closed and a decision is forthcoming.

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

Carried

5.0 GENERAL BUSINESS

There was no general business.

The meeting closed at 12.25 p.m.

.....
Chairman

.....
Date

Prepared for: Council Meeting – 9 February 2009
 Prepared by: S. Moran – Planning & Environment Manager
 Date: 30 January 2009

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

1. RIVER AND DRAINAGE INSPECTIONS

- Taramakau Rating District – Flood Damage
- Lower Waiho Rating District – Works
- Franz Josef Rating District – Works

2. WORKS

- a) Wanganui Rating District – Contract R 2008 / 11 – Emergency Works.
 This work involving 1,390 tonnes of rock repairs (850 tonnes capital work) was completed by MBD Contracting Ltd. at a cost of \$32,665.00 (G.S.T Exclusive)
- b) Taramakau Rating District – Contract R 2008 / 12
 An urgent contract was prepared and tendered for the placing of 3,300 tonnes of rock. Two prices were received:
 \$59,895.00 (G.S.T. Exclusive)
 \$79,200.00 (G.S.T. Exclusive)
 The successful tenderer was MBD Contracting Ltd.
 The rock quantities were increased by 1,260 tonnes due to extra damage being incurred during the course of the contract. The final completed tonnage was 4,560 tonnes at a final cost of \$87,409.00 (G.S.T. Exclusive).
- c) Nelson Creek Rating District – Contract R 2008 / 13
 This work involving the placing of 750 tonnes of rock was tendered. Two prices were received:
 \$20,400.00 (G.S.T. Exclusive)
 \$30,670.01 (G.S.T. Exclusive)
 The successful tenderer was MBD Contracting. This work has commenced.
- d) Lower Waiho Rating District – Contract R 2008 / 14
 This work involving the placing of 1,000 tonnes of rock was tendered. Three prices were received:
 \$28,000.00 (G.S.T. Exclusive)
 \$29,800.00 (G.S.T. Exclusive)
 \$41,530.00 (G.S.T. Exclusive)
 The successful tenderer was Henry Adams Contracting Ltd. This work has commenced.
- e) Franz Josef Rating District – Contract R 2008 / 15
 This work involving the placing of 2,050 tonnes of rock was tendered. Three prices were received:
 \$57,400.00 (G.S.T. Exclusive)
 \$61,090.00 (G.S.T. Exclusive)
 \$73,738.50 (G.S.T. Exclusive)
 The successful tenderer was Henry Adams Contracting Ltd. This work has commenced.

3. FUTURE POTENTIAL WORKS

- Karamea Rating District – Flood Damage
- Waitangitaona Rating District – Flood Damage
- Okuru Rating District – Maintenance
- Vine Creek Rating District - Maintenance

4. OTHER

The surveying of the Greymouth Floodwall has been carried out in January 2009.

5. Quarries**ROCK MOVEMENTS FOR THE PERIOD 1 NOVEMBER TO 31 DECEMBER 2008**

QUARRY	ROCK IN QUARRY @ 31/10/08	ROCK USED	ROCK QUARRIED	ROCK IN QUARRY @ 31/12/08
Blackball	1,000	0	0	1,000
Camelback	0	11813	11813	0
Inchbonnie	9,340	0	0	9,340
Kiwi	2000	0	0	2000
Miedema	0	0	0	0
Okuru	1,840*	0	0	1,840*
Taramakau	0	0	0	0
Wanganui	600	0	0	600
Wanganui Stockpile	3,648	0	0	3,648
Whataroa	1500	0	0	1,500
TOTALS	19,928	11813	11813	19,928

WORK PERMITTED SINCE 1 DECEMBER 2008 & ONGOING

QUARRY	CONTRACTOR	TONNAGE REQUESTED	PERMIT START	PERMIT FINISH
Camelback	Taylors contracting		Ongoing	
Kiwi	MBD Contracting	750	18 Dec 08	5 Jan 09
Camelback	Henry Adams	150	5 Jan 09	6 Jan 09
Whataroa	Henry Adams	3000	7 Jan 09	30 Jan 09

RECOMMENDATION

That this report is received

Simon Moran
Planning and Environmental Manger

Prepared for: Council Meeting – February 2009
 Prepared by: Chris Pullen
 Date: 29 January 2009.

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

1.0 Contracts awarded

Two contracts detailed below has been awarded to Vector Control Services during the reporting period:

- Buller South Trend Monitor
- Tb Focus survey Marsden Greymouth

2.0 Operations Ongoing and Completed

The following Vector Control work has been carried out for this report period.

Ongoing Control Work:

OPERATION	BLOCK	CONTRACTOR	INPUT OUTPUT	NOTES
Buller South	5	VCS	Output	Acceptable Progress
Buller South	4	VCS	Output	Commenced
Blacks Point	1	Tasman Pest	Output	Acceptable Progress
Kaiata	1	Peltons	Output	Acceptable Progress
Kaiata	2	Peltons	Output	Acceptable Progress
Grey Valley North	3	Tasman Pest	Output	Acceptable Progress
Kokatahi	2	HUNTA	Output	Acceptable Progress
Kowhitirangi	1	HUNTA	Output	Near completion
Harihari	1	Leiths	Output	Acceptable Progress
Upper Grey	1	Tasman Pest	Output	Acceptable Progress
Upper Grey	2	Tasman Pest	Output	Acceptable Progress
Upper Grey	3	Tasman Pest	Output	Acceptable Progress
Grey Valley West	4	Hughes	Output	Commenced
Whataroa	1	HUNTA	Output	Commenced

Ongoing Monitoring Work:

OPERATION	BLOCK	CONTRACTOR	NOTES
Rotomanu Bk	3	H&M	Acceptable Progress
Grey Valley E	3	Enviro 1 st	Acceptable Progress
Grey Valley N	3	Enviro 1 st	Acceptable Progress
Kokatahi	1	Forest Rangers	Acceptable Progress
Kokatahi	2	Forest Rangers	Acceptable Progress
Rotomanu	2	H&M	Acceptable Progress
Rotomanu	3	H&M	Acceptable Progress
Rotomanu	5	H&M	Acceptable Progress

Completed Monitor and Control Work:

OPERATION	BLOCK	MONITOR	CONTROL	CONTRACTOR	INPUT OUTPUT	PASS/FAIL %
Buller South	3		✓	VCS	Output	Pass 0.00%
Buller South	3	✓		H&M	Audit	Passed Audit
Buller South	4		✓	VCS	Output	Pass 0.00%
Buller South	4	✓		H&M	Audit	Passed Audit
Milltown	block		✓	HUNTA	Output	Pass 0.67%
Kokatahi	2		✓	HUNTA	Output	Pass 0.00%
Marsden (rework)	1		✓	Hughes	Output	Pass 0.2%
Marsden (rework)	1	✓		Vector	Audit	Passed Audit
Marsden	2		✓	Hughes	Output	Pass 0.54%
Marsden	2	✓		Enviro 1st	Audit	Passed Audit
Kaiata Marsden	1		✓	Hughes	Output	Pass 0.1%
Upper Ahaura	2		✓	Hughes	Output	Pass 0.15%
Arahura	3		✓	Hughes	Output	Pass 0.00%
Kumara Junction	2		✓	Peltons	Output	Pass 0.00%
Kokatahi	1		✓	Hunta	Output	Pass 0.00%
Kumara Junction	1		✓	Peltons	Output	Pass 0.00%
Taipo	2		✓	VCS	Output	Pass 0.00%
Grey Valley East	1		✓	Hughes	Output	to be monitored
Grey Valley East	2		✓	Hughes	Output	to be monitored
Grey Valley East	3		✓	Hughes	Output	to be monitored
Grey Valley North	3	✓		Holden's	Audit	Passed Audit
Kokatahi	1		✓	HUNTA	Output	Pass 0.00%
Rotomanu	2		✓	Peltons	Output	to be monitored
Rotomanu	3		✓	Peltons	Output	to be monitored
Rotomanu	3	✓		H&M	Audit	Passed Audit
Rotomanu	5		✓	Peltons	Output	to be monitored
Rotomanu	5	✓		H&M	Audit	Passed Audit
Karamea	1		✓	Epro	Output	Pass 0.02%
Karamea	1	✓		Forest Rangers	Audit	Passed Audit
Karamea	2		✓	Epro	Output	Pass 0.02%
Karamea	2	✓		Forest Rangers	Audit	Passed Audit
Karamea	3		✓	HUNTA	Output	Pass 0.01%
Karamea	3	✓		Forest Rangers	Audit	Passed Audit
Marsden	3		✓	Hughes	Output	to be monitored
Marsden	4		✓	Hughes	Output	to be monitored

3.0 General

- i. All 1st round control projects have been completed within required timeframes.
- ii. The monitoring projects are running at 90% completion and are on track for 1st round completion.
- iii. A total of 68% of the overall programme has been invoiced and paid for.
- iv. The following 2nd round operations have commenced:
 - Harihari Block 1
 - Upper Grey blocks 1-3
 - Blacks Point
 - Mikonui Totara
 - Whataroa blocks 1-4
 - Kaiata blocks 1-2
 - Kowhitirangi

RECOMMENDATION

That this report be received.

Chris Pullen
Programme Manager West Coast Tasman

THE WEST COAST REGIONAL COUNCIL

Prepared for: Council Meeting
 Prepared by: Robert Mallinson – Corporate Services Manager
 Date:
 Subject: **CORPORATE SERVICES MANAGER'S MONTHLY REPORT**

1. Financial Report to 31 December 2008

FOR THE SIX MONTHS ENDED 31 DECEMBER 2008	ACTUAL	YEAR TO DATE BUDGET	ACTUAL % ANNUAL BUDGET	ANNUAL BUDGET
REVENUES				
General Rates	969,923	942,500	51%	1,885,000
Rates Penalties	44,189	37,500	59%	75,000
Investment Income	-565,271	500,000	-57%	1,000,000
Regulatory	937,628	490,600	102%	915,500
Planning Processes	108,509	58,811	92%	117,622
Environmental Monitoring	0	0	0%	0
Emergency Management	13,778	12,500	55%	25,000
River, Drainage, Coastal Protection	536,347	413,690	65%	827,380
Vector Mgmt	327,965	327,500	50%	655,000
Regional % Share Controls	183,951	182,500	50%	365,000
VCS Business Unit	1,824,119	1,058,553	86%	2,117,106
	4,381,138	4,024,154	55%	7,982,608
EXPENDITURE				
Representation	182,554	208,928	44%	417,855
Regulatory Activities	1,280,186	831,389	77%	1,662,778
Planning Processes	210,007	290,292	36%	580,584
Environmental Monitoring	306,964	358,774	43%	717,547
Emergency Management	51,254	63,052	41%	126,103
River, Drainage, Coastal Protection	529,070	1,111,433	24%	2,222,865
Vector Mgmt	241,844	247,596	49%	495,191
Regional % Share Controls	411,401	434,373	47%	868,746
VCS Business Unit	1,437,470	907,774	79%	1,815,547
Portfolio Management	28,337	0		0
	4,679,087	4,453,608	53%	8,907,216
SURPLUS / (DEFICIT)	-297,949	-429,454		-924,608
Transfer Rating District Interest	-105,934			
To Transfer to Balance Sheet	-403,883			

BREAKDOWN OF SURPLUS (-DEFICIT)	ACTUAL	BUDGET Year to date	ANNUAL BUDGET
Rating Districts	79,934	-541,971	-1,083,942
Quarries	32,844	-12,335	-24,669
Regional % Share of AHB Programmes	-227,450	-251,873	-503,746
Investment Income	-593,608	500,000	1,000,000
VCS Business Unit	386,649	150,780	301,559
Vector Mgmt	86,121	79,905	159,809
Other	0	0	0
All Other Activities	-62,439	-353,960	-773,619
TOTAL	-297,949	-429,454	-924,608

Net Contributors to "Other Activities" Surplus (-Deficit)	Actual	Budet ytd	Annual Plan	Net Variance Actual v budget ytd
Rates	969,923	942,500	1,885,000	27,423
Rates Penalties	44,189	37,500	75,000	6,689
Representation	-182,554	-208,928	-417,855	26,374
Regulatory Activities	-342,558	-340,789	-747,278	-1,769
Planning Activities	-101,498	-231,481	-462,962	129,983
River, Drainage, Coastal Protection (excl. RD's and Quarries)	-105,501	-143,437	-286,874	37,936
Environmental Monitoring	-306,964	-358,774	-717,547	51,810
Emergency Management	-37,476	-50,552	-101,103	13,076
	-62,439	-353,960	-773,619	291,521

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2008

	@ 31/12/2008	@ 30/06/2008
<u>CURRENT ASSETS</u>		
Cash	297,235	80,047
Short term Deposit - Westpac	511,368	1,704,438
Accounts Receivable - Rates	-208,252	263,628
Accounts Receivable - General Debtors	549,946	562,347
Prepayments	118,961	51,691
Sundry Receivables	292,548	682,810
Stock - explosives	716	716
Stock - VCS	48,891	225,612
Stock - Rock	64,767	61,680
Stock - Office Supplies	12,493	12,493
	<hr/>	<hr/>
	1,688,673	3,645,462
<u>Non Current Assets</u>		
Investments	10,245,499	11,035,326
Fixed Assets	3,746,014	3,247,070
Infrastructural Assets	39,403,646	39,403,646
	<hr/>	<hr/>
	53,395,159	53,686,042
<u>TOTAL ASSETS</u>		
	<hr/>	<hr/>
	55,083,832	57,331,504
<u>CURRENT LIABILITIES</u>		
Bank OD	0	0
Accounts Payable	285,372	1,689,057
GST	2,010	91,603
Deposits and Bonds	405,740	338,486
Sundry Payables	78,295	457,106
Accrued Annual Leave, Payroll	190,256	193,522
Other Revenue in Advance	30,000	491,250
Rates Revenue in Advance		60,015
	<hr/>	<hr/>
	991,673	3,321,039
<u>NON CURRENT LIABILITIES</u>		
Future Quarry restoration	85,800	85,800
Punakaiki Loan	300,145	316,217
Lower Waiho Loan	60,411	0
Office Equipment and IT Leases	89,161	136,819
	<hr/>	<hr/>
	535,517	538,836
<u>TOTAL LIABILITIES</u>		
	<hr/>	<hr/>
	1,527,190	3,859,875
<u>EQUITY</u>		
Ratepayers Equity	19,975,239	19,990,241
Surplus Tsfrd.	-403,883	
Rating District Equity Mvmts	-126,109	
Rating Districts Equity	2,539,128	2,413,020
Tb Special Rate Balance	274,787	262,885
Revaluation	22,714,725	22,222,728
Quarry Account	-17,245	-17,245
Investment Growth Reserve	8,600,000	8,600,000
	<hr/>	<hr/>
TOTAL EQUITY	53,556,642	53,471,629
LIABILITIES & EQUITY	<hr/>	<hr/>
	55,083,832	57,331,504

PORTFOLIO @ 31 DECEMBER 2008 Summary & Reconciliation		Cash	Bonds	Australasian Equities	International Equities	Property Equities	Alternative Asset Classes	Total
Portfolio Value @ Start	01 Dec 2008	2733073	3421783	1381877	1812269	724252	939971	11013225
Contributions	}	259193	177260	33644	90557	8572	47130	616357
Withdrawals	}	-565494	-123618	-70966	-14530	-41004	-8373	-823986
Realised Gains/(Losses)								
Price		-57891	27324	480	0	3382		-26705
FX				7675	-75606	-2877	-47130	-117938
Unrealised Gains/(Losses)								
Price		44176	194297	-330729	-538738	-118148	-373209	-1122352
FX				-46471	170820	-7941	288193	402601
Mgmt Fee					-421			-421
Interest Income		139743	176145	4357		3112	6083	329440
Changes Accrued Interest		71	405					476
Dividends				32598	62026	22648	36015	153287
reversal Hedges 30.6.08				21045	59398	5362	22860	108665
Current Hedges				15848	-80989	4322	-249580	-310399
Portfolio Value @ End Period	31 December 2008	2552871	3873596	1047357	1484786	601681	661959	10222250
					Cash			0
					Structured credit			53492
					Emerging market debt			858047
					Hedge positions			-249580
								661959

Asset Allocation %'s @ 31 DECEMBER 2008	Benchmarks
Cash	25%
Bonds	38%
Australasian Equities	10%
International Equities	15%
Property Equities	6%
Alternative Asset Classes	6%
	100%

Tactical asset
allocation range

10% - 50%
10% - 50%
0% - 20%
0% - 20%
0% - 10%
0% - 20%

2. General Comment

Total operating expenditure for the six month period was \$4.679 million.

Total revenues for the period amounted to \$4.327 million.

The total deficit was \$(457,527)

Highlights:

- Investment income posted a loss of \$565,271 for the six months year to date (FB Ltd - \$583,346; Westpac +\$18,075). This is a continuation of the impact from the global economic downturn. The portfolio return includes unrealized losses of \$1,122,352.
- The VCS business unit results include the completion of the substantial AHB aerial contracts, hence both revenue and expenditure exceed budget as at 31 December.
- Positive budget variances amounting to \$291,521 with regard to "All Other Activities" in a number of areas. The Planning Group are \$130,000 better than budgeted as at 31 December due to expenditure being \$80,000 below budget, and revenue being \$60,000 ahead of budget.

Work during the month of February 2009 will be focused on getting the draft LTCCP to an "audit ready" state. As mentioned by the Chief Executive in his report, the team from Audit NZ will hopefully be on site some time in March. With Councilor approval, the next financial report will be for the eight months to 28 February 2009, reported to the April meeting.

RECOMMENDATION

That this report be received.

Robert Mallinson
Corporate Services Manager

THE WEST COAST REGIONAL COUNCIL

Prepared for: Council Meeting – 10 February 2009
Prepared by: Robert Mallinson – Corporate Services Manager
Date: 14 January 2009

Subject: **AUDIT MANAGEMENT REPORT FOR THE YEAR TO 30 JUNE 2008**

The attached report was previously circulated to Councillors in December.

There are no items of concern contained in the report.

RECOMMENDATION

That the Audit management report be received.

Robert Mallinson
Corporate Services Manager

Report to Management and Council on the audit of
West Coast Regional Council
for the year ended 30 June 2008

Audit New Zealand has performed this audit on behalf of the Controller and Auditor-General.

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001.

Our audit has been carried out in accordance with generally accepted audit standards. The audit cannot and should not be relied upon to detect every instance of misstatement, fraud, irregularity or inefficiency that is not material in terms of your financial statements.

The implementation and maintenance of your systems of controls for the detection of these matters remains the responsibility of the Chief Executive and management.

Executive summary

for the financial audit for the year ended 30 June 2008

Audit opinion

An unqualified audit opinion was issued on the Regional Council's financial statements.

Compliance with legislation

Council has not complied with section 98 of the Local Government Act 2002 which requires the annual report to be completed and adopted, by resolution, within 4 months after the end of the financial year to which it relates.

Apart from this breach, there were no other breaches of significant legislation.

Report to Management and Council

for the financial audit for the year ended 30 June 2008

Audit New Zealand has completed the financial audit of the West Coast Regional Council (the Council) for the year ended 2008. This report summarises our findings from the audit and draws attention to areas where your organisation is doing well or could improve.

Contents

1	Audit opinion.....	5	8	Reviews on behalf of the Auditor General	14
2	Compliance with legislative requirements	5	9	Unadjusted misstatements	14
3	Management control environment.....	5	10	Statement of auditor independence	14
4	Matters arising from the audit	5		Appendix 1: Details of reviews on behalf of the Auditor-General.....	16
5	Internal controls.....	9		Appendix 2: Status of issues reported after the 2006/07 audit.....	17
6	Information systems.....	11		Appendix 3: NZ IAS 1, Presentation of Financial Statements.....	22
7	Status of issues raised in previous management reports....	14			

1 Audit opinion

An unqualified opinion was issued on the Regional Council's financial statements.

2 Compliance with legislative requirements

2.1 Legislative compliance systems

We reviewed the system and procedures you use to identify and comply with legislative requirements.

Council does not have a formal system in place to identify and monitor compliance with legislative requirements. We also understand that while Council has access to the SOLGM legal compliance modules, it does not utilise them other than as a reference point when required. Council relies on the knowledge and experience of its senior managers to comply with legislative requirements. We could not find any mechanisms that would actively identify any breach of legislative requirements.

Council could consider implementing a formal system for monitoring compliance with key legislative requirements.

2.2 Breaches of significant legislation

Section 98 of the Local Government Act 2002 requires that adopt its audited annual report within 4 months of the end of the financial year. Council did not meet this requirement this year. The annual report was adopted on 11 November

2008. The fact that the statutory deadline was not met was adequately disclosed in the financial statements.

During our audit we did not identify any other breaches of significant legislation that need to be brought to your attention.

3 Management control environment

We performed a high level review of Council's management control environment. As part of our audit we considered the overall attitude, awareness and actions of Council management in establishing and maintaining effective management procedures and internal controls. Our assessment of these areas was based on our knowledge of Council's operations, systems and processes, together with good practice guidance.

As in previous years, we consider Council's management control environment to be effective.

4 Matters arising from the audit

The following issues are raised for your attention:

4.1 Risk management framework

Recommendation

Council give consideration to developing and implementing a risk management framework.

Findings

Managing risk is an important part of effective organisational governance. A risk management framework provides a comprehensive approach to the identification and management of strategic and other risks to the organisation. We note that Council does not have a formal risk management framework in place.

Council operates in a complex and changing environment characterised by increasing accountability and higher expectations of service delivery. The development and implementation of a formal risk management system is important to enable Council to proactively address key risks in a structured and systematic way.

There are three main steps to risk management:

- identification;
- analysis and evaluation; and
- treatment.

All risks identified should be recorded in a risk register so that they are addressed in a structured way. Identification of risks could be achieved through brainstorming by groups of staff and elected members. Evaluation of identified risks involves an assessment of each risk for the likelihood of occurrence and the potential adverse consequences to Council. Risks can then be ranked and the most significant risks to Council can be addressed.

We suggest that Council consider assigning responsibility for risk management to a Council committee such as an 'audit and risk committee'.

Management comment

Your comments overlook that Council considered a report by its Corporate Services Manager at its June 2008 meeting regarding risk management. The report identified a number of areas where risk management could be enhanced by the Council. Council considered and adopted this report and also commented that they considered the approach adopted was appropriate for this Council.

4.2

Use of an Audit Committee

We were asked to provide comment on whether Council should establish an audit committee.

Audit committees can make a valuable contribution to improving the governance, and in turn the performance and accountability, of public entities. They can play an important role in examining an organisation's policies, processes, systems, and controls. As mentioned above, an audit and risk committee can also be an important part of the overall risk management system.

An effective audit committee shows that an organisation is committed to a culture of openness and continuous improvement. An audit committee does not displace or change proper accountability arrangements. Accountability for good governance rests with Council's elected members.

An audit committee can assist councillors to carry out their duties, by providing objective advice and insights into the organisation's strategic and organisational risk management framework. In doing so, they can identify potential improvements to governance, risk management, and control practices.

However an audit committee may not be necessary for all councils, depending on the size and complexity of the organisation and the expertise of the councillors. If a Council decides not to form an audit committee, then it needs to ensure that there are systems and processes in place to support it in carrying out its accountability and governance responsibilities.

The West Coast Regional Council is small, not complex and has members with experience in financial matters. While there are many benefits of having an audit committee it is up to council to decide what approach would be of the most overall benefit to the Council.

Management comment

At the June 2008 Council meeting, Council considered and agreed that the Council was too small to warrant a separate Audit Committee.

The risk management report discussed in section 4.1 is designed to help support elected members discharge their accountability and governance responsibilities.

4.3

Fraud policy

Recommendation

Revise the fraud investigation section of Council's fraud policy to assign primary responsibility to Council for conducting any investigation into a suspected fraud.

Findings

The Auditor-General expects every public entity to formally address the issue of fraud, and to have in place an appropriate policy on how to minimise fraud and how to deal with fraud if it occurs. Council adopted a fraud policy in February 2008.

We reviewed Council's fraud policy and noted one area for improvement relating to the conduct of an investigation where there is a suspected fraud. The section on fraud investigation identifies three situations (where the fraud involves the Chair or an elected member, the Investigation Leader, or the Chief Executive) where Council's external auditors are said to have primary responsibility for conducting the investigation. In two of these circumstances, this is in consultation with either the Chair or the OAG. We would like to point out that the primary responsibility for an investigation should always rest with Council. It would be inappropriate for the external auditor to assume this responsibility.

In addition, while the external auditors should be informed of all suspected frauds, fraud investigation is a specialised

area. The external auditor may not have the expertise to undertake a fraud investigation.

It would be better for the policy to assign responsibility for conducting any investigation to someone within Council. However, the policy could refer to notifying the external auditor and seeking advice from the auditor and others as appropriate.

Management comment

Your comments are noted and reference to external auditors having primary responsibility for conducting an investigation will be removed and replaced with more appropriate wording.

4.4 Statement of service performance (SSP) supporting documentation

Recommendation

Retain supporting documentation for all achievements reported in the Statement of Service Performance (SSP).

Findings

In auditing selected performance measure achievements reported in the SSP in Council's annual report, we found that in some instances, the supporting documentation was not retained. These had to be recalculated. All documentation should be retained to support the assertions or achievements reported in the SSP.

Management comment

Agreed

4.5 NZ IAS 1: Presentation of Financial Statements

Recommendations

Management review the changes to the standard carefully, well ahead of its adoption, to determine the likely impact of using either a single statement or two statements to report comprehensive income based on the potential impacts on its various stakeholders.

Management review the changes to determine the systems changes that will be required.

Based on the information obtained in the two steps recommended above, make a choice as to whether it reports comprehensive income, that is, all income and expenses, in either a single statement or two statements.

Findings

There are a number of accounting standards that have been issued that are not yet effective. Council has not elected to apply these standards early. One of these standards, NZ IAS 1, *Presentation of Financial Statements*, will impact in the coming year.

The changes apply to the 2009/10 financial year, but can be applied earlier. Because the Council has to prepare its budgets in the same format as its end-of-year financial

statements, the decision on the format to be adopted for the statement of financial performance cannot be left to the end of the 2009/10 financial year. We also note that the LTCCP will have to be prepared using the new format.

The standard will require a new statement of comprehensive income. This statement will include items such as revaluation movements that are currently recognised in the statements of movements in equity. The statement of movements in equity will only include those changes resulting from 'transactions with owners'.

The standard allows for two alternative approaches to the presentation adopted. Council can have one statement (a 'statement of comprehensive income') or two statements (a 'statement of financial performance' and a 'statement of comprehensive income'). Where there are two statements, the second statement would begin with the net result from the statement of financial performance followed by components of other recognised revenues and expenses to determine comprehensive income.

We recommend that management review the changes to the standard carefully, well ahead of its adoption, to determine the likely impact. The key changes and likely impacts of the new standard are discussed further in Appendix 3.

Management comment

The requirements of this accounting standard are noted.

5 Internal controls

5.1 Creditors masterfile changes

Recommendation

Perform an independent review of creditor masterfile changes in a timely manner.

Findings

The creditors masterfile contains the basic data on suppliers that Council has dealt with in the past. This is updated from time to time if these details change or if there are new suppliers. Information within the creditors masterfile provides the basis for payments to creditors. We noted that when changes are entered into the system, these changes are not regularly reviewed.

A regular, independent review of changes to the creditors masterfile for accuracy and appropriate supporting documentation would reduce the risk of fraud and provide assurance that only valid and authorised changes are made to supplier details. For this control to be fully effective, a system generated audit trail of all changes made to creditor masterfiles should be produced.

Management comment

Agreed

5.2 Payroll masterfile changes

Recommendation

Identify back-up staff who can perform internal control checks when those who normally perform them are absent.

Findings

We noted that the payroll audit report for the payroll for the period ended 25 January 2008 was not independently reviewed due to the absence of the Corporate Services Manager. It would be beneficial to identify back-up staff who can perform internal control checks when the person who normally performs this task is away.

Management comment

Agreed. The manager approving the fortnightly payroll will be asked to check the audit trail report and satisfy themselves with regard to the changes reported.

5.3 Review of payroll reconciliations

Recommendation

The payroll reconciliation be signed and dated as evidence of the independent review.

Findings

We noted that the payroll reconciliations for May and June 2008 were not signed as independently reviewed. When the independent reviewer signs and dates the reconciliation, this provides assurance that this check has in fact been completed and in a timely manner.

Management comment

Agreed

Credit card expenditure

Recommendations

Require staff to provide tax invoices to support all credit card purchases greater than \$50.

Approve all credit card accounts on a one-level-up basis.

Findings

We noted that credit card purchases are not always supported by appropriate tax invoices. To meet the requirement of the GST Act 1985, Council needs a tax invoice for all purchases greater than \$50 (GST inclusive) in order to claim GST input tax.

We also noted that credit card purchases are not always approved at a one-level-up basis as set out in the Council's credit card policy. Approval of all credit card purchases at

a one-level-up basis provides Council with assurance that the expenditure is incurred for proper business purposes.

Management comment

Agreed

5.5 Review of journals

Recommendation

Journal entries be independently reviewed on a timely basis.

Findings

At the time of our interim audit visit, we noted that there was a backlog of journals in the journal book that had not yet been reviewed. Reviewing journal entries on a timely basis allows prompt action for any corrections or other adjustments that may be needed.

Management comment

Agreed

6 Information systems

We updated our previous high-level review of Council's IT governance and management arrangements. The scope of our review included system acquisition/project management, security, physical hardware, change management, third party services, data, operations,

configuration, problems and incidents, and end-user computing.

Overall, we consider that Council has appropriate processes in place to manage the key risks in these areas. However, there are several matters arising from the audit that warrant attention.

6.1 User password controls

Recommendation

Network password controls be strengthened.

Findings

Currently, network passwords expire every 90 days, the system does not utilise or enforce complexity rules, it only keeps a password history of 3 previous passwords, and after 5 logon access attempts, a user is locked out but for only 5 minutes.

We do not consider this level of control adequate for the organisation, especially given the heavy reliance placed upon the network logon controls. Weak network, application and operating system security controls could result in unauthorised access to data and systems or a loss of IT services.

The core application and operating system jointly provide features such as password complexity controls, requiring passwords to differ from the login name, and requiring a new password to differ from the previous one by at least 3

characters. However it is our understanding that not all of these features are utilised, and we noted that the minimum password length was set to one character.

We recommend that network password controls be strengthened and consideration be given to:

- Setting the maximum password age to a monthly cycle.
- Setting the minimum password age to at least one day to discourage password reuse.
- Strengthening the minimum password length requirements. We consider 6 characters the basic standard, and for a single sign-on system, 8 characters is more appropriate.
- Setting the password history setting (which restricts the reuse of passwords) to at least 13 if passwords are changed monthly.
- Enabling password complexity requirements.

- Setting the account lockout duration to either one day or requiring the administrator to unlock the account. (Currently a locked account is automatically unlocked after 5 minutes). We consider that requiring the administrator to unlock the account is the preferred option. Given the potential impact upon IT resources, the level of

time involved should be monitored over a period of time to assess the risks, costs and benefits.

- Setting the reset account lockout counter to a period that discourages repeated attempts to log on, such as one day.

We suggest that any changes be implemented on an incremental basis so as to manage helpdesk activity and not alienate users.

Management comment

Your recommendations will be considered. The password control regime operated by this Council must take into account IT staffing levels.

6.2 Server room security

Recommendation

Consideration be given to improving access security for the server room.

Findings

Council has a server room to store and protect key IT hardware. However we observed during our review that the room is locked with an ordinary key and the storage place for the key is easy to guess and is accessible to non-IT personnel. Security could be improved by either:

- installing an electronic lock (with access limited to IT staff);
- giving each member of IT staff a separate key that would be stored in a place not accessible to others; or
- putting the shared key in a place where access is restricted.

Inadequate server room security may allow unauthorised people access to this sensitive area, potentially compromising the integrity and safe operation of Council's information systems. If someone can gain physical access to an IT system (for example the core application server in the computer room), it is highly likely that unauthorised access at a logical level can also be gained without a great degree of difficulty.

Management comment

Noted. The common access key has been removed.

6.3 Service level agreement with service providers

Recommendation

Formal service level agreements (SLA) be put in place between the system vendors (ACS and IMS) and Council. In some circumstances a Memorandum of Understanding (MOU) may be more appropriate than a contract.

Findings

We note that there is no formal service level agreement in place with the vendors of the ACS and IMS systems. We are also not aware of Council having any vendor management policy or a requirement to have a formal support contract with the vendors.

Not having a formal SLA increases the risk of expectations not being met and service delivery that is needed or is being paid for, not being received. A SLA would also allow IT staff to implement some form of service level monitoring. Council management should establish the level of responsibility and duties given to ACS and IMS. In addition performance measures should be set up to safeguard the organisation against under performance and provide incentives for ACS and IMS to maintain or exceed the desired performance level.

Management comment

Noted. We actually have a support agreement with "Accent". IMS payroll is a small off the shelf package and we doubt whether they would commit to a Service Level Agreement.

6.4 Storage of back-up tapes

Recommendation

Store all computer back-up tapes in a secure off-site location. Consider introducing encryption of the data that is copied to the backup tapes.

Findings

Backups are currently being stored at an employee's home. While all backups should be stored off-site, these files should be kept at a secure site to ensure that the privacy and security of business information is maintained.

In addition, the contents of the tapes are not encrypted. Encryption would reduce the risk of unauthorised access to information, even if someone gained physical access to the backup tapes.

Management comment

Noted. We are investigating alternative secure off site storage options.

7 Status of issues raised in previous management reports

Appendix 2 details the current status of each item that was outstanding at the end of the 2006/07 audit. Table A details the outcome of items now cleared. Table B details the current status of issues that have not yet been fully addressed.

8 Reviews on behalf of the Auditor General

We completed the reviews required by the Auditor-General, as set out in our audit arrangements letter, and cleared them with appropriate members of your

management team. Appendix 1 sets out the results of the reviews.

There were no issues that need to be brought to your attention.

9 Unadjusted misstatements

The financial statements are free from material misstatements, including omissions. We are aware that you have not identified any misstatements during the course of your audit that have not been adjusted.

10 Statement of auditor independence

We confirm that, for the audit of the financial statements of the Council for the year ended 30 June 2008, we have maintained our independence in accordance with the requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

Other than the audit, we have not provided any engagements for the Council during the year ended 30 June 2008. In addition, we have no relationships with, or interests in, the Council.

10.1 Unresolved disagreements

We have no unresolved disagreements with management about matters that individually or in aggregate could be significant to the financial statements. Management has not

sought to influence our views on matters relevant to our audit opinion.

10.2 Other relationships

We are not aware of any situations where a spouse or close relative of a staff member involved in the audit occupies a position with the Council that is significant to the audit.

We are not aware of any situations where a staff member of Audit New Zealand has accepted a position of employment with the Council during or since the end of the financial year.

Appendix 1: Details of reviews on behalf of the Auditor-General

Issue	Status/findings
Local Authority Exemptions for CCOs	<p>We have been asked to advise the OAG on Council's use of Section 7 of the Local Government Act 2002. Under section 7 of the LGA 2002, a local authority may exempt a "small" CCO from the accountability regime that applies to CCOs under that Act.</p> <p>Council has not used Section 7 as it does not have any "small" CCOs.</p>
Annual Report Adoption and Public Release Dates	<p>We have been asked to note the dates that the Council adopts its annual report, and makes the full and summary annual reports available to the public.</p> <p>This information will be forwarded to the Office of the Auditor General.</p>

*Draft for clearance/discussion purposes only. Not to be quoted without permission of the author.
To be returned to Audit New Zealand after finalisation of the management letter.*

Appendix 2: Status of issues reported after the 2006/07 audit

Table A: Issues cleared

Issue	Recommendation	Current status
Fraud policy		
Council did not have a fraud policy.	The Regional Council formalise a fraud policy.	A fraud policy was adopted by Council in February 2008. Refer to section 4.3 of this report.
Credit card policy		
Council did not have a credit card policy	Adopt a formal credit card policy.	A credit card policy has been adopted.
Journals		
There was no independent post input check performed for journal entries. Having a post input check reduces the risk of errors and/or manipulation of financial information occurring and remaining undetected.	Implement an independent post input check for journals	The Team Leader Corporate services will now review journals prepared by the Corporate Service Manager and other staff. He will review her journals.
Credit notes		
We noted that there was no independent review of credit notes issued. Since credit notes can be used to cancel debts and potentially be abused to manipulate financial records, it is important that they are well controlled. An independent review gives assurance that credit notes are raised for a proper purpose.	Credit notes be independently reviewed.	The Corporate Service Manager has advised that these are now independently reviewed.

Issue	Recommendation	Current status
Creditors and debtors reconciliations		
<p>Creditors and debtors reconciliations were not always prepared and independently reviewed on a monthly basis during the year. It is good practice that these reconciliations are prepared on a monthly basis and independently reviewed. The timely preparation and review of reconciliations assists in providing assurance that any variances are followed up promptly.</p>	<p>Creditors and debtors reconciliations be prepared and independently reviewed on a regular basis.</p>	<p>The Corporate Service Manager has advised that this is now occurring.</p>
Bank reconciliations		
<p>Reconciliations were not signed by the preparer at all during the year and reconciliations for July and October reconciliations had no evidence of review.</p>	<p>Prepare and review bank reconciliations on a timely basis.</p>	<p>These have been prepared and reviewed.</p>
Reconciliation of fixed asset register with general ledger		
<p>Historically the cost and accumulated depreciation figures in the general ledger did not correspond to those in the financial statements or the fixed asset register. The fixed asset register records additions, purchases, disposals and the calculation of depreciation expense charge. The cost and accumulated depreciation figures in the general ledger were made up of various items from the fixed asset register which were not necessarily in the same category.</p>	<p>Update the general ledger for fixed assets classes to balance with the FAR on a category by category basis.</p>	<p>Now in balance and reconciliations are performed on an asset class basis.</p>

Issue	Recommendation	Current status
<p>IS – No formalised IT/IS strategy</p> <p>There was no strategy in place to cover the IT architecture, systems or technology required to support the Council's operations over the next 10 years or beyond. This may lead to, too much emphasis on day-to-day computer operational issues and ad hoc decision-making regarding IT expenditure, resulting in the information systems resources not being aligned to the strategic objectives of the Council.</p>	<p>Develop a Corporate IS/IT Strategic Plan for the Council. Seek submissions from each of the business units to assist in determining the desired level of support to provide assurance the plan addresses the prioritised needs of the Council.</p>	<p>An Information Technology Delivery Strategy was prepared 5 February 2008.</p>

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Table B: Outstanding issues

Issue	Recommendation	Current status
<p>Councillor expense claims</p> <p>The Corporate Services Manager reviews and approves expense claims of all Councillors. Best practice is for one up approval of expense claims. We understand this is applied to Council operational areas, it is recommended it is also applied to claims made by Council members.</p> <p>In addition to the above, there were two instances relating to credit card purchases made by Councillors where no supporting documentation was retained. The Goods and Services Tax Act 1985 requires holding a tax invoice for purchases greater than \$50 where input tax is claimed.</p>	<p>Implement a process of one up approval of Councillor claims.</p>	<p>Instances were noted where credit card statements and expense claims were not authorised on a one up basis.</p>
<p>IS – development of project management guidance</p>		
<p>Project management guidance could be enhanced to provide assurance all project risks are adequately managed. There was evidence that recent projects, managed by external project managers, had employed good project disciplines. The lessons and experiences learnt from these could be used to develop project management guidance for the organisation.</p>	<p>Develop formal guidelines to provide assurance all projects the organisation undertakes address the necessary project risks in a consistent manner.</p>	<p>We are not aware of any formal guidelines having been developed.</p>

Issue	Recommendation	Current status
<p>Creditors masterfile change control</p> <p>Information within the creditors masterfile is the basis on which payments are made (e.g. bank account details for electronic payments). The receptionist had access to make changes to supplier masterfiles, There was no independent review of these changes prior to creditor payments. An independent check would provide assurance that this process is effectively controlled. The check would include both the accuracy of input and that adequate documentation is available.</p>	<p>Perform an independent review of creditor masterfile changes in a timely manner.</p>	<p>Monthly creditor masterfile change reports were printed. However, there was only one month where this report was reviewed by the Corporate Services Manager.</p>

Appendix 3: NZ IAS 1, Presentation of Financial Statements

The Accounting Standards Review Board has adopted the changes to the New Zealand equivalent of International Accounting Standard 1 (NZ IAS 1: *Presentation of Financial Statements*), to apply for reporting periods commencing 1 January 2009 for all entities. Early application is permitted.

Key Changes

1. The changes continue the movement to report comprehensive (economic) income rather than 'traditional accounting profit'. Entities will be required to report comprehensive income, that is, all income and expenses, in either a single statement or two statements.
2. As a consequence entities will be prevented from presenting non-owner changes in equity in the statement of changes in equity.
3. If all non-owner changes in equity are presented in a single statement, this is referred to as the 'statement of comprehensive income'.
4. If the non-owner changes in equity are presented in two statements, these are referred to as the 'income statement' or 'statement of financial performance' and the 'statement of comprehensive income'. The second statement would begin with profit or loss and display components of other recognised income and expense to determine comprehensive income.

5. Income tax relating to each component of comprehensive income is required to be disclosed. The purpose is to provide readers of the financial statements with tax information relating to the individual components as they often have tax rates that are different from those applied to profit or loss. However, qualifying entities electing to account for income tax under the income taxes payable method are permitted to disclose the aggregate amount of income tax relating to components of other comprehensive income rather than the income tax relating to each component.

6. Reclassification adjustments relating to components of comprehensive income are required to be disclosed. Reclassification adjustments are amounts reclassified to profit or loss in the current period that were recognised in comprehensive income in previous periods. For example, the gain on sale of an available-for-sale financial instrument where the recognition of the gains had been deferred in 'traditional accounting profit' but included in comprehensive income in previous periods.

7. The new standard introduces a requirement to include a statement of financial position (balance sheet) as at the beginning of the earliest comparative period whenever an entity retrospectively applies an accounting policy or makes a retrospective restatement of items in the financial statements, or when it reclassifies items in the financial

- statements. This effectively means that an entity has to present three balance sheets when it retrospectively applies an accounting policy change or reclassifies items.
8. Public benefit entities can claim an exemption for the requirement in 7 above.

Impacts

1. The changes build on the current requirement to disclose 'net income recognised directly in equity' and 'total recognised income and expense' in the statement of changes in equity. However, these measures of financial performance are generally not highlighted in reviewing and analysing the results of entities.
 2. Accounting for comprehensive income using the two options in the revised standard and the additional disclosures, may require systems changes including changes to spreadsheets. The systems changes required may extend to management reporting systems depending upon the financial reporting packages used and what profit measures are to be reported.
 3. The changes have the potential to complicate longer term financial planning if an entity chooses to report comprehensive income using the single statement approach. The added complication arises from having to accurately forecast reclassification adjustments and other non-owner changes in equity currently reported in the statement of changes in equity, in order to determine the 'bottom line'.
4. The amounts reported in comprehensive income may be significantly different from those reported in the income statement. This will especially be the situation for entities with significant infrastructure assets that are accounted for under the revaluation approach. The increments and decrements at each revaluation will be reported in comprehensive income when only none or some of these increments and decrements will be recognised in the income statement until the assets are disposed of.
5. An entity has a choice to make as to whether it reports comprehensive income, that is, all income and expenses, in either a single statement or two statements.