

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 **Thursday, 14th July 2011**

B.CHINN
CHAIRPERSON

M. MEEHAN
Planning and Environmental Manager
C. DALL
Consents and Compliance Manager

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THE WEST COAST REGIONAL COUNCIL**MINUTES OF THE MEETING OF THE RESOURCE MANAGEMENT COMMITTEE
HELD ON 14 JUNE 2011 AT THE OFFICES OF THE WEST COAST REGIONAL COUNCIL,
388 MAIN SOUTH ROAD, GREYMOUTH, COMMENCING AT 10.30 A.M.****PRESENT:**

B. Chinn (Chairman), R. Scarlett, D. Davidson, A. Robb, A. Birchfield, I. Cummings

IN ATTENDANCE:

C. Ingle (Chief Executive Officer), M. Meehan (Planning & Environmental Manager), C. Dall (Consents & Compliance Manager), R. Mallinson (Corporate Services Manager), T. Jellyman & A. Mahuika (Minutes Clerks)

1. APOLOGIES

Moved (Robb / Davidson) *that the apologies from F. Tumahaj, T. Archer, T. Scott, be accepted.*

Carried

2. PUBLIC FORUM

There was no public forum.

3. MINUTES

Cr Birchfield drew attention to page four of the minutes relating to the recommendation for the bond release. He stated that it is VH Mining Ltd and not DH Mining Ltd. (see May minutes for the handwritten correction).

Moved (Robb / Birchfield) *that the minutes of the previous Resource Management Committee meeting dated 10 May 2011, be confirmed as correct, with the correction included.*

Carried

Matters Arising

There were no matters arising.

4. CHAIRMAN'S REPORT

Cr Chinn reported that he attended the Regional Land Transport Strategy hearing on the 17th of May. He stated that this was interesting and some good points came out of this hearing. Cr Chinn advised that he attended the meeting on the 26th of May which was part of Dr Nick Smith's, Minister for the Environment, visit to the West Coast. Cr Chinn stated that he attended the Regional Land Transport Committee meeting on the 27th of May. Cr Chinn also attended the annual plan hearing and workshop on the 31st of May.

Moved (Chinn / Birchfield) *that this report is received.*

Carried

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

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M. Meehan spoke to this report advising that the time period to hold hearings and release decisions on the Wetlands – Variation 2 has been extended out by two years this is due to matters that are currently before the court.

M. Meehan reported that the Environmental Protection Authority Act (EPA) was passed by Parliament on the 11th of May. He advised that this now establishes the new EPA as a stand-alone crown agent from the 1st of July 2011.

M. Meehan advised that staff are still analysing impacts for this council of the new National Policy Statement for Freshwater. M. Meehan will report to council on this matter shortly.

M. Meehan reported that there is now a new National Environmental Standard for Assessing and Managing Contaminants in Soil to Protect Human Health. He advised that this new standard requires district councils to control land use changes, subdivision and disturbance of soil affected or potentially affected by contaminants. M. Meehan advised that this council did not submit on the proposed NPS, final regulations are still to be drafted.

M. Meehan reported that new EEZ (Exclusive Economic Zone) and ECS (Extended Continental Shelf) legislation has been approved by Cabinet. He advised that the EEZ legislation aims to manage the adverse affects of currently unregulated activities in the EEZ and ECS zones. This will include the construction of petroleum platforms, seabed mining, aquaculture structures, carbon capture and storage, and marine energy generation structures, which will then allow the classification of activities. M. Meehan advised that the new EPA would consider, approve or decline consent applications under the new legislation.

M. Meehan reported that the first draft of the Surface Water Quality SoE report is currently being reviewed by staff and will be presented to council soon.

M. Meehan advised that Resource Science staff are investigating the Blackball Mine discharge with assistance of Envirolink funding, to what can be done to mitigate the impacts of the historical discharge into Ford Creek.

M. Meehan reported that heavy rainfall event of the 25th and 26th of May resulted in the Buller, Grey and Waiho rivers all going through their alarm levels. He stated that this rain event was mainly coastal.

M. Meehan reported that an upgrade of the rainfall site for the Styx River at Mount Browning has been completed. He advised that this new site is 100 metres from the old site and after six months the old site will be relocated once the new site is up and running.

M. Meehan drew attention to the Flood Report for the 27th and 28th of December 2010 weather event a copy of which was circulated with the agenda papers. He advised that the flood report contains information relating to rainfall data, return periods, river levels, flood damage and anecdotal information from the community.

Cr Davidson spoke of the discolouration of Lake Mahinapua. He asked M. Meehan to explain what causes this brownish colouring. M. Meehan advised that this is a natural occurrence but staff are investigating the characteristics of CDOM (coloured dissolved organic matter) and how this affects water clarity, and the trends over the last few years. Cr Davidson asked if there is a connection between CDOM and farming. M. Meehan discounted this. Cr Birchfield stated that council should be looking at all West Coast lakes and comparing the levels of all the nutrients and clarity concerns instead of looking at just Lake Brunner on its own. Cr Birchfield feels that the farming community could be being blamed for something they are not responsible for. M. Meehan advised that all lakes have been investigated for water quality matters with the help of Envirolink funding. C. Ingle stated if the level of monitoring being done in Lake Brunner were to be duplicated across another ten West Coast lakes then this would cost the ratepayer an enormous amount of money. C. Ingle stated that funding resources need to be put into those areas that are most likely to be impacted by human activities. Cr Davidson asked if DoC is doing any monitoring of water quality in these lakes. C. Ingle responded that they don't, as this would be taxpayer money being wasted.

Moved (Birchfield / Davidson) *that this report and the December 2010 Flood Report is received.*

Carried

5.1.2 CIVIL DEFENCE & REGIONAL TRANSPORT REPORT

C. Ingle spoke to this report advising that following a meeting of the Welfare Advisory Group, Red Cross are changing their focus and structure a little bit. C. Ingle stated that this is as a result of their experiences with the February Canterbury earthquake. C. Ingle advised that as a result of the serious aftershocks in Christchurch yesterday, the civil defence group here is on standby but at this stage assistance has not yet been requested.

C. Ingle reported that the West Coast Engineering Lifelines Group met on the 2nd of June and they are looking at a number of actions to follow up after the Canterbury earthquake experience.

C. Ingle reported that there has been quite a lot of activity with Regional Transport. He advised that the Regional Transport Strategy submissions process has now been completed. C. Ingle advised that NZTA have now put a plan out for improving the Mingha Bluff to Rough Creek realignment. C. Ingle reported that this council has made submissions in support of this upgrade. He stated that the next step would be to see if funding could be obtained for the upgrade.

C. Ingle reported that improvements are being sought for the Taramakau Bridge to see if this can be improved for Westland Wilderness Cycle Trail. C. Ingle reported that Francois Tumahai has been appointed as a cultural representative to the Regional Transport Committee. Mr Tumahai will take the lead role with Terry Scott becoming the alternate.

C. Ingle advised that he is seeking council's approval to make the surveying on total mobility satisfaction a two yearly process rather than an annual process.

Moved (Scarlett / Davidson)

1. *That the Council accept the nomination to the RTC of the Te Runanga o Ngati Waewae representative and the Te Runanga o Makaawhio alternate, on the Council's Regional Transport Committee.*
2. *That Council move to two-yearly surveying on total mobility satisfaction and defer the annual plan reporting requirements for 2010 / 11 until 2011/12.*

Carried

5.1.3 CIVIL DEFENCE - FUEL REPORT

C. Ingle spoke to this report advising that Cr Davidson had requested a copy of this report at the last council meeting. C. Ingle stated that staff have read through this report again and most actions have been followed up on but there is some guidance at the national level which needs attention. He noted that this report was prepared three years ago and he feels it is now timely that the Lifelines Group is asked to revisit these future actions to ascertain where to from here. Cr Davidson stated that this is an excellent report and that fuel is the most important resource to assist with the response and recovery in a major event. He feels we are right on the edge of this at the moment and it is important that fuel storage on the West Coast is pushed. Cr Davidson stated that diesel storage is very important in order to get key industries up and running again on the West Coast in the event of a disaster. Cr Cummings agreed with Cr Davidson. Cr Cummings feels that the fuel companies should be approached and that council should write to the fuel companies regarding this.

Moved (Cummings / Davidson) *that Council write to the fuel companies outlining concerns regarding fuel storage on the West Coast.*

Carried

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

Carried

5.1.4 ADOPTION OF THE WEST COAST REGIONAL LAND TRANSPORT STRATEGY AND REGIONAL PUBLIC TRANSPORT PLAN

C. Ingle spoke to this report advising that this is the final step of the Land Transport Strategy adoption with the Regional Land Transport Committee process, submissions and hearings and decisions being complete. C. Ingle stated that this is now the way forward for the next thirty years. Cr Birchfield drew attention to the amount of money being spent in the future on cycling. Cr Birchfield stated that this money comes from the road user, and money is being taken from the motorist to use on cycling. Cr Scarlett stated that there are health benefits with cycling and there has been strong representation on the regional transport committee supporting cycling. C. Ingle stated that he understands that the funding is more for the cycleway projects that Westland District and Grey District councils are undertaking and this is related to the government policy on walking and cycling strategies. Cr Birchfield stated that this is money that the motorist pays through fuel tax and road user charges that the cyclist doesn't pay. Cr Birchfield is not in favour

of this as there are a lot of one way bridges that need replacing on State Highway 73 and he would rather see money spent on these bridges than on cycling.

Cr Davidson drew attention to the government's focus on "Roads of National Significance", in terms of funding priorities. Cr Davidson stated that there are no roads of national significance on the West Coast and he feels this is unfair. C. Ingle stated that there is only one road of national significance in the whole of the South Island and that is the motorways in Christchurch and the rest are in the North Island. Cr Scarlett stated that there has been a lot of representation on this matter particularly in provincial areas. Cr Scarlett gave the example of Southland having a huge economic benefit to their region and yet they to are on the same par as the West Coast because they do not have any roads of national significance. Discussion ensued on this topic and the economic benefits and advantages and disadvantages in other areas.

Moved (Robb / Scarlett)

That Council adopt the West Coast Regional Land Transport Strategy, and the Regional Public Transport Plan which is included as a chapter to the Strategy, pursuant to section 79(2)(a) of the Land Transport Management Amendment Act 2008 and section 9 (1) of the Public Transport Management Act 2008.

Carried

5.2 CONSENTS AND COMPLIANCE GROUP

5.2.1 CONSENTS MONTHLY REPORT

C. Dall spoke to this report advising that the joint hearing for Buller Coal Ltd consent applications for its proposed Escarpment Mine is currently taking place in Westport. Cr Archer is chairing this hearing, which should be completed by next week.

C. Dall reported that the appeals related to Solid Energy NZ Ltd proposed hydropower scheme on the Denniston Plateau have now been resolved. He advised that the a draft consent order resolving the appeals was lodged with the Environment Court and approval of the consent order is now awaited. Cr Scarlett asked what stage is the Mokihinui Hydro project consenting process at. C. Dall responded that timetable issues are currently being worked through and the hearing is unlikely to take place before mid 2012. C. Dall advised that Meridian is currently gathering further information in relation to their proposal including undertaking a Buller district wide assessment of outstanding natural features and landscapes.

Moved (Robb / Scarlett) *that the June 2011 report of the Consents Group be received.*

Carried

5.2.2 COMPLIANCE & ENFORCEMENT MONTHLY REPORT

C. Dall spoke to this report. He drew attention to two minor mistakes in his report. C. Dall reported that most farms have now ceased milking for the season.

C. Dall advised that OceanaGold Ltd have reported that they have discovered a sediment laden water seep from the embankment of the tailings dam at the mine site. He stated that the prompt remedial action was taken the company now seeking further advice to get to the root of the problem. C. Dall advised that further reports are awaited but at this stage it does not like there were any significant adverse affects.

C. Dall reported that staff are currently investigating a consent breach at the Roa Mining Company Ltd mine site.

C. Dall reported that there has been a number of complaints received relating to alluvial gold mining operations which staff are following up on. He advised that there have also been a number of breaches of permitted activity rules.

C. Dall reported that the Council's / Crown hearing for the prosecution against Mr Derek Newton for the alleged illegal works in the bed of the Taramakau River and the sentencing hearing for Mr Paul Stewart for an illegal discharge of dairy effluent to water took place a couple of weeks ago.

C. Dall advised that in the Newton case the Judge needed to rule on two points of law before the jury could proceed. C. Dall advised that after hearing these two points of law the Judge ruled that the Jackson consent did not allow for the works done and the bed of the Taramakau River was where the council had identified it to be. Following this the Crown Prosecutor and Mr Newton's

lawyer met and an agreement was made which resulted in Mr Newton pleading guilty to two of the six charges laid against him. C. Dall advised that a Disputed Facts Hearing would take place in September regarding the effects of the illegal works.

C. Dall reported that regarding Mr Stewart's case of illegal dairy discharge, Mr Stewart was fined \$25,000.

C. Dall reported that a reasonable number of work programmes for mining have been received during the reporting period.

C. Dall reported that an oil spill occurred in the Westport harbour the same day that council staff were attending an oil spill response training session. He stated that staff deployed booms and absorbent pads to contain the spill. C. Dall stated that enforcement action is still being considered.

Cr Scarlett asked C. Dall what ramifications does the disputed facts hearing in Mr Newton's case have on the Judge's ruling. C. Dall responded that the ruling is a matter of sentencing and the facts that are in dispute are the actual and potential effects of the river works. Cr Davidson stated that his understanding was that the bank Mr Newton built did not have resource consent. C. Dall advised that Mr Newton was claiming that he was doing works under Mr Jackson's 1996 consent for a series of rock groynes. C. Dall stated that council believed that this was not the case and presented evidence to that effect and the Judge was satisfied that the consent didn't apply to the Newton works. Cr Davidson stated he was under the impression that council could be legally responsible for any effects to land owned by property owner's downstream if council is aware that these works had been carried out without resource consent. Cr Davidson asked if this is correct. C. Dall clarified council has a general duty of care to uphold the law, under its legislation and part of this is to ensure that appropriate enforcement action is taken in relation to non-compliance. Cr Scarlett gave an historic example of a similar case that council had experience with. Cr Davidson stated that he made his decision on the prosecution in this case, in good faith. He felt that he had acted responsibly and he does not always vote in favour of prosecutions but he is disappointed that decisions on prosecutions have come out in the newspapers and the full facts as they were discussed in committee were not given. Cr Davidson stated that he took an oath when he came onto council that he would act in a manner to the best skill of his judgement. He stated that in this case it has seemed like the council was split on the issue. Cr Cummings stated that they weren't split. Cr Davidson stated that he is not prepared to breach confidentiality, but he cannot recall that anyone voted against this case. Cr Birchfield stated that council voted to prosecute Mr Newton if he did not remove the wall. Cr Birchfield stated that Mr Newton did remove the wall but the case still went ahead. Cr Scarlett stated that Mr Newton did not remove the wall completely. Cr Scarlett stated that the most disturbing thing that he read in the newspaper was that Cr's Birchfield and Cummings implied that they were against prosecutions. Cr Scarlett stated that predetermination is wrong in law. Cr Scarlett stated that as Councillors, you need to look at the facts, be impartial and clear on decisions and by being predetermined against prosecutions, fairness is then not applied. Cr Birchfield suggested that Cr Scarlett goes back through the minutes as he has voted for prosecutions when it is the end of the line and where necessary. Cr Birchfield stated that he feels council has an agenda for prosecuting ratepayers and he does not agree with this. Cr Scarlett stated that this is not an agenda and is Cr Birchfield's view and this is an incorrect view. Cr Scarlett stated that as a council, the facts are looked at and advice is taken from staff. Cr Scarlett feels we are a pretty lenient council when you look at the rest of New Zealand and we are fair to people. Cr Scarlett stated that the first step with enforcement action is to help get things right, then abatement, then fines and then if things are still not put right then council has a duty of care and a statutory obligation to ensure that council carries out the functions that it is here for. Cr Scarlett stated that to be reported in the newspapers as saying that I am against prosecutions and I am not going to prosecute anyone is a predetermination. Cr Birchfield stated that it was not reported like that. Cr Cummings stated that it was not reported that Mr Newton was arrested and put in Christchurch prison for the night and then sent to Paparoa Prison for another two nights. Cr Scarlett asked what was the reason for this. Cr Cummings said that this was because the prehearing was close to Easter. Cr Scarlett stated that he was of the understanding that Mr Newton failed to turn up at court and the Judge ordered his arrest. Cr Robb queried if this should be being discussed at this meeting. Cr Robb stated that the thing that disturbs him the most is Cr Cummings's comment in the newspaper saying that "they (councillors) are scared if they don't do something (prosecute), then council will be disbanded and that is what we want". Cr Robb asked Cr Cummings if this statement is true. Cr Robb asked Cr Cummings why is he sitting on this council if he wants it disbanded. Cr Robb asked Cr Cummings if he felt this was ethical? Cr Robb drew attention to Cr Scarlett comments about the fact that Cr Cummings is predetermining his views based on the fact that he wants to get the council disbanded. Cr Robb asked Cr Cummings if he is trying to undermine the council

by making poor decisions? Cr Robb reminded Cr Cummings that he was not even on the council when the Newton decision was made. Cr Robb noted that Cr Cummings did not name the other councillor who was on council at the time of this prosecution. Cr Cummings stated that he did not like the media article. Cr Robb responded that Cr Cummings commented to the newspaper, so either Cr Cummings has been misrepresented or the newspaper is totally wrong. Cr Chinn stated that there is a general feeling that council should use fining system more before they go to prosecution and he feels that the fine system is like speeding tickets, if you get enough of them, you soon get the message to do the right thing.

Moved (Robb / Birchfield) *that the June 2011 report be received.*

Carried

6.0 GENERAL BUSINESS

There was no general business.

The meeting closed at 11.25 a.m.

.....
Chairman

.....
Date

THE WEST COAST REGIONAL COUNCIL

Prepared for: Council Meeting – 14 July 2011
Prepared by: Michael Meehan – Planning & Environmental Manager
Date: 29 June 2011

Subject: PLANNING & ENVIRONMENTAL MANAGER'S MONTHLY REPORT

PLANNING

The West Coast Waste Management Working Group reconvened on 9th June to discuss ideas for a regional waste minimisation project that is suitable to apply for funding for from the government's Waste Minimisation Fund. The Group agreed to seek funding to have an analysis done of the volume and type of waste brought to the three main landfills. The analyses will provide information about the waste stream to help District Council's prepare their Waste Management Minimisation Plans, which are required under the Waste Minimisation Act 2008.

There is a separate report concerning the Freshwater National Policy Statement.

We have received the High Court's decision in the recent case Council took appealing against the Environment Court's interim decision on ecological criteria for significance for West Coast wetlands. The Court did not accept the Council's legal arguments and has dismissed the appeal.

RESOURCE SCIENCE

The draft State of the Environment Report for surface water quality is undergoing an internal and external review before submitting it to Council. Staff will workshop the report with the Councillors once this is complete.

Continuous monitoring of the Blackball Mine discharge is underway. Water chemistry will be compared to flow rates with the objective of better quantifying potential for remediation.

Flood Warning

The Waiho River was above its alarm or close to its alarm threshold from 5/6/2011 until 15/6/2011 and again between 18/6/2011 and 23/6/2011. This is again due to the large build up of gravel in the Waiho River. Currently the Waiho Bridge is being raised and the flood warning site on the south side of the River is being relocated, Council staff are working closely with NZTA contractors and no major disruption to flood warning service is expected.

Waiho River warnings were issued on:

- 5/6/2011,
- 6/6/2011,
- 18/6/2011 and
- 23/6/2011.

Despite the long time period over which the alarm was above its threshold, these are being reported as four events, not as a single flood event.

RECOMMENDATION

That this report is received.

Michael Meehan

Planning & Environmental Manager

THE WEST COAST REGIONAL COUNCIL

Prepared for: Council Meeting – 14 July 2011
Prepared by: Michael Meehan – Planning & Environmental Manager
Date: 29 June 2011

Subject: REPORT ON FRESHWATER NATIONAL POLICY STATEMENT

Purpose

The purpose of this report is to introduce the recently released National Policy Statement (NPS) on Freshwater Management and to provisionally outline the implications for Council. Attached is a copy of the NPS for member's information. Also attached to this report is a short analysis of the West Coast Regional Council's submission on the NPS and a summary of how our submission has been given regard to.

Key Points

- The Government has issued a NPS on Freshwater Management under the Resource Management Act 1991 (RMA). The NPS takes effect from 1 July 2011. Councils planning documents must give effect to the NPS.
- The NPS sets out the vital importance of managing water quality and quantity well to achieve the purposes set out in the RMA. The NPS provides national direction in the area of water quality and quantity.
- Under the NPS Council's are required to set their own freshwater quality limits and set environmental flows and levels for all water bodies.
- Through its Proposed Land and Water Plan, Council has set limits on water quality in the Lake Brunner catchment. It has also set aquatic and contact recreation standards as per the Third Schedule of the RMA, for contact recreation sites identified in the plan and all other water bodies.

Background

On 20 September 2008 a Board of Inquiry released the Proposed NPS for Freshwater Management and called for public submissions by 23 January 2009. The West Coast Regional Council made a submission.

On 28 January 2010 the Board of Enquiry reported back to the Minister for the Environment recommending a significantly revised NPS which focused heavily on protection of intrinsic values and natural character of freshwater. The Minister did not recommend approval of the revised NPS at that point, instead he forwarded the Board's report and the NPS to the Land and Water Forum (established in June 2009) and asked them to comment as part of their work on the Government's New Start for Freshwater programme.

In September 2010 the Land and Water Forum provided Ministers a report containing 53 recommendations including one that a NPS on freshwater be promulgated quickly.

On 12 May 2011 the Government issued, by notice in the Gazette, the NPS on Freshwater Management 2011 (the NPS). The purpose of the NPS is to set out '*objectives and policies that direct local government to manage water in an integrated and sustainable way, while providing for economic growth within set quantity and quality limits*'.

In releasing the NPS, the Government has also announced initiatives which will pump money into community irrigation schemes and clean up funds for communities with historic water pollution problems.

The NPS for Freshwater Management

The NPS endorses the role of Regional Councils in freshwater management. It could be seen as a vote of confidence in Regional Council's to manage our most important resource.

The NPS allows Council's to set their own water quality limits and environmental flows which acknowledges there are major regional differences in terms of water management requirements and options.

The NPS allows Council's to phase in the changes to policy statements and plans. Where it is not practical for a Regional Council to fully implement a policy by 31 December 2014, the Council may implement it by a programme of defined time limited stages by which it must be implemented by 31 December 2030 (with any time limited stages to be formally adopted by November 2012).

Content of the NPS

The NPS begins with a preamble which provides a context for the document. The key purpose of the document is to set enforceable water quality and quantity targets which give effect to the policies and objectives in the NPS.

The core provisions in the NPS are contained in the sections which deal with Water Quality, Water Quantity, Integrated Management, Tangata Whenua roles and Progressive Implementation.

1. Water Quality

- The section on water quality contains two objectives and four policies.
- The objectives provide for the protection of water quality and requires the overall quality of water in a region to be maintained or improved.
- These are similar objectives to the Councils Proposed Land and Water Plan.
- The policies contained in this section require Council's to set out limits for water quality in all water bodies in its region. The NPS does not state what these limits should be.
- Council has established water quality limits for its key water body Lake Brunner, and it could be argued that it has established policies that set limits in its contact recreation sites and all other water bodies (albeit generically for all other water bodies).
- It would neither be an efficient use of resources to undertake sampling in every single water body in our region to set targets based on that particular water body's water quality. We do not monitor every water body in any case. The limits set in Lake Brunner have been established based on over a decade of intensive water sampling and monitoring.
- A pragmatic approach might be to set water quality limits in the catchments where we have enough information, and continue to apply a more generic objective for the rest.
- Policy A3 requires council's to impose conditions on discharge permits to ensure the limits and targets specified under Policies A1 and A2 can be met, and where permissible, make rules requiring the adoption of the best practical option to prevent or minimise adverse effects on the environment from any discharge.
- The policies seem to direct Council's to require the best practical option to be required for any discharge. In the Lake Brunner catchment the policies are strongly worded towards land application of effluent in preference to discharges to water due to the lesser environmental effects that land application in this catchment has.

2. Water Quantity

- This section contains four objectives and seven policies.
- The objectives require the efficient allocation of water whilst protecting the life supporting capacity, ecosystem processes and indigenous species. It requires the phasing out of existing over allocation. There is also an objective which protects significant values of wetlands.
- It is clear that these objectives are aimed at regions with high water allocation pressures and low rainfall. The West Coast region has minimal pressure on our water resource, in terms of flows.
- Council has policies for water allocation that protect in stream values. Council has addressed the requirements it would seem in managing water allocation, however it should look at the areas where there is increasing water abstraction to ensure that it is protecting these values through its policies.

3. Integrated Management

- This section contains one objective and two policies.

- The objective is to improve integrated management of freshwater and land including the interaction between fresh water, land and the coastal environment.
- The policies require regional councils to manage fresh water and land in an integrated and sustainable way so as to avoid, remedy or mitigate adverse effects, including cumulative effects.
- This section establishes high level policy to recognise the interactions between land use and water. These effects are well recognised in the Council's policy documents.

4. Tangata Whenua roles and interests

- This section contains one objective and one policy.
- The objective provides for the involvement of iwi and hapu to ensure that Tangata Whenua values and interests are identified and reflected in the management of freshwater
- Policy D1 requires local authorities to take reasonable steps to involve iwi and hapu in the management of freshwater.
- The Council gives effect to iwi and hapu values through its planning policies which outline culturally significant areas.

5. Progressive Implementation Programme

- This section contains one policy, Policy E1 which requires all regional councils to implement the policy as promptly as is reasonable in the circumstances so that it is fully implemented by 31 December 2030.
- However, if a regional council decides it is impractical for it to complete implementation of a policy by 31 December 2014, Policy E1 provides that the council may implement it by a programme of defined time limited stages by which it has to be implemented by 31 December 2030.
- If a Council adopts a programme of staged implementation it must report publically every year outlining to what extent it has been met.
- These policies allow the Council a little over 3.5 years to fully implement the NPS unless it decides to adopt a programme of defined time limited stages in which to fully implement the NPS.

Implications for Council

The key areas for attention by the Council will be around setting water quality and quantity limits for all its water bodies. Further analysis will occur looking as to whether the current objectives and policies give effect to the NPS. The NPS sets a bottom line for water quality which must be met.

Staff will provide a subsequent report to Council analysing whether the NPS policies and objectives have been met. Policies A4 and B7 require changes to plans to guide resource consent decision making in the period prior to limits being set under other policies in the NPS. This needs to be looked at further, Council is aware of other regional council's seeking legal advice on this matter. Council will look at this legal advice and advise Council accordingly.

Regional Councils are working collaboratively to respond to the NPS requirements. This involves sharing legal advice and discussing matters of concern. The Ministry for the Environment is holding a workshop on the Freshwater NPS in Wellington, which Council has asked for the presentation content to be forwarded on following this workshop.

RECOMMENDATIONS

1. *That Council receives this report*
2. *That Council notes that the National Policy Statement on Freshwater Management requires water quality limits and environmental flows to be set for all bodies of freshwater in the region.*
3. *That Council notes that the Council is required to fully implement policies of the National Policy statement by 31 December 2030 but if that is impracticable to fully implement those policies by 31 December 2014 then the Council may implement policy by a programme of defined time limited stages.*

4. *That Council notes that the majority of policies and objectives it would seem are already provided for in the Proposed Land and Water Plan.*
5. *That Council notes that further work will be undertaken on the requirements of the National Policy Statement on Freshwater Management for consideration by the committee.*

Michael Meehan

Planning & Environmental Manager

NATIONAL POLICY STATEMENT

Freshwater Management 2011

Issued by notice in the Gazette on 12 May 2011

newzealand.govt.nz

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Preamble

Fresh water is essential to New Zealand's economic, environmental, cultural and social well-being. Fresh water gives our primary production, tourism, and energy generation sectors their competitive advantage in the global economy. Fresh water is highly valued for its recreational aspects and it underpins important parts of New Zealand's biodiversity and natural heritage. Fresh water has deep cultural meaning to all New Zealanders. Many of New Zealand's lakes, rivers and wetlands are iconic and well known globally for their natural beauty and intrinsic values.

The Treaty of Waitangi (Te Tiriti o Waitangi) is the underlying foundation of the Crown-iwi/hapū relationship with regard to freshwater resources. Addressing tāngata whenua values and interests across all of the well-beings, and including the involvement of iwi and hapū in the overall management of fresh water, are key to meeting obligations under the Treaty of Waitangi.

All New Zealanders have a common interest in ensuring the country's freshwater lakes, rivers, aquifers and wetlands are managed wisely.

New Zealand faces challenges in managing our fresh water to provide for all of the values that are important to New Zealanders. The quality, health, availability and economic value of our fresh water are under threat. These challenges are likely to increase over time due to the impacts of climate change.

To respond effectively to these challenges and issues we need to have a good understanding of our freshwater resources, the threats to them and provide a management framework that enables water to contribute both to New Zealand's economic growth and environmental integrity and provides for the values that are important to New Zealanders.

This national policy statement sets out objectives and policies that direct local government to manage water in an integrated and sustainable way, while providing for economic growth within set water quantity and quality limits. The national policy statement is a first step to improve freshwater management at a national level.

Setting enforceable quality and quantity limits is a key purpose of this national policy statement. This is a fundamental step to achieving environmental outcomes and creating the necessary incentives to use fresh water efficiently, while providing certainty for investment. Water quality and quantity limits must reflect local and national values. The process for setting limits should be informed by the best available information and scientific and socio-economic knowledge.

Once limits are set, freshwater resources need to be allocated to users, while providing the ability to transfer entitlements between users so that we maximise the value we get from water. Where water resources are over-allocated (in terms of quality and quantity) to the point that national and local values are not met, we also need to ensure that over-allocation is reduced over agreed timeframes.

Given the vital importance of freshwater resources to New Zealand and New Zealanders, and in order to achieve the purpose of the Resource Management Act 1991 (the Act), the Crown recognises there is a particular need for clear central government policy to set a national direction, though the management of the resource needs to reflect the catchment-level variation between water bodies and

different demands on the resource across regions. This includes managing land use and development activities that affect water so that growth is achieved with a lower environmental footprint.

The New Zealand Coastal Policy Statement 2010 addresses issues with water quality in the coastal environment. The management of coastal water and fresh water requires an integrated and consistent approach.

National values of fresh water

Water is valued for the following uses:

- domestic drinking and washing water
- animal drinking water
- community water supply
- fire fighting
- electricity generation
- commercial and industrial processes
- irrigation
- recreational activities (including waka ama)
- food production and harvesting eg, fish farms and mahinga kai
- transport and access (including tauranga waka)
- cleaning, dilution and disposal of waste.

There are also values that relate to recognising and respecting fresh water's intrinsic values for: safeguarding the life-supporting capacity of water and associated ecosystems; and sustaining its potential to meet the reasonably foreseeable needs of future generations. Examples of these values include:

- the interdependency of the elements of the freshwater cycle
- the natural form, character, functioning and natural processes of water bodies and margins, including natural flows, velocities, levels, variability and connections
- the natural conditions of fresh water, free from biological or chemical alterations resulting from human activity, so that it is fit for all aspects of its intrinsic values
- healthy ecosystem processes functioning naturally
- healthy ecosystems supporting the diversity of indigenous species in sustainable populations
- cultural and traditional relationships of Māori with fresh water
- historic heritage associations with fresh water
- providing a sense of place for people and communities.

All the values in both lists are important national values of fresh water.

Review

The Minister for the Environment intends to seek an independent review of the implementation and effectiveness of this national policy statement in achieving all its objectives and policies and in achieving the purpose of the Act, no later than five years after it comes into force. The Minister shall then consider the need to review, change or revoke this national policy statement. Collection of monitoring data to inform this review will begin at least two years prior to the review.

This preamble may assist the interpretation of the national policy statement.

Title

This national policy statement is the National Policy Statement for Freshwater Management 2011.

Commencement

This national policy statement will take effect on 1 July 2011.

Interpretation

In this national policy statement:

Efficient allocation includes economic, technical and dynamic efficiency.

Environmental flows and/or levels are a type of limit which describes the amount of water in a body of fresh water (except ponds and naturally ephemeral water bodies) which is required to meet freshwater objectives. Environmental flows for rivers and streams must include an allocation limit and a minimum flow (or other flow/s). Environmental levels for other bodies of fresh water must include an allocation limit and a minimum water level (or other level/s).

Freshwater objective describes the intended environmental outcome(s).

Limit is the maximum amount of resource use available, which allows a freshwater objective to be met.

Over-allocation is the situation where the resource:

- a) has been allocated to users beyond a limit or
- b) is being used to a point where a freshwater objective is no longer being met.

This applies to both water quantity and quality.

Outstanding freshwater bodies are those water bodies with outstanding values, including ecological, landscape, recreational and spiritual values.

Target is a limit which must be met at a defined time in the future. This meaning only applies in the context of over-allocation.

Terms given meaning in the Act have the meanings so given.

A. Water quality

Objective A1

To safeguard the life-supporting capacity, ecosystem processes and indigenous species including their associated ecosystems of fresh water, in sustainably managing the use and development of land, and of discharges of contaminants.

Objective A2

The overall quality of fresh water within a region is maintained or improved while:

- a) protecting the quality of outstanding freshwater bodies
- b) protecting the significant values of wetlands and
- c) improving the quality of fresh water in water bodies that have been degraded by human activities to the point of being over-allocated.

Policy A1

By every regional council making or changing regional plans to the extent needed to ensure the plans:

- a) establish freshwater objectives and set freshwater quality limits for all bodies of fresh water in their regions to give effect to the objectives in this national policy statement, having regard to at least the following:
 - i) the reasonably foreseeable impacts of climate change
 - ii) the connection between water bodies
- b) establish methods (including rules) to avoid over-allocation.

Policy A2

Where water bodies do not meet the freshwater objectives made pursuant to Policy A1, every regional council is to specify targets and implement methods (either or both regulatory and non-regulatory) to assist the improvement of water quality in the water bodies, to meet those targets, and within a defined timeframe.

Policy A3

By regional councils:

- a) imposing conditions on discharge permits to ensure the limits and targets specified pursuant to Policy A1 and Policy A2 can be met and
- b) where permissible, making rules requiring the adoption of the best practicable option to prevent or minimise any actual or likely adverse effect on the environment of any discharge of a contaminant into fresh water, or onto or into land in circumstances that may result in that contaminant (or, as a result of any natural process from the discharge of that contaminant, any other contaminant) entering fresh water.

Policy A4 and direction (under section 55) to regional councils

By every regional council amending regional plans (without using the process in Schedule 1) to the extent needed to ensure the plans include the following policy to apply until any changes under Schedule 1 to give effect to Policy A1 and Policy A2 (freshwater quality limits and targets) have become operative:

“1. When considering any application for a discharge the consent authority must have regard to the following matters:

- a) the extent to which the discharge would avoid contamination that will have an adverse effect on the life-supporting capacity of fresh water including on any ecosystem associated with fresh water and*
- b) the extent to which it is feasible and dependable that any more than minor adverse effect on fresh water, and on any ecosystem associated with fresh water, resulting from the discharge would be avoided.*

2. This policy applies to the following discharges (including a diffuse discharge by any person or animal):

- a) a new discharge or*
- b) a change or increase in any discharge –
of any contaminant into fresh water, or onto or into land in circumstances that may result in that contaminant (or, as a result of any natural process from the discharge of that contaminant, any other contaminant) entering fresh water.*

3. This policy does not apply to any application for consent first lodged before the National Policy Statement for Freshwater Management takes effect on 1 July 2011.”

B. Water quantity

Objective B1

To safeguard the life-supporting capacity, ecosystem processes and indigenous species including their associated ecosystems of fresh water, in sustainably managing the taking, using, damming, or diverting of fresh water.

Objective B2

To avoid any further over-allocation of fresh water and phase out existing over-allocation.

Objective B3

To improve and maximise the efficient allocation and efficient use of water.

Objective B4

To protect significant values of wetlands.

Policy B1

By every regional council making or changing regional plans to the extent needed to ensure the plans establish freshwater objectives and set environmental flows and/or levels for all bodies of fresh water in its region (except ponds and naturally ephemeral water bodies) to give effect to the objectives in this national policy statement, having regard to at least the following:

- a) the reasonably foreseeable impacts of climate change
- b) the connection between water bodies.

Policy B2

By every regional council making or changing regional plans to the extent needed to provide for the efficient allocation of fresh water to activities, within the limits set to give effect to Policy B1.

Policy B3

By every regional council making or changing regional plans to the extent needed to ensure the plans state criteria by which applications for approval of transfers of water take permits are to be decided, including to improve and maximise the efficient allocation of water.

Policy B4

By every regional council identifying methods in regional plans to encourage the efficient use of water.

Policy B5

By every regional council ensuring that no decision will likely result in future over-allocation – including managing fresh water so that the aggregate of all amounts of fresh water in a water body that are authorised to be taken, used, dammed or diverted – does not over-allocate the water in the water body.

Policy B6

By every regional council setting a defined timeframe and methods in regional plans by which over-allocation must be phased out, including by reviewing water permits and consents to help ensure the total amount of water allocated in the water body is reduced to the level set to give effect to Policy B1.

Policy B7 and direction (under section 55) to regional councils

By every regional council amending regional plans (without using the process in Schedule 1) to the extent needed to ensure the plans include the following policy to apply until any changes under Schedule 1 to give effect to Policy B1 (allocation limits), Policy B2 (allocation), and Policy B6 (over-allocation) have become operative:

“1. When considering any application the consent authority must have regard to the following matters:

- a) the extent to which the change would adversely affect safeguarding the life-supporting capacity of fresh water and of any associated ecosystem and*
- b) the extent to which it is feasible and dependable that any adverse effect on the life-supporting capacity of fresh water and of any associated ecosystem resulting from the change would be avoided.*

2. This policy applies to:

- a) any new activity and*
- b) any change in the character, intensity or scale of any established activity – that involves any taking, using, damming or diverting of fresh water or draining of any wetland which is likely to result in any more than minor adverse change in the natural variability of flows or level of any fresh water, compared to that which immediately preceded the commencement of the new activity or the change in the established activity (or in the case of a change in an intermittent or seasonal activity, compared to that on the last occasion on which the activity was carried out).*

3. This policy does not apply to any application for consent first lodged before the National Policy Statement for Freshwater Management takes effect on 1 July 2011.”

C. Integrated management

Objective C1

To improve integrated management of fresh water and the use and development of land in whole catchments, including the interactions between fresh water, land, associated ecosystems and the coastal environment.

Policy C1

By every regional council managing fresh water and land use and development in catchments in an integrated and sustainable way, so as to avoid, remedy or mitigate adverse effects, including cumulative effects.

Policy C2

By every regional council making or changing regional policy statements to the extent needed to provide for the integrated management of the effects of the use and development of land on fresh water, including encouraging the co-ordination and sequencing of regional and/or urban growth, land use and development and the provision of infrastructure.

D. Tāngata whenua roles and interests

Objective D1

To provide for the involvement of iwi and hapū, and to ensure that tāngata whenua values and interests are identified and reflected in the management of fresh water including associated ecosystems, and decision-making regarding freshwater planning, including on how all other objectives of this national policy statement are given effect to.

Policy D1

Local authorities shall take reasonable steps to:

- a) involve iwi and hapū in the management of fresh water and freshwater ecosystems in the region
- b) work with iwi and hapū to identify tāngata whenua values and interests in fresh water and freshwater ecosystems in the region and
- c) reflect tāngata whenua values and interests in the management of, and decision-making regarding, fresh water and freshwater ecosystems in the region.

E. Progressive implementation programme

Policy E1

- a) This policy applies to the implementation by a regional council of a policy of this national policy statement.
- b) Every regional council is to implement the policy as promptly as is reasonable in the circumstances, and so it is fully completed by no later than 31 December 2030.
- c) Where a regional council is satisfied that it is impracticable for it to complete implementation of a policy fully by 31 December 2014, the council may implement it by a programme of defined time-limited stages by which it is to be fully implemented by 31 December 2030.
- d) Any programme of time-limited stages is to be formally adopted by the council within 18 months of the date of gazetting of this national policy statement, and publicly notified.
- e) Where a regional council has adopted a programme of staged implementation, it is to publicly report, in every year, on the extent to which the programme has been implemented.

**SUMMARY OF COUNCIL'S MAIN SUBMISSION POINTS AND THE FINAL NPS
ON FRESHWATER MANAGEMENT 2011**

What we sought in our submissions	What is in the final NPS on Freshwater Management 2011
<p>General Comment: Objectives tend to be unclear, ambiguous, and lengthy.</p>	<p>Partly accepted. The objectives and policies are shortened, give clearer direction, and are restructured into five sections: A Water quality, B Water quantity, C Integrated management, D Tangata whenua roles and interests, E Implementation programme.</p>
<p>Preamble: Adopt changes suggested in this submission to provide clarity and certainty, or redraft this statement in the Preamble as follows: "...the policies are flexible enough to be suitable for a range of natural environments".</p> <p>Define "recreational aspirations".</p> <p>Sought other minor wording changes.</p>	<p>Partly accepted. The 9th paragraph is reworded to recognise that water management needs to reflect the catchment-level variation between water bodies and different demands across regions. The Preamble may assist with interpreting the NPS.</p> <p>"recreational aspirations" deleted.</p> <p>Preamble is substantially reworded.</p>
<p>Objective 2: Ensuring integrated management of effects on fresh water Delete the reference in the objective to co-ordinating and sequencing land use development with infrastructure investment for water.</p>	<p>Partly accepted. This Objective has been split into two parts: Obj C1 to improve integrated management of water and land use, and Policy C2 to provide for integrated management in RPS's, including encouraging the co-ordination and sequencing of regional and/or urban growth....and provision of infrastructure.</p>
<p>Objective 3 – Improving the quality of fresh water Redraft the objective 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.</p>	<p>Partly accepted. Objective is reworded into Obj A2, and doesn't specify a water quality standard, but lists three outcomes:</p> <ul style="list-style-type: none"> • Protecting water quality of outstanding water bodies; • Protecting significant values of wetlands; • Improving water quality where this is degraded from over-allocation.
<p>Objective 4 – Recognising and protecting life supporting capacity and ecological values Add the word "significant" before "ecological" as a threshold.</p>	<p>Partly accepted. Objective is reworded as Obj A1. Protecting "significant" ecological values is covered in Obj A2 as listed above.</p>
<p>Objective 5 – Addressing freshwater degradation Delete Obj 5 or redraft to remove the term "degradation", and reframe in a more positive way.</p>	<p>Partly accepted. Obj 5 is deleted, the 3rd clause of Obj A2 still refers to improving quality of water bodies degraded by over-allocation.</p>

<p>Objective 6 – Managing demand for fresh water Redraft objective around managing demand, delete subclauses.</p>	<p>Partly accepted. Obj 6 is deleted. Obj B2 is to avoid further over-allocation, and Obj B3 is to maximize efficient allocation and use.</p>
<p>Objective 7 – Efficient use of fresh water Redraft objective to be clearer and concise, and remove reference to avoiding excessive contamination.</p>	<p>Partly accepted. Obj 7 is reworded and shortened to become Obj B3, to improve and maximize the efficient allocation and use of water.</p>
<p>Objective 9 – Ensuring effective monitoring and reporting Redraft the Obj to remove the term “effective monitoring”.</p>	<p>Partly accepted. The monitoring objective is deleted.</p>
<p>Policy 1: RPS’s Sought that the timeframes for giving effect to the NPS in RPS’s, and most of the sub-clauses, be deleted, as they will result in unnecessary costs for little benefit.</p>	<p>Accepted: Policy 1 is deleted. New Policy C2 requires integrated management of land use effects on water to be addressed in RPS’s (see comments under changes to Proposed Obj 2).</p>
<p>Policies 2 and 3: Regional and district plans Sought that the timeframes for giving effect to the NPS and RPS provisions in regional and district plans, and most of the sub-clauses, be deleted, as they will be difficult to achieve if appeals are lodged.</p>	<p>Accepted. Policies 2 and 3 are deleted, including the timeframes. New Policy E1 requires either full implementation by December 2014, or staged implementation to be completed by 2030, with annual reporting. Also, new Policies A4 and B7 require regional plans to be amended as per section 55 RMA to the extent needed to include these 2 policies for all new and existing consented water uses, until changes to plans giving effect to the NPS become operative.</p>
<p>Policy 4 Matters to consider when preparing a change to RPS’s and regional plans Delete the whole policy including reference to “notable values” or reword it.</p>	<p>Partly accepted. Most of the policy is deleted, reference to ecological/biodiversity values is covered in Objective A2; over-allocation is in Objective B2, Policies B5, B6; and tangata whenua values are in Objective D1, Policy D1.</p>
<p>Policy 6 matters for consent conditions, Policy 7 non-regulatory methods Sought the whole policies be deleted, they are unnecessary and repetitive.</p>	<p>Partly accepted. Most of the policies are deleted, new Policy A3(a) requires conditions on discharge consents, and Policy B4 requires reg cls to identify methods in regional plans to encourage efficient use of water.</p>
<p>Policy 8 making information available Delete the whole policy, it is unnecessary, councils already keep monitoring records and make them publicly available.</p>	<p>Accepted.</p>

THE WEST COAST REGIONAL COUNCIL

Prepared for: Resource Management Committee Meeting July 2011
 Prepared by: Nichola Costley – Regional Planner
 Subject: **CIVIL DEFENCE & REGIONAL TRANSPORT REPORT**

Civil Defence Emergency Management Update

Coordinating Executive Group

The Coordinating Executive Group (CEG) met on 15 June. Kevin Beams, Manager Grey District Council, is now chairing the CEG. Key agenda items included:

- Resilience Fund

Installation of the satellite communications is nearly completed for the emergency operations centres throughout the West Coast. Currently awaiting confirmation from the Director of the Ministry of Civil Defence and Emergency Management as to whether the application for funding to undertake a West Coast preparedness survey has been successful.

- Exercises

An international exercise, Pacific Wave, will be held in November 2011. The scenario is based on a 9.3 earthquake near Vanuatu which triggers a tsunami. A national Shakeout exercise is being planned for September 2012. This is based on the regional Shakeout exercise held in 2009 on the West Coast.

- Monitoring and Evaluation

The Monitoring and Evaluation assessment of the West Coast Civil Defence Emergency Management (CDEM) Group should be released in the next few months. This has been seriously hampered by both the February and June earthquakes. On a straight comparison with the other 15 CDEM Groups in the country, the West Coast is ranked middle of the table.

Fuel Storage on the West Coast

At the 14 June Council meeting, Councilors requested that a letter be sent to the four main fuel companies requesting bulk storage provisions be made on the West Coast. A copy of the letter is appended to this report.

Regional Transport Update

Land Transport Management Act Amendment

Proposed changes to the Land Transport Management Act (the Act) have been announced to enable it to be made simpler, more streamlined and less prescriptive. It is expected that the amending legislation will be introduced to Parliament in the second half of 2011 or early 2012.

The key changes which will affect this Council, should this be passed in Parliament, include:

- Regional Land Transport Strategies (RLTS) and Regional Land Transport Programmes (RLTP) will be replaced with a modified Regional Land Transport Programme. The RLTP would be issued every six years and reviewed every 3 years.
- Minor State Highway activities would no longer be prioritised at a regional level, moving the emphasis of the RLTP to more significant activities.
- Regional Transport Committees will be smaller and more focused by removing the requirement to represent various transport objectives. They can still use external advisers if they wish but this will not be prescribed by the legislation. The new committees would be:
 - 2 nominees of the relevant Regional Council
 - 1 nominee of each of the territorial authorities in the region
 - 1 NZ Transport Agency nominee.

NZ Transport Agency Proposals for Targeted Changes to Funding Assistance Rates

The NZ Transport Agency is seeking feedback on proposed changes to the funding assistance rates (FAR) that apply to specific investment categories within the public transport, transport planning and road user safety activity classes. FARs are used to determine what portion of a project or programme could be funded from the National Land Transport Programme (NLTP). The proposed changes which would affect this Council include:

- Regional land transport planning management (grant to regional councils removed completely from 0.15% of relevant RLTP to nothing).
- Transport planning studies and strategies (down from 75% to 70% based on indicative weighted average construction FAR for the region).
- Road safety community programmes (down from 75% to 70% based on indicative weighted average construction FAR for the region). From 1 July 2012, the eligibility of 'in-kind donations' as a contribution to local share for the road user safety activity class will be removed. The removal of the in kind donation is to make this activity class consistent with all other improvement work categories.

Of particular concern to regional councils is the removal of the regional land transport planning management grant. The rationale for removing the grant is the government's position signaled through the GPS 2012 engagement document to encourage efficiencies in the transport planning class. The government has also signaled its desire to reduce compliance costs and regulation, simplify consultation requirements and to reduce the size and cost of committees making decisions.

Complete removal of the grant equates to around \$57,000 per year loss of revenue to the West Coast Regional Council. The loss of the in kind donation component for road safety also threatens the viability of this programme. The proposal therefore has major implications for Council's ability to continue to undertake regional land transport planning activities, and also as a partner in the road safety sector, unless this loss is recouped through for example additional rating.

On Friday 1 July 2011 staff will attend a workshop in Wellington with regional council officers from around the country to discuss the implications of these proposed changes and agree on a consistent regional government response to be reflected in submissions, particularly with regard to the removal of the grant.

The review also incorporates passenger transport facilities operations and maintenance and (new) public transport infrastructure. Reviews to these areas will not affect the current activities of this Council, however there may be potential changes coming for Total Mobility. The Review document indicated that the Total Mobility activity class is currently being reviewed through a separate process. This review is expected to be completed by July 2011. More information will be provided to Council following the release of any information.

The proposed implementation date for the changes in funding is 1 July 2012.

Submissions are due on the FAR review by 21 July 2011. Councillors will be emailed a draft submission prior to it being sent to NZTA.

RECOMMENDATION

That this report be received.

Chris Ingle
Chief Executive

24 June 2011

Dear

Fuel Storage on the West Coast

An Alpine Fault Earthquake has been identified as the West Coast's primary hazard with serious impacts predicted on the roading network likely to result in isolation of the region for many days, weeks, and even months to some areas.

Fuel supply will be critical to the Region in the initial response for rescue and welfare tasks, to clear and reopen roads, ports and airports and to assist with repairs, and enable speedy recovery for our West Coast communities.

In 2008 our Civil Defence and Emergency Management Group undertook research to identify the available fuel types and quantities stored in the region by service stations, major contractors, along with a snap shot of the farming industry. A copy of the public version of this Report is enclosed. The Report also identified the possible means to access these resources during a major event. Part of the Report briefly considered alternatives methods of bringing in fuel, to initiate further discussion in this area.

At the last Council meeting, our elected members asked me to write to you to seek local storage to be installed by the fuel companies operating within our Region. This would provide for continuity of supply until alternative arrangements could be made to bring fuel into the West Coast.

Could you please write back outlining what contingencies you have in place to continue providing fuel supply immediately after a major earthquake in our region? I can be contacted on 03 769 9097 to discuss this proposal further.

I look forward to your response.

Yours faithfully



Chris Ingle
Chief Executive Officer
Civil Defence Group Controller

THE WEST COAST REGIONAL COUNCIL

Prepared for: Resource Management Committee
 Prepared by: Colin Dall - Consents & Compliance Manager
 Date: 1 July 2011

Subject: CONSENTS MONTHLY REPORT

CONSENTSConsents Site Visits from 2 - 28 June 2011

DATE	ACTIVITY, NAME & LOCATION	PURPOSE
2/06/11	Pre-application advice, DS265 – S & A Coleman, Dairy effluent discharge, Kowhitirangi	To investigate the site to gain a better understanding of the discharge and the new pond system.
7/06/11	RC11083 – Gold Mining (Rimu) Ltd, Gold mining, Rimu	To investigate the site to gain a better understanding of the proposed alluvial gold mining operation.
15/06/11	RC11110/DS316 – B Morrison, Dairy effluent discharge, Kapitea Creek	To investigate the site to gain a better understanding of the discharge.
21/06/11	RC11115 – G Molloy, Gravel extraction, Okarito	To investigate the site to assess the availability of the gravel resource and gain a better understanding of the proposed gravel extraction operations.
22/06/11	RC11034 – K Douglas, Gravel extraction, Fox River	To investigate the site to assess the availability of the gravel resource and gain a better understanding of the proposed gravel extraction operations.
22/06/11	RC11111 – B Cunniffe, Gravel extraction, Mokihinui River & Coal Creek	To investigate the site to assess the availability of the gravel resource and gain a better understanding of the proposed gravel extraction operations.
23/06/11	Pre-application advice – S Lovelock, Gravel extraction, Inchbonnie	To investigate the site to assess the availability of the gravel resource and gain a better understanding of the proposed gravel extraction operations to be undertaken under the Permitted Activity rules.
28/06/11	RC10210 – Birchfield Minerals Ltd, Gold mining, Grey River	To discuss the proposed further gold mining operation with some affected parties.

Non-Notified Resource Consents Granted from 2 - 28 June 2011

CONSENT NO. & HOLDER	PURPOSE OF CONSENT
RCN99138 Ferguson Brothers Ltd	To undertake earthworks and vegetation clearance associated with quarrying at Whataroa. To discharge sediment-laden water to land where it may enter water in Matainui Creek, Whataroa.
RC11036 New Zealand Railways Corporation trading as Kiwi Rail	To disturb the bed of the New River for the purpose of replacing Rail Bridge 11, Camerons. To disturb the riparian margins of the New River for the purpose of replacing Rail Bridge 11, Camerons. The incidental discharge of sediment to the New River for the purpose of replacing Rail Bridge 11, Camerons. To take water from the New River while dewatering piles for the purpose of replacing Rail Bridge 11, Camerons.

RC11038 Central Valley Farms Ltd	To discharge water containing contaminants to land from the dewatering of piles for the purpose of replacing Rail Bridge 11, Camerons.
RC11061 New Zealand Transport Agency	To discharge dairy effluent to land and water (Chinn Creek) near DS178, Waitaha Valley.
	To place rock spurs on the bed of the Maruia River.
	To permanently divert water from rock spurs, Maruia River.
	The incidental release of sediment associated with the placement of the rock spurs, Maruia River.
RC11062 Linda Calder Design Consultant Ltd	To discharge treated domestic sewage effluent to land from a dwelling at 236 Omoto Valley Road.
RC11070 New Zealand Railways Corporation trading as Kiwi Rail	To occupy space in the Coastal Marine Area with the replacement of Bridge 23, Waimea Creek.
	To remove and replace Bridge 23 within the Coastal Marine Area, Waimea Creek.
	To deposit gravel and rock abutments for Bridge 23 within the Coastal Marine Area, Waimea Creek.
	To incidentally discharge sediment to the Coastal Marine Area in association with the removal and replacement of Bridge 23, Waimea Creek.
	To disturb the riparian margins of Waimea Creek for the purpose of replacing Bridge 23.
	To disturb the bed and banks of Waimea Creek for the purpose of replacing Bridge 23.
	To take groundwater from Waimea Creek while dewatering piles for the purpose of replacing Rail Bridge 23.
	To incidentally discharge sediment to water during the removal and replacement of Bridge 23, Waimea Creek.
	To discharge water containing contaminants to land from the dewatering of piles for the purpose of replacing Bridge 23.
RC11073 O'Connor Home Farm	To discharge dairy effluent to land, groundwater and surface water (the Buller River) near DS781, Westport.
RC11075 Amalgamated Mining Ltd	To undertake earthworks associated with alluvial gold mining and associated activities at Card Creek, within MP52371.
	To take and use water for alluvial gold mining activities within MP52371 at Card Creek.
	To discharge sediment-laden water to land in circumstances where it may enter water (Card Creek).
	To discharge water containing contaminants (sediments from an alluvial gold mining operation) to water at Card Creek.
RC11077 DJ & SL Carew	To take and use water for the purpose of irrigation.
RC11079 B & L Thomson	To discharge dairy effluent to land and water (an unnamed creek) near DS146, Harihari.
RC11082 Fulton Hogan Ltd	To disturb the dry bed of the Waiho River for the purpose of extracting gravel.
RC11085 L & E Neither	To discharge treated domestic sewage effluent to land from a dwelling at 6 Manawatu Street, Dobson.

RC11086 New Zealand Transport Agency	To divert water in Kelly's Creek for the purpose of emergency works. To divert water in Bullock Creek for the purpose of emergency works. To divert water in Douglas Creek for the purpose of emergency works. To divert water in the Moeraki River for the purpose of emergency works.
RC11097 J & K O'Connor Farming Ltd	To discharge treated dairy effluent to the south branch of Shamrock Stream.
RC11100 S Barrett, T Barrett, & L Mathieson	To take and use surface water from Italians Creek and its tributaries associated with gold mining activities. To take and use ground water near Italians Creek associated with gold mining activities. To discharge sediment-laden water to land where it may enter water Italians Creek and its tributaries.
RC11103 Fahey Contracting Ltd	To discharge treated sewage effluent to land from a workshop at 2277 State Highway 7, Ngahere.
RC11107 JR & DJ Stewart Ltd	To discharge dairy effluent to land where it may enter water near DS135, Harihari.
RC11108 JR & DJ Stewart Ltd	To discharge dairy effluent to land at Harihari (DS162) in circumstances where it may enter surface water via "Cowhide Creek No 2".
RC11111 BJ Cunniffe	To disturb the dry bed of the Mokihinui River for the purpose of gravel extraction. To disturb the dry bed of Coal Creek at Seddonville for the purpose of gravel extraction.
RC11114 New Zealand Railways Corporation trading as Kiwi Rail	To occupy space in the Coastal Marine Area (CMA) with a bridge structure, Hou Hou Creek.
RC11118 Paul Steegh Contracting Ltd	To undertake earthworks (including rock removal) associated with quarrying at Inangahua Junction.

Changes to Consent Conditions Granted from 2 - 28 June 2011

CONSENT NO, HOLDER & LOCATION	PURPOSE OF CHANGE
RC00323 Oceana Gold (New Zealand) Ltd Globe Progress Mine, Reefton	To decrease the minimum freeboard requirement for the Fossickers Creek Tailings Impoundment.
RC02142 Arthur Gillman Turnbull River	To increase the area in which logs can be removed.
RC09084 Peter Morrison Humphreys Gully	To increase the maximum unrehabilitated disturbed area for gold mining operation.
RC10192 GT Liddell Contracting Ltd Taramakau River Road/Rail Bridge	To allow the abrasive blasting of lead based paint.
RC95021 Westland District Council Hokitika Landfill	To allow disposal of sewage sludge.

No Limited Notified or Notified Resource Consents were Granted from 2 - 28 June 2011.

Notified Consents Updates & Other Matters



The joint hearing for Buller Coal Limited's consent applications for its proposed Escarpment Mine on the Denniston Plateau was adjourned and subsequently scheduled to reconvene on 6 July 2011.

The Consents & Compliance Manager completed and submitted the Council's evidence for the Pike River Royal Commission. The Commission subsequently requested the Council to provide some further information, which was submitted to the Commission on 17 June 2011.

Public Enquiries

37 written public enquiries were responded to during the reporting period. 30 (81.1%) were answered on the same day, 3 (8.1%) the following day, and the remaining 4 (10.8%) no more than 10 working days later.

RECOMMENDATION

That the July 2011 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 & Phil McKinnel –
 Compliance Team Leader
 Date: 1 July 2011
 Subject: **COMPLIANCE & ENFORCEMENT MONTHLY REPORT**

Site Visits

A total of 48 site visits were undertaken during the reporting period, which consisted of:

Activity	Number of Visits	Fully Compliant (%)
Resource consent monitoring	11	82
Dairy shed inspections	12	67
Complaint response*	11	45
Mining compliance & bond release	14	86

*Note that some of the complaint response visits were to mining and dairy farming sites.

Specific Issues

Dairy Effluent Discharges: Dairy shed inspections have now been completed for the 2010/11 milking season. However, follow-up inspections will be undertaken during the winter to sheds that require remedial works to be completed before the 2011/12 milking season starts.

A number of issues around the use of stand-off pads and sacrificial paddocks were identified during the inspections during this reporting period. Compliance staff will be increasing their monitoring of these activities during the next reporting period.

A letter will be sent out to all dairy farmers in the region advising them of the Council's monitoring strategy for next season and the requirements for farm dairy effluent treatment.

Oceana Gold Limited (OGL) – Globe Progress Mine: One compliance inspection was undertaken at the site during the last reporting period.

Issues on site included seepage from the "Fossicker's Tailings Impoundment". Remediation work is underway to resolve this issue and the Council expects an update from OGL shortly.

The Company also advised Council of an apparent non-compliance at the Devils Creek sampling point. However, it believes that work on a public walkway upstream of the sampling point contributed to increased sediment levels in the creek.

The Council received a complaint from the public about odour emanating from a waterway that drains the site. Discussions were held with OGL environmental staff during the site visit and the source of the odour was identified as being the water treatment plant and the chemicals used to treat minewater.

Solid Energy New Zealand Limited (SENZ)/Stockton Alliance – Stockton Coal Mine: The following issues have been identified at mine during the past two reporting periods:

Mine Creek

There were 3 notifications of non-compliances at Mine Creek which related to rainfall events and construction activities. After the first incident, Stockton Alliance advised that an area had been identified as a priority for sediment control works and that investigations were to be carried out in the catchment during high rainfall events to better understand what was occurring.

The Council has since requested a range of further information about these incidents and the site as a whole and expects this to be supplied shortly.

SENZ monitoring has detected a drop in pH in Rudolph Creek recently. Investigations have shown that this is not a result of SENZ or Stockton Alliance activities. Council staff are investigating this issue further.

McCabe's Mining Block

SENZ notified the Council of non-compliances at St Patricks Stream and Mangatini Stream monitoring sites. The Council has since requested further information about these incidents and expects this to be supplied shortly.

Alluvial Gold Mining: Council staff continue to notice an increase in gold mining activity around the region. The main problems faced by gold miners surround the management of mine water discharging from their settling ponds, maintenance of these settling ponds and having too much ground disturbed at any one time.

Complaints/Incidents between 1 June 2011 and 29 June 2011

The following 13 complaints/incidents were received during the reporting period:

Activity	Description	Location	Action/Outcome
Earthworks	Complaint about earthworks in a riparian margin.	Fairdown	Formal Warning issued.
Forestry	Complaint about sediment runoff from a logging operation.	Aratika	Abatement Notice issued.
Gold Mining	Complaint about sediment runoff to a waterway from a gold mining operation.	Stafford	Formal Warning issued.
Coal Mining	Complaint about stream affected by discharge from coal mining operation.	Granity	Still under investigation.
Roading	Complaint about new culvert being installed.	Greymouth	Compliant.
Discharge to Land	Complaint about contamination of a groundwater bore.	Totara Flat	Still under investigation.
Black Sand Mining	Complaint about mining occurring outside of the consented area.	Fairdown	Abatement Notice issued.
Gold Mining	Complaint about odour emanating from the gold mining operation.	Reefton	Still under investigation.
Earthworks	Complaint about stormwater and flooding from neighbouring property.	Arhurstown	Still under investigation.
Dairy	Complaint about cows in a wetland.	Westport	Inspection undertaken, no issues noted, but monitoring to continue.
Gold Mining	Complaint about sediment in the Totara River from a gold mining operation.	Ross	Inspection undertaken – compliant at the time of visit, but miner to improve system.
Earthworks	Complaint about a rock wall constructed in a river.	Moeraki	Still under investigation.
Spraying	Complaint about spray drift from weed spray operation	Ahaura	Contractor contacted and issue resolved.

Formal Enforcement Action

04

The following 5 Abatement Notices were issued during the reporting period:

Notice	Activity	Location
Abatement	Unauthorised discharge of sediment associated with forestry activities	Aratika
Abatement	Contravention of Rule 74 (feed lots & wintering pads) of the Proposed Land & Water Plan	Coal Creek
Abatement	Contravention of Rule 74 (feed lots & wintering pads) of the Proposed Land & Water Plan	Coal Creek
Abatement	Unauthorised disturbance of the Coastal Marine Area associated with black sand mining	Fairdown
Abatement	Unauthorised disturbance of the Coastal Marine Area associated with black sand mining	Fairdown

The sentencing hearing for the Council's prosecution against David Stephen Marsh took place in Christchurch during the last reporting period. Mr Marsh had pleaded guilty to an illegal discharge of sediment (from a alluvial gold mining operation) to land where it entered water at Fox Creek. Judge Borthwick in sentencing Mr Marsh noted:

- The lack of care shown by Mr Marsh by not ensuring his settling pond system was fully operational before undertaking his mining activities.
- The lack of regard he gave to the resource consent and associated conditions he was operating under.

In setting the fine for the offence, Judge Borthwick gave Mr Marsh credit for his co-operation with Council staff, his level of remorse, his actions to remediate the water quality issues and early guilty plea, which resulted in a fine \$28,000.

MINING

Work Programmes

The Council received the following 4 work programmes during the last reporting period, 3 of which were processed before the end of the reporting period. The remaining work programme (shown in italics) is currently being processed.

Date	Mining Authorisation	Holder	Location
3/6/11	RC08146	Paul Higgs	Kaniere
10/6/11	RC09039	Blacktopp Contracting	Takutai
10/6/11	RC07104	Blacktopp Contracting	Rimu
<i>29/6/11</i>	<i>ML323197</i>	<i>West Coast Regional Council</i>	<i>Wanganui Quarry</i>

Bonds Received & Bond Releases

The following mining bond was received during the reporting period:

Mining Authorisation	(New) Holder	Location	Amount
RC04021	G C Smith Contracting	13 Mile Creek	\$5,000

The following bonds are recommended for release:

Mining Authorisation	(Former) Holder		Amount
RC04021	Daryl Oates	13 Mile Creek	\$5,000

OIL SPILL RESPONSE

No significant spills to report.

RECOMMENDATION

That the July 2011 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 **Thursday, 14TH July 2011** 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 – 5	3.1 Minutes of Council Meeting 14 June 2011
4.		REPORTS
	6 – 9	4.1 Planning & Environmental Manager's Report on Engineering Operations
	10 – 12	4.2 Corporate Services Manager's Report
	13	4.2.1 Setting of Rates for 2011 / 12
	14 - 17	4.2.2 Insurance Renewals for 2011 / 12 Year
5.		CHAIRMAN'S REPORT (VERBAL)
6.0	18	CHIEF EXECUTIVE'S REPORT
7.		GENERAL BUSINESS

THE WEST COAST REGIONAL COUNCIL**MINUTES OF THE MEETING OF THE COUNCIL HELD ON 14 JUNE 2011,
AT THE OFFICES OF THE WEST COAST REGIONAL COUNCIL, 388 MAIN SOUTH ROAD, GREYMOUTH,
COMMENCING AT 11.25 A.M.****PRESENT:**

R. Scarlett (Chairman), B. Chinn, A. Robb, D. Davidson, A. Birchfield, I. Cummings

IN ATTENDANCE:

C. Ingle (Chief Executive Officer), R. Mallinson (Corporate Services Manager), M. Meehan (Planning and Environmental Manager), C. Dall (Consents & Compliance Manager),
T. Jellyman & A. Mahuika (Minutes Clerks)

1. APOLOGIES:

Moved (Robb / Davidson) *that the apology from T. Archer be accepted.*

Carried

2. PUBLIC FORUM

There was no public forum.

3. CONFIRMATION OF MINUTES

Moved (Cummings / Birchfield) *that the minutes of the Council Meeting dated 10 May 2011, be confirmed as correct.*

Carried

Matters arising

Cr Cummings spoke of the recent visit by Dr Nick Smith, Minister for the Environment. Cr Cummings stated that he was interested in Dr Smith's comments regarding vexatious complaints and asked if a way of dealing with vexatious complaints could be put into council's annual plan. Cr Scarlett advised that he was hoping there might have been something contained in the second leg of the RMA review that might have assisted in this. Cr Scarlett stated this is a difficult issue and a blanket cover would not work, as there might be instance when the complainer is right. C. Ingle advised that he has looked into this matter to see how other councils manage this problem. He stated that every council, district councils as well, have complainants that take matters further than what seems sensible. C. Ingle advised that Wellington region have developed a Reduced Response Protocol and he is currently working on a similar protocol for this council which he hopes to bring to the next council meeting. C. Ingle advised that the discretion with managing vexatious complaints sits with the Chief Executive. He noted that sometimes that complainant is right. C. Ingle noted that with the recent complaints it is hard to say if any of these are truly vexatious but in the past there have been actual cases of vexatious complaints. Cr Scarlett stated that staff are very conscious of costs and time involved with these types of complaints.

Cr Davidson commented on the comprehensive information package prepared by C. Ingle for Dr Smith's visit. Cr Davidson stated that Dr Smith had mentioned that this assisted very much with his visit and it gave him something to take away to further understand our issues and concerns.

3.1.2 CONFIRMATION OF MINUTES OF THE SPECIAL COUNCIL MEETING HELD 31 MAY 2011

Moved (Robb / Birchfield) *that the minutes of the Special Council Meeting dated 31 May 2011, be confirmed as correct.*

Carried

REPORTS:

4.1 ENGINEERING OPERATIONS REPORT

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M. Meehan spoke to his report advising that there is now rock on the floor in all of council's high use quarries. He advised that there is now 10,000 tonne of rock in Camelback Quarry as the result of engaging a new contractor. M. Meehan advised that work has been done in the Blackball, Kiwi and Inchbonnie quarries and the demand for rock has now been caught up with. M. Meehan reported that the Council quarry truck and drilling rig has now been sold to the highest tender. Cr Cummings commented that the quarry figures are out of date as the report ends at the 30th of April. R. Mallinson advised that these figures match up with the monthly financial reporting cycle. M. Meehan offered to pass on the latest figures of rock in each quarry to Cr Cummings. Cr Davidson stated that now that Council no longer owns a drilling rig, he feels that it is important that quantities of rock are built up to keep up with demand. M. Meehan advised that staff are currently working gathering information for minimum totals for rock in each quarry based on how much rock each rating district and its communities need. M. Meehan stated he is pleased with the new contractor that has recently carried out work in the Camelback quarry as he is working quite a lot quicker. Cr Chinn asked if the new contractor has a contract with Council. M. Meehan responded that the new contractor was initially engaged as a trial, this has worked well and council will continue to use him. C. Ingle advised that our quarries are worked as job by job contracts and council tries to develop more than one service provider so that council is not stuck just with one contractor and this keeps the prices down. Discussion took place on the future of the Wanganui Quarry. C. Ingle advised that this quarry is a good source for decorative rock but not river rock as the supply of river rock from this quarry has now been exhausted. C. Ingle advised that the Wanganui rating district is now looking for another source for river rock, as the demand for rock in this area remains high. It was noted that rock is available at Whataroa but the cost of transporting rock from Whataroa makes it expensive.

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

Carried

5.1 CORPORATE SERVICES MANAGER'S REPORT

R. Mallinson spoke to his report advising that the current total surplus is \$1.768M for the ten month period. He stated that this is due to the VCS and investment portfolio. R. Mallinson reported there were no public submissions received on council's Review of Representation and that representations arrangements would remain the same for 2013 and 2016 Local Body Elections.

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

Carried

5.2.1 DECISIONS ON SUBMISSIONS AND ADOPTION OF THE 2011 / 12 ANNUAL PLAN

C. Ingle spoke to this report advising that only six submissions were received and four submitters appeared at the hearing. C. Ingle reported that council held a workshop following the hearing of submissions and staff input was sought and staff recommendations now require consideration and decisions from Council.

Federated Farmers

Submission is mostly in support. Requested no increase in dairy inspection charge.

In terms of the request that dairy inspections occur every second year where a farmer has been compliant three years running – this approach can be used within the existing wording of the Annual Plan Target, which requires Council visit a farm at least once every three years.

Moved (Birchfield / Robb)

It is recommended no change is made to the Annual Plan as a result of this submission.

Carried

TB Free West Coast Committee

Submission is again in support. No requests were made for changes to the Plan.

Moved (Birchfield / Robb)

It is recommended no change is made to the Annual Plan as a result of this submission.

Carried

Animal Health Board

Submission is again in support. No request was made to change the annual plan.

3

Moved (Birchfield / Robb)

No change is made to the Annual Plan as a result of this submission.

Carried

Liz Ewins and Jules Day (and others)

Submission opposes proposed changes to the Lower Waiho Rating District boundary.

Cr Chinn asked if a rating district, at its annual meeting, may bring extra people into the rating district. C. Ingle advised that this couldn't be done at a Rating District Annual meeting. It would have to be done by Council resolution and a special consultation process. Cr Chinn responded that this issue has split the Lower Waiho community. Cr Chinn drew attention to a paragraph in the report that states rating districts are about a collective of property owners invited to pay for a system of works to give overall benefit to a wider area. Cr Chinn stated that the phone calls he has received have revealed that there is a feeling that some people are not paying and some are paying. He stated that the callers have asked if others can be bought into this small rating area. C. Ingle advised that the annual meeting is a meeting of the rating district's ratepayers and not a council meeting. C. Ingle advised that the council needs to have a formal resolution to change a rating district and is currently going through this process for the Lower Waiho Rating District. C. Ingle advised that if the boundaries were to be changed then the whole process would need to be carried out again. C. Ingle advised that Ms Ewins could write a letter to Council with her request. Cr Scarlett advised that a survey would need to be done. C. Ingle advised that an independent River Engineer expert has been engaged by Council to investigate to see who would be affected by the failure of the stopbanks and he felt that those closer to the road would not be affected. C. Ingle advised that in view of this advice it would be unfair to include these residents in the proposed rating district. R. Mallinson advised that rating district boundaries are based on factual evidence as to who actually benefits and council receives expert advice on these matters in order to make an appropriate decision.

Moved (Birchfield / Robb)

Council agrees to proceed with the proposed change to the boundary of the Lower Waiho Rating District, as detailed in the Draft Annual Plan. Consequential amendments are made to the Plan.

Carried

Active West Coast

Submission supports Consents and Compliance and Planning sections of the annual plan and supports Council's ongoing funding of total mobility;

Submission requests that Council support the development of a Regional Active Transport Forum, and offers assistance in the formation of such a group;

Submission supports Council's monitoring of air quality. Encourages Council to scope practical options for implementing clean air projects within Reefton, including the supporting the EECA programme;

Moved (Birchfield / Robb)

No change be made to the Annual Plan as a result of this submission.

Carried

Energy Efficiency and Conservation Authority (EECA)

EECA suggests that Council amend the Annual Plan to put in place a system to allow a voluntary targeted rate to be applied to landowners who wish to borrow money to improve their home's insulation or heating. Government grants of 33% of the insulation costs apply already, or 60% for community services cardholders. The role Council could play would be to help homeowners to finance the balance of funding needed for warming their home, and recover this amount from rates on each property subscribing, over a ten year period.

The implications for Council should they wish to operate such a scheme is that it would require Council to borrow money to supply loans to assist community members to have warmer homes. The benefits include possibly reduced air pollutants if the subscribers accept the clean heating option. Operating the scheme would also use extra staff resources, and further enquires will be needed of other Council who are operating such schemes to clarify the costs and benefits of the proposal.

Moved (Birchfield / Robb)

No change be made to the 11/12 Annual Plan as a result of this submission.

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Council investigate the option of running a warm homes funding scheme, as proposed by the submitter. The proposal should be notified at the draft stage of the next Annual Plan (LTP) so that other submitters have an opportunity to comment. Council signals their intent to:

- 1. Investigate the feasibility of Council running such a scheme, and if feasible,*
- 2. Include the proposal in next year's Draft Long Term Plan 2012 - 22.*

Carried

Moved (Robb / Birchfield)

That the Annual Plan for 2011 / 12 be adopted, including any amendments resulting from decisions made above.

Carried

5.2.2 LAPP FUND AND RISK MANAGEMENT OF COUNCIL RIVER, DRAINAGE & COASTAL PROTECTION INFRASTRUCTURE

R. Mallinson spoke to this report advising that this fund has been exhausted by the two Christchurch earthquakes. R. Mallinson advised that he attended a meeting in Wellington on the 17th of May with the Lapp Fund Trustees and was advised that the Lapp Fund would continue but levies would be quadrupled. R. Mallinson advised that council currently pays close to \$30,000 per annum and but with the increase in levies our contribution would now be close to \$120,000 per annum. R. Mallinson stated that it was fortunate that council gave notice in June 2010 of its intention to withdraw from the Fund. R. Mallinson advised that he has instructed council's insurance brokers / advisors to investigate the possibility of commercial cover and he will report back on this option in July. R. Mallinson stated that he does not see much future for council by remaining in the LAPP Fund and he would rather see the premiums retained by the council. R. Mallinson recommends that \$500,000 be put aside from Council's investment fund as a Regional Catastrophe Fund and that council looks at growing this fund over the years. He feels council would be better off outside of the Lapp Fund. R. Mallinson clarified several points for Councillors and explained the benefits of setting up a Regional Catastrophe Fund. R. Mallinson confirmed that councillors would become the decision makers regarding access to the Regional Catastrophe Fund. R. Mallinson advised that over the next 12 months council would need to adopt a sound policy regarding access to such a fund. Cr Scarlett commented that the access policy for the fund should only be triggered if central government has agreed to pay their 60% assistance. Cr Robb commented that each rating district could be expected to contribute to the Regional Catastrophe Fund. Cr Scarlett agreed with R. Mallinson and commented that he no longer feels that it is viable for council to belong to the Lapp Fund. Discussion took place on whether other district and regional councils might be interested in a shared services approach to insurance as they are also faced with large increases in insurance premiums along with rate increases. Cr Davidson stated that he feels council is in a very good position with the decisions it has made on this matter.

Moved (Robb / Davidson)

- 1. That Council reconfirm to the LAPP Fund Trustees our withdrawal from the LAPP scheme, as at 1 July 2011.*
- 2. That Council arrange commercial cover for 40% of its Infrastructure Assets if this is found to be a cost effective alternative.*
- 3. That Council establishes a Regional Catastrophe Fund of at least \$500,000 to be funded from the Forsyth Barr Ltd Investment portfolio.*

Carried

6.0 CHIEF EXECUTIVES REPORT

C. Ingle spoke to his report noting the recent meetings that he attended during the reporting period. C. Ingle commented that the recent visit by Hon Dr Smith, Minister for the Environment was a very good day. He stated that although the weather did not treat everyone well it was good for the Minister to see how wet the West Coast can get in view of the fact that a major focus of Dr Smith's visit was to see wetlands.

C. Ingle reported that he and Cr Scarlett accompanied Dr Smith to a wetland at Rapahoe, which is right next to a coal loading yard and is not considered to be a significant wetland. They then visited the wetland at Saltwater Creek which is one of the more significant wetlands to give Dr Smith an impression of a significant wetland versus a not so significant wetland. Dr Smith and C. Ingle then met with Mr Rod Quin, CEO of Westland Milk Products to discuss recent progress with the Working Together agreement which includes Westland’s new Code of Practice which is due to be rolled out shortly. C. Ingle reported that the new Code of Practice could make the job of compliance and enforcement a lot easier for the coming months and years.

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

Carried

7.0 CHAIRMANS REPORT (VERBAL)

Cr Scarlett reported that his report mirror’s Cr Chinn’s report with regard to meetings attended. Cr Scarlett commented that he felt that the meeting with the Minister for the Environment went very well. Cr Scarlett attended that Regional Land Transport Committee on 27th of May where the Regional Land Transport Strategy was approved. Cr Scarlett also attended the Annual Plan hearing on the 31st of May. Cr Scarlett stated that he also attended to constituents concerns during the reporting period.

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

Carried

GENERAL BUSINESS

There was no general business.

The meeting closed at 12.08 p.m.

.....
Chairman

.....
Date

THE WEST COAST REGIONAL COUNCIL

Prepared for: Council Meeting – 14 July 2011
 Prepared by: W. Moen – River & Drainage Engineer, and
 Paulette Birchfield – Engineering Officer
 Date: 30 June 2011
 Subject: **ENGINEERING OPERATIONS REPORT**

RIVER AND DRAINAGE INSPECTIONS

- Redjacks Creek
- Arahura River – Mawhera Incorporation - Inspection
- Whataroa Quarry
- Franz Josef Rating District – Inspection
- Greymouth Rating District – Inspection
- Nelson Creek Rating District – Inspection
- Coal Creek Rating District – Inspection
- Lower Waiho Rating District – Inspection
- Waitangitona Rating District – Inspection
- Matainui Creek Rating District - Inspection

WORKS COMPLETED & WORKS TENDERED FOR

Nelson Creek Rating District – Maintenance Works – May 2011 Contract R 2011 / 5

This work, involving the placement of 1,458 tonnes of rock, has been completed by Westland Contractors Ltd at a cost of \$32,061.40 (G.S.T. Exclusive)

Franz Josef Rating District – Emergency Raising – Contract R 2011 / 8

This contract involving the raising of the two north – side stop banks and the associated rock protection, involving approximately 3,500 m³ of compacted hard fill, 3,700 tonnes of rock and 800 tonnes of rubble has been tendered out.

Three tender prices ranging from \$137,025.00 to \$154,196.50 (GST Exclusive) were received, the successful tenderer being Westland Contractors Ltd.

OTHER MATTERS

Quarry Truck and Rig Sold

The Council's quarry truck, compressor and drilling rig have been sold through an open tender process. The unit was sold to Wakefield Quarry Ltd for \$43,000 (GST Exclusive).

Punakaiki River – Potential Rating District

At the request of ratepayers, a survey of the residents in the area to gauge interest in a rating district has been undertaken, and is attached to this report. The potential Rating District would include maintenance of existing works near the mouth of the Punakaiki River. A report on this will be submitted to the next Council meeting.

Whataroa River – Potential Rating District

Council will recall that last year some local Whataroa ratepayers, asked Council to propose a draft rating district, the purpose being to maintain existing flood protection works downstream of the State Highway Bridge at Whataroa. Feedback from potential ratepayers was insufficient to form a new rating district.

Council staff have received renewed interest in this and will continue to work with this community and report back to Council.

Quarry Work Permitted Since 1 June 2011

Quarry	Contractor	Tonnage Requested	Permit Start Date	Permit Finish Date
Kiwi	GH Foster Contracting	1000	17 June 2011	9 July 2011

Approximate Rock in Quarry as at 30 June 2011

Quarry	Tonnage
Blackball	2,000
Camelback	8,500
Inchbonnie	2,000
Kiwi	1,000
Whataroa	8,000

This table differs to that reported to Council previously. The table above gives Council a more up to date total of rock in the main quarries. The other Council quarries which are used more infrequently will be reported on when rock is requested or works carried out.

Currently good stock piles of rock are in our quarries with Council catching up following the high demand over the last 6 months. Council has begun using a new contractor in the quarries for drilling and blasting work, which has worked well to date.

RECOMMENDATION

That this report is received.

Michael Meehan
Planning and Environment Manager



THE WEST COAST
REGIONAL COUNCIL
14 June 2011

388 Main South Road, Paroa
P.O. Box 66, Greymouth 7840
The West Coast, New Zealand
Telephone (03) 768 0466
Toll Free 0508 800 118
Facsimile (03) 768 7133
Email info@wcr.govt.nz
www.wcr.govt.nz

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Mr. & Mrs G. McIntosh
21 Loris Place
Karoro
Greymouth

Our Reference: RD Punakaiki River

Enquiries to: Wayne Moen

Attention: Helen McIntosh

Dear Helen & Graeme

Coastal Protection - Punakaiki River

This is a letter of introduction to advise you that at the request of several residents of the Punakaiki River mouth area, I carried out an inspection of the existing rockwork and surrounding area.

It is obvious that as a result of previous storm events, extensive damage has been incurred both on the existing rock structures as well as serious erosion on the south side riverbank downstream of the State Highway road bridge.

I have attached, for your information, an aerial photograph, with my suggested remedial works indicated.

This, in my view, would be the minimum works required to address the serious erosion issues in the area.

At her request, I met with Mrs Helen McIntosh on Thursday 2 June 2011 to outline my views on how to address the ongoing maintenance of this work.

Given the history of the area and the willingness of the majority of the 15 landowners to maintain the protection works, I advised that the establishment of a Special Rating District to maintain the works would be the tidiest and fairest method of funding and maintaining the works in the future.

Rating District

The "rating district" concept is based on a shared approach to ongoing maintenance issues and means that all ratepayers in the area would contribute their "fair share" to the cost of the works.

From my experience, a capital value – based rating district is the fairest method of determining individual landowner's share of the costs.

This simply means that the property owner with the highest capital valued property would pay the most towards any works and the ratepayer with the lowest capital valued property would pay the least.

From examination of the 15 properties, it appears that the capital values range from \$140,000 to \$420,000, with the balance of ratepayers in between.

Any financial requirements would be raised, through an annualised maintenance rate, dependant on work requirements for that particular year.

It is very important to note that the community would decide the levels of rating and all collected monies are kept in a separate account for those ratepayers. Any unspent monies would accrue interest.

If a property changes ownership, the responsibility of that property automatically transfers to the new owner.

From my experience, a property that has coastal protection in place, actually increases in value as a result of that protection.

A spokesperson would be elected at an Annual Meeting (normally held in October every year) and this person would be the liaison person between the community and the Council.

I understand that in the past, both Transit NZ and the Grey District Council have been generous in assisting in the maintenance of the existing works.

Council would endeavour to approach both this government agency and local authority for a possible permanent ongoing commitment to this arrangement if at all possible.

The West Coast Regional Council currently administers 23 such rating districts between Haast and Karamea, including 2 other "coastal" protection schemes, namely Punakaiki and Okuru.

The current costs to carry out the works indicated on the attached plan, based on supply of good quality rock would be approximately \$50,000 (G.S.T. Exclusive), however, with competitive tendering and closer sources of rock, this figure may be reduced.

If Transit NZ and the Grey District Council saw that there was a "buy in" from all residents, they may be more approachable for a shared funding arrangement.

I have included a questionnaire for you, as an affected ratepayer, to indicate your preference and return in the supplied postage – paid return envelope by:

Friday 1 July 2011.

I have also included a "draft" spreadsheet indicating the probable cost sharing apportionments based on a theoretical \$50,000.00 (G.S.T. Exclusive) capital value-based budget for your information.

This figure is an arbitrary figure only and is used to indicate the comparative levels of contributions between affected ratepayers.

While it would be convenient for a total "buy in" from all 15 ratepayers, it is envisaged that a significant majority (approximately 70%) of ratepayers would be required to be in favour, in order to formalise a rating district to cover this current work and ongoing maintenance.

I would be available, at any time, to discuss any questions individual landowners may have.

Please feel free to contact me at your convenience.

Regards,

Wayne Moen
River & Drainage Engineer

THE WEST COAST REGIONAL COUNCIL

Prepared for: Council Meeting
 Prepared by: Robert Mallinson – Corporate Services Manager
 Date: 28 June 2011

Subject: CORPORATE SERVICES MANAGERS REPORT

1. Financial Report

FOR THE ELEVEN MONTHS ENDED 31 MAY 2011	ACTUAL	YEAR TO DATE BUDGET	ACTUAL % ANNUAL BUDGET	ANNUAL BUDGET
REVENUES				
General Rates	1,780,575	1,780,167	92%	1,942,000
Rates Penalties	65,231	68,750	87%	75,000
Investment Income	978,431	751,667	119%	820,000
Regulatory	688,112	858,798	74%	930,898
Planning Processes	179,399	95,425	172%	104,100
Environmental Monitoring	0	0	0%	0
Emergency Management	52,650	36,667	132%	40,000
River, Drainage, Coastal Protection	1,770,107	996,779	163%	1,087,395
Regional % Share Controls	609,774	595,833	94%	650,000
VCS Business Unit	3,051,977	3,620,833	77%	3,950,000
	9,176,256	8,804,919	96%	9,599,393
EXPENDITURE				
Representation	353,262	352,040	92%	384,044
Regulatory Activities	1,430,241	1,536,640	85%	1,673,900
Planning Processes	559,819	568,163	90%	619,814
Environmental Monitoring	674,745	676,571	91%	738,077
Emergency Management	119,684	123,475	89%	134,700
River, Drainage, Coastal Protection	1,624,341	1,084,907	137%	1,183,535
Regional % Share Controls	771,129	765,324	92%	834,899
VCS Business Unit	1,907,376	3,150,091	56%	3,436,463
Portfolio Management	59,383	0		0
	7,499,980	8,257,211	83%	9,005,432
SURPLUS / (DEFICIT)	1,676,276	547,708		593,961

BREAKDOWN OF SURPLUS (-DEFICIT)	Variance Actual V Budgeted YTD	ACTUAL	BUDGET Year to date	ANNUAL BUDGET
Rating Districts	125,472	240,129	114,657	125,080
Quarries	110,149	127,740	17,591	19,190
Regional % Share of AHB Programmes	8,136	-161,355	-169,491	-184,899
Investment Income	167,381	919,048	751,667	820,000
VCS Business Unit	673,859	1,144,601	470,742	513,537
General Rates Funded Activities	43,570	-593,887	-637,458	-698,947
TOTAL	1,128,568	1,676,276	547,708	593,961

Net Contributors to General Rates Funded Surplus (-Deficit)	Actual	Budget ytd	Annual Plan
<u>Net Variance</u>			
<u>Actual V YTD</u>			
Rates	408	1,780,575	1,780,167
Rates Penalties	-3,519	65,231	68,750
Representation	-1,222	-353,262	-352,040
Regulatory Activities	-64,288	-742,129	-677,842
Planning Activities	92,318	-380,420	-472,738
River, Drainage, Coastal Protection (excl.	-1,727	-222,103	-220,376
Environmental Monitoring	1,826	-674,745	-676,571
Emergency Management	19,774	-67,034	-86,808
	43,570	-593,887	-637,458

STATEMENT OF FINANCIAL POSITION @ 31 MAY 2011

	@ 31/05/2011	@ 30/06/2010
<u>CURRENT ASSETS</u>		
Cash	-94,105	70,406
Short term Deposit - Westpac	1,190,154	995
Accounts Receivable - Rates	345,824	308,868
Accounts Receivable - General Debtors	1,055,951	3,077,712
Prepayments	62,457	276,291
Sundry Receivables	662,229	101,014
Stock - VCS	14,245	17,066
Stock - Rock	16,071	89,727
Stock - Office Supplies	17,518	17,518
Accrued Rates Revenue	0	0
Unbilled Revenue	178,493	126,817
	<u>3,448,837</u>	<u>4,086,414</u>
<u>Non Current Assets</u>		
Investments	11,524,726	10,598,000
Fixed Assets	4,166,089	4,092,960
Infrastructural Assets	49,007,111	49,007,111
	<u>64,697,926</u>	<u>63,698,071</u>
TOTAL ASSETS	<u>68,146,763</u>	<u>67,784,485</u>

CURRENT LIABILITIES

Bank OD		0
Accounts Payable	487,852	1,885,994
GST	26,568	0
Deposits and Bonds	584,189	446,552
Sundry Payables	455,913	374,313
Accrued Annual Leave, Payroll	287,003	284,054
Other Revenue in Advance	493,739	823,679
Rates Revenue in Advance	358,362	59,145
	<u>2,693,626</u>	<u>3,873,737</u>

NON CURRENT LIABILITIES

Future Quarry restoration	56,700	56,700
Greymouth Floodwall	2,054,110	2,100,000
Inchbonnie	82,877	100,000
Punakaiki Loan	213,197	248,003
Lower Waiho Loan	0	6,768
Office Equipment Leases	60,893	90,193
	<u>2,467,777</u>	<u>2,601,664</u>

TOTAL LIABILITIES

<u>5,161,403</u>	<u>6,475,401</u>
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EQUITY

Ratepayers Equity	18,157,524	18,157,524
Surplus Tsfrd.	1,676,276	
Rating District Equity Mvmts	-215,400	
Rating Districts Equity	1,576,859	1,361,459
Tb Special Rate Balance	-34,554	-34,554
Revaluation	32,316,638	32,316,638
Quarry Account	302,017	302,017
Investment Growth Reserve	9,206,000	9,206,000
TOTAL EQUITY	<u>62,985,360</u>	<u>61,309,084</u>

LIABILITIES & EQUITY

<u>68,146,763</u>	<u>67,784,485</u>
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2. Investment Portfolio

PORTFOLIO @ 31 MAY 2011 Summary & Reconciliation		Cash	Bonds	Australasian Equities	International Equities	Property Equities	Alternative Asset Classes	Total	
Portfolio Value @ Start	01 July 2010	\$ 2,547,549	\$ 3,016,744	\$ 1,841,113	\$ 1,958,120	\$ 529,331	\$ 673,961	\$ 10,566,819	
Contributions		\$ 227,633		-\$ 8,824	\$ 931,909	-\$ 30,000	-\$ 134,358	\$ 986,361)-\$ 0
Withdrawals		\$ 3,493	-\$ 989,854					-\$ 986,361)
Realised Gains/(Losses)		-\$ 13,194	-\$ 20,095	-\$ 74,719	\$ 114,340	\$ 106	\$ 87,932	\$ 94,370)-\$ 926,726
Unrealised Gains/(Losses)		\$ 29,870	\$ 7,977	\$ 295,499	\$ 46,924	\$ 38,552	\$ 20,454	\$ 439,275)
Unrealised Hedging Gains/(Losses)		\$ -	\$ -	-\$ 3,479	\$ 23,829	-\$ 1,303	-\$ 1,173	\$ 17,874)
Mgmt Fee		-\$ 3,493			\$ 1,023			\$ 1,023)
Income		\$ 80,854	\$ 157,568	\$ 74,260	\$ 13,068	\$ 30,683	\$ 11,326	\$ 367,760)
Accrued Interest		\$ 4,613	\$ 5,303					\$ 9,916)
Portfolio Value @ End Period	31 MAY 2011	\$ 2,877,325	\$ 2,177,643	\$ 2,123,851	\$ 3,089,214	\$ 567,370	\$ 658,142	\$ 11,493,544)
ytd return for	11 months	4.11%	6.02%	15.86%	9.62%	9.90%	19.00%	10.37%	

Asset Allocation %'s @ 31 May 2011	Benchmarks	Tactical asset allocation range	
Cash	25%	25%	10% - 50%
Bonds	19%	25%	10% - 50%
Australasian Equities	18%	15%	0% - 20%
International Equities	27%	15%	0% - 20%
Property Equities	5%	5%	0% - 10%
Alternative Asset Classes	6%	15%	0% - 20%
	100%	100%	

3. General Comment

The reported surplus for the eleven months amounts to \$1.676 million dollars.

The VCS and investment portfolio returns continue to exceed budgeted expectations.

A small net positive budget variances in the general rate funded area amounts to \$43,570.

I would expect a surplus of at least \$1.7 million for the full twelve months.

RECOMMENDATION

That this report be received.

Robert Mallinson
Corporate Services Manager

4.2.1

THE WEST COAST REGIONAL COUNCIL

Prepared for: Council Meeting – 14 July 2011
Prepared by: Robert Mallinson – Corporate Services Manager
Date: 28 June 2011

Subject: SETTING OF RATES FOR 2011/12

Council adopted the Annual Plan for 2011/12 at its meeting on 14 June, which included the Rates Funding Impact Statement for 2011/12 on pages 36 – 44.

The Local Government (Rating) Act 2002 (LGRA) requires Council to now pass a resolution to formally set rates for 2011/12.

The following resolution will meet the requirements of sections 23 and 24 of the LGRA 2002.

RECOMMENDATION

1. *That Council set rates for the period 1 July 2011 to 30 June 2012 as per the Funding Impact statement contained in pages 36 – 44 of the 2011/12 Annual plan.*
2. *As per the 2011/12 Annual plan, there will be two instalments:*
 - *The first instalment will be due on 1 September 2011, with a 10% penalty if not paid by 20 October 2011 as per sections 57 and 58 of the LGRA 2002.*
 - *The second instalment will be due on 1 March 2012, with a 10% penalty if not paid by 20 April 2011 as per sections 57 and 58 of the LGRA 2002.*
 - *A further 10% penalty will be charged on all accumulated rate arrears as at 1 July 2012.*

Robert Mallinson
Corporate Services Manager

THE WEST COAST REGIONAL COUNCIL

Prepared for: Council Meeting 14 June 2011
 Prepared by: Chris Ingle – Chief Executive
 Date: 1 June 2011
Subject: Insurance Renewals for 2011/12 Year

This report is to advise Councillors with regard to the renewal of Council insurances for 2011/12, in accordance with the risk management policy.

This report will also report with regard to the possibility of commercial cover as a replacement for LAPP.

Renewal of Insurance Cover 2011/12

Our renewals were complicated by specialist local government insurer Civic Assurance Ltd advising its 46 client Councils on 21 June that they were not offering renewal of "Materials Damage Cover" (buildings) for 2011/12.

Our brokers were able (at very short notice) to seek alternative cover terms from a number of insurers. The result is that Council Materials Damage risks of \$5,263,000 has been renewed with NZI, albeit with a 85% increase in the cost of cover.

(The earthquake deductible is now increased from 2.50% of the value of the loss to 5.00%.)

This is to confirm that all risks, including:

- Public Liability (Riskpool)
- Employers Liability
- Statutory Liability
- Councillor Death cover
- Crime
- Motor Vehicle
- Materials Damage

have been renewed from 1 July 2011.

The need for a computer breakdown policy has been reassessed and the policy will not be renewed.

Overall, the cost of cover for all our risks for 2011/12 amounted to \$64,582; compared to the budgeted \$57,200. This is considered to be a very good outcome, given the state of the insurance market currently.

In addition, we budgeted for a LAPP contribution of \$40,000 in 2011/12. This will be replaced by the annual deposit of \$50,000 to the new catastrophe fund.

Commercial Cover and LAPP

Our brokers did obtain indicative pricing from Chartris (formerly AIG) with regard to our \$49 million protection infrastructure. I attach a copy of our broker's advice.

As you can see, the indicative pricing was as follows:

- Deductible of \$2,000,000 per occurrence.
- Premium in the region of \$120,000 - \$140,000 + GST per annum.

I advised our brokers these terms would be unacceptable to this Council, and I instructed them to proceed no further with this.

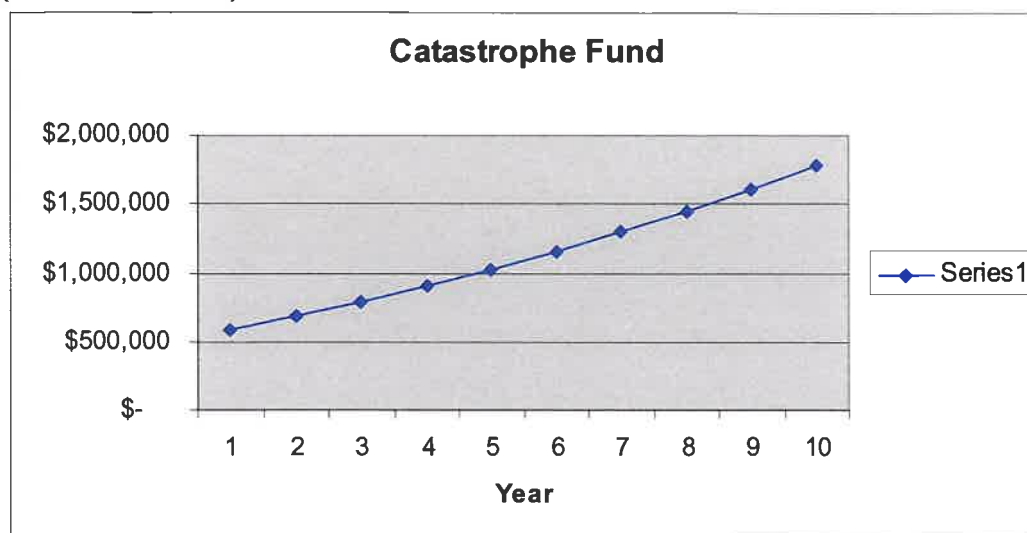
New Catastrophe Fund, and growth of fund

Council agreed at the June meeting to confirm the withdrawal from LAPP and establish a new catastrophe fund to complement the governments 60% disaster funding.

Given the unaffordable nature of either LAPP (\$120,000 / annum) or commercial cover (\$120,000 – \$140,000 / annum), the decision at the June meeting is clearly the right one.

With an initial catastrophe fund of \$500,000; plus deposits of at least \$50,000 per annum, the catastrophe fund can be expected to grow as follows;

(assumes 7% investment return)
(assumes no claims)



Council Infrastructure Risk Exposure

The most recent work done by the LAPP Risk Management Advisors (December 2010) indicated a maximum probable loss in the magnitude of \$4.2 million in the case of a 500 year event.

Council 40% share of this would equate to \$1,680,000

That means that if there were a 500 year event in year one, then Council would potentially have an exposure in addition to its catastrophe fund calculated as follows;

Maximum probable loss as calculated by LAPP	\$4,200,000
WCRC 40% share	\$1,680,000
Less catastrophe fund (\$500,000 + \$50,000)	-\$550,000
Potential contingency	\$1,130,000

That potential contingency will reduce to zero by year 5 of the catastrophe fund.

RECOMMENDATION

1. *That Council receive the report.*
2. *That the policy for access to the Catastrophe Fund will be:*

That access to funding from the catastrophe fund will only be allowed where central government has agreed to assist with 60% of the costs in accordance with the National Civil Defence Emergency Management Plan.

Robert Mallinson
Corporate Services Manager

8 June 2011

Telephone +64 3 366 5715
Fax +64 3 348 1547
Website www.willisgroup.co.nz
Mobile No. +64 21 909 124
E-mail rosssd@willis.com

Robert Mallinson
Corporate Services Manager
The West Coast Regional Council
PO Box 66
GREYMOUTH 7840

Dear Robert

COVERAGE OF FLOOD PROTECTION INFRASTRUCTURE

Council has requested Willis to advise whether establishing a regional catastrophe fund will meet the central government disaster recovery plan to qualify for the 60% subsidy from central government for damage to infrastructure assets. Council has also requested Willis to investigate the availability of alternative cover from the commercial insurance markets.

The National Civil Defence Emergency Management Plan 2006 states:

"The following may be eligible for government assistance:

- *Repair or recovery of river management systems where there is major community disruption or continuing risk to life...*

Government assistance will not normally be available for assets which receive a subsidy from any other source, unless:

- *The local authority has adequately protected itself through asset and risk management including mitigation, where appropriate, and the proper maintenance of infrastructure assets; or*
- *The local authority has made sound financial provisions (such as the provision of reserve funds, effective insurance or participation in a mutual assistance scheme with other local authorities) to a level sufficient to ensure that the local authority could reasonably be expected to meet it's obligation to provide for it's own recovery."*

The establishment of a regional catastrophe fund would appear to meet central government's requirements to qualify for government assistance. However it is understood central government does not provide any guarantee that any and/or all of the above requirements will result in financial assistance being provided. We would recommend that any catastrophe fund should be treated as a restricted reserve in order for Council to be able to demonstrate to central government that there is no possibility of this fund being used at any time in the future for any other purpose. This is the practice currently adopted by other Regional Councils (in some cases in conjunction with LAPP membership).

For some years American International Group (AIG), has offered traditional insurance protection as an alternative to (or in conjunction with LAPP). AIG now trades in New Zealand as Chartis Insurance. We have approached Chartis to determine what coverage will be offered to Local and Regional Authorities for protecting infrastructure assets. Chartis has advised they are currently considering their position regarding offering coverage going forward. Chartis has advised that they are considering offering the following:

Total value of assets - \$48,000,000

Loss limit of \$9,000,000 per occurrence and in the aggregate during the policy period

Excess/deductible - \$2,000,000 per occurrence

Premium – in the region of \$120,000 to \$144,000 per annum plus GST

It may be possible to improve on these terms for Regional Councils given the different risk profile, however, this cannot be guaranteed. It would appear at this stage that the establishment of a dedicated reserve fund and/or continued membership of LAPP (if available), are the most practical options.

Should Council require any further information, please do not hesitate to contact me.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Simon Ross', with a large, sweeping flourish extending upwards and to the right.

Simon Ross
Corporate Account Manager

THE WEST COAST REGIONAL COUNCIL

Prepared for: Council Meeting 14 July 2011
Prepared by: Chris Ingle – Chief Executive
Date: 30 June 2011
Subject: **CHIEF EXECUTIVES REPORT**

Meetings Attended

The key meetings I have attended since my last report include:

- Attended the Civil Defence co-ordinating executive group meeting on 15 June.
- Visited Taranaki Regional Council on 20 and 21 June with Cr Scarlett.
- Met with MP Chris Auchinvole on 27 June.
- Union bargaining meeting 7 July.

Study trip to Taranaki

The recent trip to Taranaki was extremely useful, primarily to see first hand how a very effective regional council deals with a number of issues that we also face. We discussed a number of issues with the Taranaki Regional Council Chairman, David McLeod and CEO, Basil Chamberlain. We discussed Long Term Plans and Audit NZ, pest management, compliance monitoring and enforcement, riparian planting, civil defence structures, the new Freshwater National Policy Statement, and common issues with their oil and gas industry vs our minerals industry.

The trip was particularly useful for our Long Term Plan preparation, as Taranaki Regional Council have an LTP that has often been used by Audit NZ as a good example of how these documents are supposed to look. I have now begun revising our own LTP to follow the Taranaki document's structure, and I anticipate fewer problems with Audit next year as a result of these changes. The changes will group all resource management activities together and simplify and externalise the levels of service and performance targets.

David and Basil showed us around their building in Stratford, and we noted a lot of similarities with our approach to resource management and our relationships with clients. Basil also showed us around much of their region.

Annual Leave

I am taking a short break from 17 July to 27 July. I return 28 July.

RECOMMENDATION

That this report be received.

Chris Ingle
Chief Executive

THE WEST COAST REGIONAL COUNCIL

To: Chairperson
West Coast Regional Council

I move that the public be excluded from the following parts of the proceedings of this meeting, namely, -

Agenda Item No. 8.

- | | | |
|---------|-----|---|
| 19 – 20 | 8.1 | Confirmation of Confidential Minutes 14 June 2011 |
| 21 | 8.2 | Overdue Debtors Report |
| | 8.3 | Response to Presentation (if any) |
| | 8.4 | In Committee Items to be Released to Media |

Item No.	General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution.
8.			
8.1	Confirmation of Confidential Minutes 14 June 2011		Section 48(1)(a) and in particular Section 9 of 2nd Schedule Local Government Official Information and Meetings Act 1987.
8.2	Overdue Debtors Report		
8.3	Response to Presentation (if any)		
8.4	In Committee Items to be Released to Media (if any)		

I also move that:

- Chris Ingle
- Robert Mallinson
- Michael Meehan
- Colin Dall

be permitted to remain at this meeting after the public has been excluded, because of their knowledge on the subject. This knowledge, which will be of assistance in relation to the matter to be discussed.

The Minutes Clerk also be permitted to remain at the meeting.