

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

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

TUESDAY, 11TH FEBRUARY 2014

The programme for the day is:

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

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

Councillor Workshop:

Financial Matters

RESOURCE MANAGEMENT COMMITTEE

THE WEST COAST REGIONAL COUNCIL

Notice is hereby given that a meeting of the **RESOURCE MANAGEMENT COMMITTEE** will be held in the Offices of the West Coast Regional Council, 388 Main South Road, Paroa, Greymouth on **Tuesday, 11th February 2014**

P. EWEN
CHAIRPERSON

M. MEEHAN
Planning and Environmental Manager
J. ADAMS
Consents and Compliance Manager

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THE WEST COAST REGIONAL COUNCIL**MINUTES OF THE MEETING OF THE RESOURCE MANAGEMENT COMMITTEE
HELD ON 10 DECEMBER 2013 AT THE OFFICES OF THE WEST COAST REGIONAL COUNCIL,
388 MAIN SOUTH ROAD, GREYMOUTH, COMMENCING AT 10.33 A.M.****PRESENT:**

P. Ewen (Chairman), A. Robb, A. Birchfield, P. McDonnell, S. Challenger, N. Clementson, T. Archer, J. Douglas

IN ATTENDANCE:

C. Ingle (Chief Executive Officer), R. Mallinson (Corporate Services Manager), M. Meehan (Planning & Environmental Manager), J. Adams (Consents & Compliance Manager), T. Jellyman (Minutes Clerk)

1. APOLOGIES

There were no apologies.

2. PUBLIC FORUM

There was no public forum.

3. MINUTES

Moved (Robb / Archer) *that the minutes of the previous Resource Management Committee meeting dated 11 November 2013, be confirmed as correct.*

Carried

Matters Arising

There were no matters arising.

4. CHAIRMAN'S REPORT

Cr Ewen reported that he has fielded a couple of public enquiries which he passed onto staff. He attended the opening of the West Coast Wilderness Trail at Kumara. Cr Ewen reported that he attended the Greymouth Roadshow for the Regional Policy Statement, he stated this was well received. Cr Ewen attended the West Coast Economic Summit held at Shantytown on the 6th of December. He passed on his thanks to staff for arranging this and stated that it was a fruitful exercise. Cr Ewen stated that the collective voice of the West Coast was a theme that came through from a lot of the speakers in attendance.

Moved (Ewen / Archer)

Carried

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

M. Meehan spoke to his report and advised that the Regional Policy Statement roadshows have been launched and are progressing well.

M. Meehan reported that expert conferencing for the Land and Water Plan was held on the 26th and 27th of November. This was directed by the court and a joint statement has been submitted to the Environment Court with directions awaited.

M. Meehan reported that the Reefton Airshed Committee met on the 25th of November. He advised that the trial for the Oeko Tube is scheduled for the 6th and 7th of January, in Nelson.

M. Meehan reported that the \$200,000 worth of funding received from the Ministry for the Environment's Freshwater Fund is now being distributed amongst the farmers and community group in this catchment. He advised that the Lake Brunner Catchment Landcare Group was allocated \$20,000 and they held their first planting day over the weekend. M. Meehan reported that a further round of funding applications from farmers will be allocated in January 2014.

M. Meehan reported that staff are working on a monitoring strategy for the Grey River catchment, particularly around the Mai Mai area. He advised that this work is part of the State of Environment monitoring.

Moved (Robb / McDonnell) *that this report is received.*

Carried

5.1.2 REPORT INTO PROPOSED AMENDMENTS TO THE NATIONAL POLICY STATEMENT FOR FRESHWATER MANAGEMENT 2011

M. Meehan spoke to this report. He advised that the main changes that the Government is proposing are that they want councils to establish water quality and quantity accounting system. M. Meehan advised that staff are currently in discussions with MfE regarding the accounting system. M. Meehan stated that he attended a meeting regarding this in Wellington last week and he was assured that MfE will provide assistance and that it is not as involved as we originally thought. He advised that more information is expected this week. Cr Robb advised that this matter was discussed at the recent Regional Sector Group meeting that he and C. Ingle attended last week. Cr Robb stated that MfE is seeking a joint submission from councils. Cr McDonnell asked what council's submission would contain. C. Ingle responded that none of the rivers on the West Coast are under the national bottom line but there could be a cost implication for our region due to the setting up of the water quality and quantity accounting system. Further discussion ensued. M. Meehan advised that at the meeting in Wellington, all regional councils were in attendance and every council stated that it was business as usual for everything that is being proposed. He stated that more details relating to the accounting details are being sought.

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

Carried

5.1.3 BATHING BEACH WATER QUALITY SAMPLING UPDATE

M. Meehan spoke to this report and advised the new councillors that this report will be brought to the council meeting each month over the summer. He explained this report in detail for the benefit of the new councillors. M. Meehan advised that there are 17 bathing beach sites around the coast which are sampled twice a month over the summer. M. Meehan advised that following on from last year, the two Buller sites, Shingle Beach and Marrs Beach, have had follow up work to ascertain exactly what is causing the higher E. coli results. M. Meehan stated that in order to be able to do tracing tests to see if the readings are coming from bovine, bird or human, the results need to be very high and these are not high enough. He stated a further report on this area will be done in the New Year. Cr Archer stated that for the last six years there has been continually non satisfactory results. Cr Archer stated that it was thought that the new Waste Water Treatment system for Westport might have improved these results but to date this has not been the case.

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

Carried

5.2.1 CONSENTS MONTHLY REPORT

J. Adams spoke to this report and advised that 16 non-notified consents were granted during the reporting period and two changes of consent conditions granted. J. Adams confirmed that the Fox River area in his report is the Fox River near Punakaiki.

Moved (Robb / Archer) *that the December 2013 report of the Consents Group be received.*

Carried

5.2.2 COMPLIANCE & ENFORCEMENT MONTHLY REPORT

J. Adams spoke to this report and advised that 68 site visits were carried out. He advised 52 were compliant and 14 were non-compliant. J. Adams advised that further visits have been made to the sites that are non-compliant and only three remain non-compliant. He stated that one of these sites was carrying out remedial work but this was ruined by heavy rainfall and therefore an extension has been given. J. Adams advised that the two other farms were non-compliant due to storage issues. He stated that these farms have been given extra time to sort this issues out as the environmental impact is low. J. Adams advised that 171 dairy farms are yet to be inspected this dairy season. J. Adams advised that the four alluvial gold mining sites that are non-compliant were inspected as a result of a complaint. He stated that these four operations were issued with infringement notices. Cr Clementson asked if the discharge to a waterway in Reefton is the dump. J. Adams confirmed this and advised that work is now being done on the plan for the protection works in this area. J. Adams answered various questions from councillors regarding complaints. J. Adams advised that he is yet to remove the abatement notice for the Reefton dump but advised that 99% of the rubbish that went down the river has now been removed.

Moved (Robb / Clementson) *That the December 2013 report of the Compliance Group be received.*

Carried

6.0 GENERAL BUSINESS

There was no general business.

Cr Ewen wished everyone present a Merry Christmas and a safe and prosperous New Year.

The meeting closed at 11.00 a.m.

.....
Chairman

.....
Date

Prepared for: Resource Management Committee – 11 February 2014
Prepared by: Michael Meehan
Date: 31 January 2014
Subject: **Planning and Environment Managers Report**

Regional Policy Statement Discussion Document

Council received approximately 300 feedback forms regarding its Regional Policy Discussion Document. Staff will now analyse these responses and report to the March 2014 Council meeting.

Land and Water Plan – Elwell Sutton Appeal

The Environment Court issued directions following the expert conferencing in November 2013. The directions required Council to submit an affidavit addressing the development of Rule 11 in the Land and Water Plan, including documentation filed responding to issues raised during *Friends of Shearers Swamp Inc and ors v West Coast Regional Council [2012] NZEnvC 6* and file a joint memorandum confirming whether there is an issue with the interpretation and application of Rule 11 to scheduled wetlands.

Council has filed both the affidavit and memorandum from the court, it is likely that the issues will be set down for a preliminary legal argument on 29 April 2014 in Greymouth.

Wetlands work

Council have visited 74 Schedule 1 and 2 landowners to date. From those visits 36 boundary adjustments are likely to be recommended. Staff have liaised and conducted site visits with an ecologist from the Department of Conservation (DOC) to confirm these boundary adjustments. Council is also working through 11 land exchanges with DOC and one potential purchase by the Natures Heritage Fund on behalf of Schedule 2 landowners.

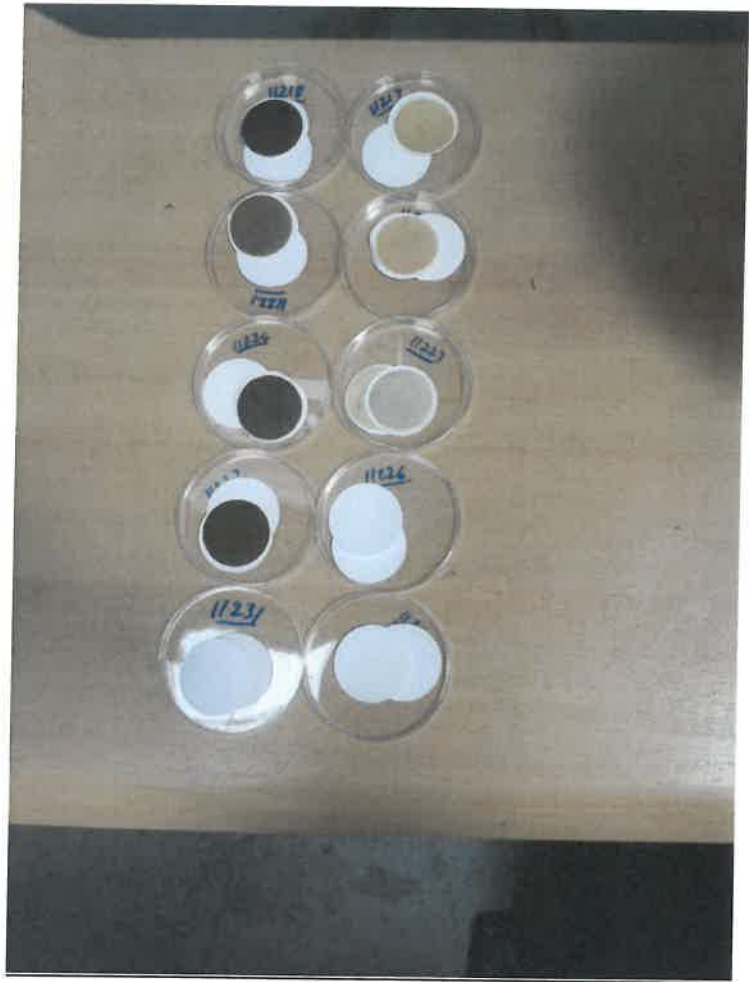
Council has also been working with a landowner who has received funding from the Biodiversity Fund to plant 5,000 natives plants around the foreshore of Lake Poerua.

Reefton Airshed Committee

A lab trial of the OekoTube electrostatic precipitator on a multifuel burner was held at the Applied Research Services lab in Nelson from 6-9 January 2014. The purpose of the trial was to determine the percentage reduction of PM¹⁰ when the OekoTube was turned on and off. Different combinations of fuel were tested each day using a non-bituminous coal, a wood and coal mix, and a bituminous coal and wood mix. Filters capturing the PM¹⁰ were changed hourly. The burner was operated at low and high burn phases each day by lab staff, except for one day when the Airshed Committee Chairman, Jimmy Foster operated the burner as it would be typically used in a Reefton home. Councillor Archer and Michael Meehan attended the trial, as well as a representative from the Coal Association of New Zealand, and the OekoTube New Zealand agent.

Visual observation of the filters showed that PM¹⁰ levels were less when the OekoTube was operating. When the final results are available, they will be sent to air quality consultant Emily Wilton for analysis on how they apply to reducing PM¹⁰ levels in Reefton to meet the National Environmental Standard for Air Quality. The Airshed Committee will then make their recommendations to Council on provisions for the Airshed in the revised Air Plan.

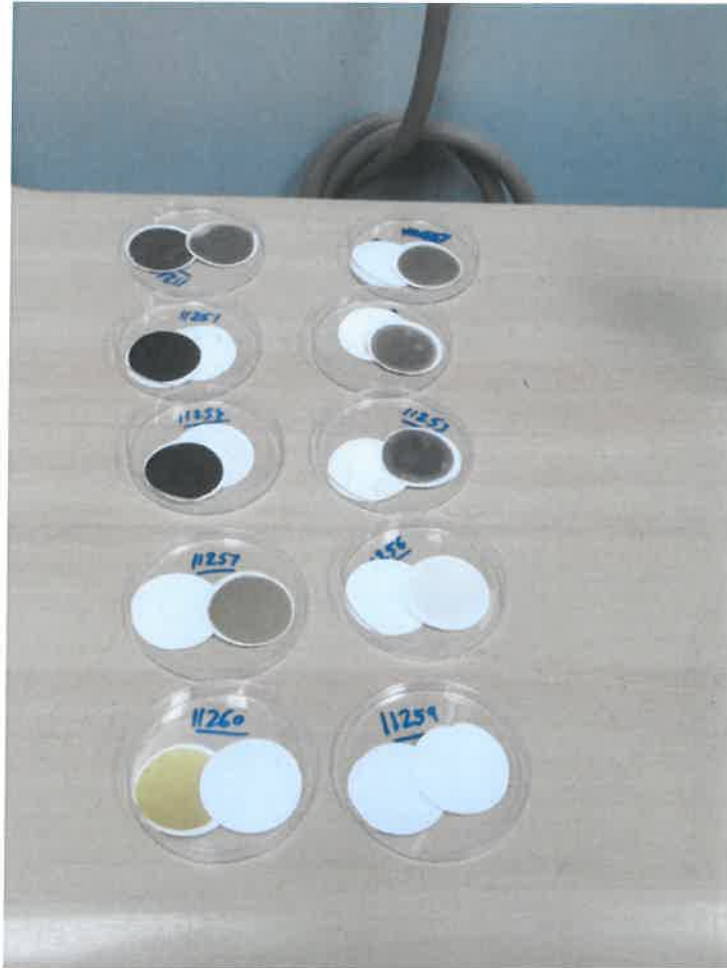
Below are photographs from the trial, the filters were changed every hour with the right hand side representing the discharge following the oeko tube, the left is without the oeko tube:



Day 1 Fuel - Coal



Day 2 Fuel – Coal and Wood



Day 3 filters Fuel – Coal and Wood



Day 4 filters Fuel - Bituminous Coal

Flood Warning

Several frontal systems produced heavy rain during the December/January period, which resulted in flood alarms in the Waiho and Hokitika Rivers.

Site	Time of peak	Peak level	Warning Issued	Alarm threshold
Hokitika River @ Gorge	3/1/2014 05:15	4775mm	3/1/2014 02:30	3750mm
Waiho River @ SH6	3/1/2014 05:30	8149mm	3/1/2014 02:00	8000mm
Waiho River @ SH6	12/1/2014 15:15	8079mm	12/1/2014 16:00	8000mm
Waiho River @ SH6	26/1/2014 08:30	8069mm	26/1/2014 08:45	8000mm

RECOMMENDATION

That the report is received

Michael Meehan
Planning and Environment Manager

Prepared for: Resource Management Committee – 11 February 2014
 Prepared by: Lillie Sadler, Policy Analyst
 Date: 28 January 2014
 Subject: **Submission on Proposed Amendments to the National Policy Statement for Freshwater Management 2011**

Purpose

This report outlines Council's submission on the Proposed Amendments to the National Policy Statement for Freshwater Management (NPSFM).

Background

The Ministry for the Environment (MfE) and the Ministry for Primary Industries (MPI) have released a discussion document proposing amendments to the National Policy Statement for Freshwater Management 2011.

The main changes proposed were reported to Council at the December 2013 meeting. The key changes affecting this Council are:

- A requirement for Councils to establish freshwater objectives through the following process:
 - Classify all water bodies into catchment-based Freshwater Management Units (FMU's);
 - Identify values for each FMU, including mandatory iwi, ecosystem, and human health values;
 - Set an objective for each FMU to meet the identified values, based on standards for attributes such as nitrogen, phosphorus, and E. coli;
 - Develop a monitoring plan to measure progress towards achieving the objectives.
- A requirement for Councils to establish and operate a water quality and quantity accounting system for takes and discharges in FMU's where attribute standards are set.
- The accounting requirements must be implemented two years from when the NPS amendments come into force.

Submission

Attached to this report is a copy of Council's submission. The main points raised in the submission are:

- The concept of a national catchment-based framework to standardise assessment and management of water bodies is generally supported as it will give more certainty to water users of what standards need to be met.
- Some aspects of the process for establishing objectives and the accounting system, plus parts of the technical framework, are not flexible enough to fit the West Coast context.
- The cost of the objectives-setting process and implementing the accounting system is beyond Council's current budget, central government assistance will be required to carry out the extra work.
- The two year period to give effect to the accounting requirements does not allow councils with limited resources and insufficient information enough time to establish an accounting system.

The submission suggests minor changes to the new framework to address Council's concerns.

As submissions closed on 4 February 2014 prior to the Council meeting, the draft submission was circulated to Councillors for their comment. No changes were made, and the submission was lodged.

RECOMMENDATION

That the report is received

Michael Meehan
Planning and Environment Manager



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3 February 2014

Freshwater Reform
Ministry for the Environment
PO Box 10362
Wellington

Dear Sir/Madam

Submission on National Policy Statement for Freshwater Management Amendments

The West Coast Regional Council (the Council) appreciates the opportunity to submit on the "Proposed amendments to the National Policy Statement for Freshwater Management 2011 – Discussion Document".

The concept of a national catchment-based framework to standardise assessment and management of water bodies is generally supported by this Council. It will give more certainty to water users of what standards are to be met.

Council's main concerns with the proposed amendments are flexibility in the system to suit the West Coast Region, and the potential costs of implementing the accounting system. The Ministry for the Environment has verbally indicated that central government will provide assistance to regional council's to implement the new changes, Council welcomes this offer. While this may address a number of our concerns about implementing the freshwater accounting requirements, we wish to outline how the proposed requirements will potentially affect us, and situations where the requirements may not be the best fit for the West Coast.

We also ask that the Ministry confirms in writing their offer of assistance to help councils implement the new accounting requirements.

Yours faithfully

Mike Meehan
Planning and Environment Manager

WEST COAST REGIONAL COUNCIL'S SUBMISSION ON THE PROPOSED AMENDMENTS TO THE NPS FOR FRESHWATER MANAGEMENT

General Comments

The West Coast Regional Council (the Council) supports in principle the concept of a national framework for setting objectives for freshwater bodies, and providing attribute parameters to help meet the objectives. Council supports a system which allows flexibility to ensure it is applicable to the West Coast context. Council will require assistance from central government in giving effect to the National Policy Statement Freshwater Amendments (NPSFW), particularly the required accounting system that is required as this will impose significant additional costs.

The Council has read and supports the Local Government New Zealand submission.

We also make some brief comments on technical aspects of the proposed Attributes Table.

Accounting for water quality and quantity

Policy CC1

This policy requires Councils to account for all water within its region and divide catchments into Freshwater Management Units (FMU). Council appreciates that it can set the FMU's as wide as it deems necessary to include several catchments. This would be an appropriate response for the majority of South Westland where there is very little pressure on the resource and little economic and environmental justification to undertake thorough accounting. The cost and timeframe to implement such a system is likely to be significant and difficult to achieve given the limited resources available to Council.

Currently Council undertakes its water quantity monitoring largely based on the flood warning system; therefore sites are located in large rivers and areas that are susceptible to flooding. Council has a low sampling frequency and spatial range because it has limited funds to do more sampling in areas not associated with the flood warning system. Flood flow monitoring is a critical potentially lifesaving role for the Council, and it should not be cut back to fund the accounting for all water takes.

Council notes that NIWA are currently reviewing the water quality and quantity sites it monitors throughout the country. It is likely that this will result in sites currently used for flood warning purposes removed. Council relies on these sites for civil defence purposes. NIWA discontinuing these sites is likely to increase Council costs to ensure it provides the same level of service to its community.

Adding to the overall cost of implementing the accounting system, the Council currently has insufficient information for characterising state and changes in land use within a catchment and / or management area. The initial costs to collect this information are therefore likely to be high.

Response sought: That Policy CC1(a) be amended to require accounting systems to be established and operated where they are appropriate for the significance of the water quantity and quality issues.

The proposed two year period from when the amendments become operative in which councils must give effect to the accounting requirements is, in our view, unrealistic. It does not allow councils with limited resources and basic existing accounting systems sufficient time to establish an accounting system.

Response sought: Delete the two year timeframe or amend it to make it practical for less resourced councils, for example, allowing for a staged approach over a longer timeframe.

National Objectives Framework

Policy CA1

It appears in Policy CA1 that all waterbodies must be identified and go through the whole process outlined in the policy of identifying Freshwater Management Units (FMU's), values and attributes, and setting objectives. We question how useful and purposeful this will be for some waterbodies on the West Coast. Many waterbodies on conservation estate generally have high water quality. We can estimate with reasonable certainty that a number would meet Attribute State A (the highest level of water quality) without doing sampling and analysis. In parts of South Westland rivers and creeks are so inaccessible and unused that they need no management. By default, they would have ecosystem health and natural form and character values which already exist, are unlikely to change, and do not have to be worked towards by Council management. No meaningful objective can be set for such waterbodies. If these rivers and streams can be assessed based on existing knowledge and low-risk assumptions, it is unnecessary to go through the whole process of undertaking investigations and developing objectives and FMU's for these waterbodies.

Response sought: Amend Policy CA1 to provide for the situation described above.

In relation to the above point, Policy CB1(b) requires monitoring to be done at one or more sites for each FMU. This is not justified in situations described above where no objective or FMU is necessary, and there is no likelihood of changes to water quantity or quality resulting from human use.

Response sought: Amend Policy CB1 to provide flexibility where waterbodies do not need managing and no investigation, objective or FMU is necessary or useful.

Exceptions to national bottom lines

We agree that FMU's eligible as exceptions should be decided by regional councils, to enable regions to take into account local contextual considerations when weighing up values.

Monitoring

We agree with the Local Government New Zealand submission that it is unclear what the relationship will be between the NPS-FM monitoring requirements and the Environmental Bill. These two monitoring frameworks must be aligned. Duplication of monitoring requirements should be carefully avoided, as this could result in even further costs to councils, and/or the government if assistance is provided for national accounting and/or monitoring purposes.

Attributes Table

We note that parts of the technical framework are not appropriate for all regional councils. For example, the Council uses the RAM2 method for measuring periphyton abundance in rivers, which differs from the proposed measure for periphyton.

Also, some aspects of implementing the attributes table are unclear. For example, understanding the time period and frequency for measuring dissolved oxygen.

Response sought: The Council seeks the following changes to Appendix 2: attributes tables, and clarification of the last two bullet points:

- Add other options for assessing periphyton, including the RAM2 method to measure periphyton abundance in rivers. The New Zealand periphyton guidelines (Biggs 2000) suggest biomass limits for periphyton based on percentage cover of filamentous algae. The Council has extrapolated this to a RAM2 enrichment score, creating a threshold for this score (refer to Appendix 1). Similar extrapolation could be conducted to create attribute states for an attribute unit, derived from the RAM2 method. This extrapolation would match the attribute states defined under the mg chl-a/m² attribute unit, to alternative states defined under an additional RAM2 derived attribute unit. Periphyton would remain the single attribute.
- Increased options should be provided in the assessment methodology to accommodate low sampling frequency. Council samples most State of the Environment waterways four times a year, so for some attributes we would be calculating annual percentiles using four data points. Four points are too few for a median or 95th percentile. An example of an alternative method would be to use a rolling median of 3 years' worth of data (12 points).
- Reconsider using the Suitability For Recreation Grade (SFRG) method for assessing contact recreation suitability. There is some debate occurring around the appropriateness of this method. It is questionable how sensible it is to include the SFRG into the NPS, given that there is a drive nationally to improve upon it. Additionally, many Councils do not collect 20 samples per season, thus forfeiting compliance with this method.
- Clarify if all attributes need to be measured for all freshwater management units. Council is aware of waterbodies that have high quality because they are unaffected by any development. Is it possible to not have to test for some attributes, for example, attributes states B, C, and D, where the river meets State A and there are no problems associated with that attribute?
- Clarify the time period and frequency of sampling for measuring dissolved oxygen. For example, should analysis be conducted using a seven day period at any time between 1 November and 30th April. Or should analysis be based on a rolling seven day mean? And should samples be taken every 15 minutes, every hour, or at another frequency?

Summary

In summary, the Council seeks the following changes made:

- That Policy CC1(a) be amended to require accounting systems to be established and operated at a level of detail appropriate to for the significance of the water quantity and quality issues.
- Either delete the two year timeframe or amend it to make it more practical for less resourced councils.
- Amend the National Objectives Framework to provide for situations where there is extremely little or no pressure on water quality or quantity resources.
- Amend Policy CB1 to provide flexibility where waterbodies do not need managing and an objective or FMU is unnecessary or not useful.
- Clarify if water quality limits set in consent conditions can be used as numerical objectives for a water body under the proposed amendments.
- Ensure that regional councils retain the role of deciding on exceptions to national bottom lines.
- Add additional methods for assessing periphyton abundance.
- Increase options to accommodate low sampling frequencies.
- Reconsider using the SFRG method for measuring contact recreation.
- Clarify whether all attributes need to be measured for all freshwater management units.
- Clarify the method for measuring dissolved oxygen.
- Clarify whether all attributes need to be measured, and clarify the process or situation where an attribute could be excluded.

THE WEST COAST REGIONAL COUNCIL

Prepared for: Resource Management Committee Meeting 11 February 2014
 Prepared by: Emma Chaney, Senior Technical Officer
 Date: 30 January 2013

Subject: BATHING BEACH WATER QUALITY SAMPLING UPDATE

Sampling results for December and January

The West Coast Regional Council carries out regular sampling for faecal indicator bacteria (*E.coli* or Enterococci) at popular contact recreation sites over the summer period, from November through to March. Sampling is currently undertaken at 17 locations, twice per month.

Moderate to heavy rainfall was recorded prior to the first round of sampling in December.

Heavy rainfall was recorded in the week prior to the first round of sampling in January.

Council has commenced an investigation into potential contamination sources related to the Marris Beach and Shingle Beach sites. A report will be submitted to the April Council meeting.

SITE	Nov	Nov	Dec	Dec	Jan	Jan
Carters Beach at campground beach access	😊	😊	😊	😊	😊	😊
North Beach at tip head road steps	😊	😊	😊	😊	😊	😊
Buller River at Shingle Beach	N/A	😐	😊	😊	😐	😊
Buller River at Marris Beach	N/A	😊	😞	😊	😞	😊
Rapahoe Beach at end of Statham St	😊	😐	😊	😊	😊	😊
Seven Mile Creek at SH6 Rapahoe	😊	😊	😊	😊	😐	😊
Nelson Ck at Swimming Hole Reserve	😊	😊	😊	😊	😊	😊
Grey River at Taylorville Swimming Hole	😊	😊	😊	😊	😞	😊
Cobden Beach at Bright Street West end	😊	😊	😊	😊	😊	😊
Blaketown Beach at South Tiphead	😊	😊	😊	😊	😊	😊
Lake Brunner at Cashmere Bay Boat Ramp	😊	😊	😐	😊	😊	😊
Lake Brunner at Iveagh Bay	😊	😊	😊	😊	😞	😊
Lake Brunner at Moana	😊	😊	😊	😊	😊	😊
Karoro Beach at Surf Club	😊	😊	😊	😊	😊	😊
Hokitika Beach at Hokitika	😊	😊	😊	😊	😊	😞
Kaniere River at Kaniere Kokatahi Rd	😊	😊	😊	😊	😊	😊
Lake Mahinapua at Shanghai Bay	😊	😊	😊	😊	😊	😊

😊	Very low risk < 280 E. coli; < 140 Ent
😐	Low to moderate risk 260-550 E. coli; 140-280 Ent
😞	Moderate to high risk > 550 E. coli; > 280 Ent

RECOMMENDATION

That the report is received

Michael Meehan
 Planning and Environment Manager

Prepared for: Resource Management Committee – 11 February 2014
Prepared by: Michael Meehan
Date: 31 January 2014
Subject: **Oil Spill Exercise Westport 28 January 2014**

Council ran an oil spill exercise in Westport on 28 January 2014 as part of its annual training program. The exercise aimed to test the team's ability to respond to a spill in the Buller River which may migrate to sensitive sites.

Staff from Westport Harbour, Grey Port, West Coast Regional Council, Vector Control Services and Ian Cooper (Wildlife Expert) were involved. Mick Courtneil attended on behalf of Maritime New Zealand (MNZ) to assess the exercise and provide advice.

The exercise went well with the team focussing on containment and recovery options along with an assessment of wildlife at sensitive sites, where oil was predicted to impact. The lessons learnt in the exercise will be analysed and incorporated into the Regional Tier 2 Plan.

Prior to the exercise staff met with Mick Courtneil regarding potential involvement in the National Response team (NRT), which MNZ are extending following the RENA report. MNZ expressed appreciation for the work West Coast responders completed during the RENA response and an interest in some of the team joining the NRT.



Staff assessing recovery options near the Holcim site.

RECOMMENDATION

That the report is received

Michael Meehan
Planning and Environment Manager

THE WEST COAST REGIONAL COUNCIL

Prepared for: Resource Management Committee – 11 February 2014
 Prepared by: Nichola Costley – Regional Planner
 Date: 26 January 2014

Subject: **Civil Defence and Emergency Management Update**

Purpose

To provide Council with an update on Civil Defence and Emergency Management (CDEM).

Background

There have been a number of meetings held by the various CDEM Groups over the past few months. An update of these meetings has been provided below.

Coordinating Executive Group

The Coordinating Executive Group (CEG) met on 5 December 2013. Key agenda items discussed at the meeting included:

Resilience Fund

- The Tsunami Inundation project for 2013/14 is being progressed by GNS. Additional topographical data has been collected and the modelling is underway.
- The Emergency Management Information System training continues under the 2013/14 application. This joint project between the West Coast, Nelson Tasman and Marlborough CDEM Groups is in its second year with one more year to be applied for in 2014/15. Recent training on the West Coast was held on 21 January for Superusers.
- A joint project with the Northland CDEM Group on Disaster Risk Reduction for the tourism industry has been proposed. This is to be centred on Franz as a case study town. This proposal has been submitted to Envirolink for funding but if unsuccessful an application will be made to the 2014/15 Resilience fund.

CDEM Capability Assessment

The Ministry of CDEM have advised that they will be undertaking another round of assessment on the CDEM Groups. This will be taking place for the West Coast in the second half of 2015.

Civil Defence Emergency Management Group

The CDEM Group (comprised of the Mayors and Chair of the Regional Council) met on 9 December. This was the first meeting of this Group following the local elections. Mayor Tony Kokshoorn was re-elected as the Chairman of the Group. Following an induction as to the roles and responsibilities of members the key agenda item discussed was the CDEM Group restructure.

Chris Ingle has been working with the Chief Executives of the District Councils to review the structure of the West Coast CDEM Group. The intent was to provide for better consistency and collaboration in CDEM activities between Councils as well as to provide for increased accountability. The CDEM Group agreed to develop a new Heads of Agreement which would set out the new CDEM structure for the West Coast. The four Councils will deliver their responsibilities through one body to be known as "Civil Defence West Coast", and a new CDEM Group Manager will be appointed through the Regional Council to coordinate activities throughout the region. There will be increased lines of accountability with the Emergency Management Officers at each District Council reporting directly to the new CDEM Manager.

Welfare Coordinating Group

The Welfare Coordinating Group (WCG), previously known as the Welfare Advisory Group (WAG), met on 17 December 2013. The key agenda item discussed involved the review of the local welfare arrangements. These set out the roles and responsibilities for agencies

involved in welfare at the local level. Through the review of the welfare at a national level there will be new organisations looking after different roles. These will be formalised in the coming year. The WCG have decided to hold a Welfare workshop to ensure that all three districts have detailed and coordinated local welfare arrangements. It is expected that the workshop will be held in March.

South Island Emergency Management Conference

Grey District are coordinating the South Island Emergency Management Conference to be held at Shantytown on 30 and 31 July 2014. The Conference will be focussed on recovery and resilience.

RECOMMENDATION

That this report be received.

Chris Ingle
Chief Executive Officer

THE WEST COAST REGIONAL COUNCIL

Prepared for: Resource Management Committee – 11 February 2014
Prepared by: Nichola Costley – Regional Planner
Date: 29 January 2014

Subject: **Regional Transport Update**

Purpose

To provide Council with an update on the Regional Transport Committee meeting held on 21 January 2014.

Background

The new Regional Transport Committee (RTC) met on 21 January 2014. This is the first meeting since the local elections in 2013.

Key agenda items discussed at the RTC included:

Government Policy Statement on Land Transport

The Ministry of Transport (the Ministry) is currently reviewing the Government Policy Statement on Land Transport (GPS) and is seeking feedback to help guide them in their thinking. The Ministry produces a Government Policy Statement (GPS) that sets out government's outcomes, objectives and impacts for the land transport sector for at least 10 years. The GPS will indicate the spending available in each of the different transport activity classes and provide direction in the development of the National Land Transport Fund. It is important to note that if there is a change in government then there is potential for the GPS to be rewritten. The RTC have responded to the Ministry in relation to the questions that were posed. A copy of the letter is attached to this report.

Regional (R) Funds

Regional or R funding is additional revenue collected nationally, through a 5c per litre tax added to fuel sales and an equivalent increase in road user charges for light vehicles, and allocated to each region on a population basis. R funds were established for a finite 10-year period starting in April 2005 and expiring in 2015. Their purpose is to provide a minimum dedicated spend in each region for transport improvement projects that are important to the region. They must be committed (funding approved) by 31 March 2015, and must then be spent by 30 June 2018.

Over the past couple of months Taranaki Regional Council has sought assistance from other Regional Councils in advocating for R Funds to continue on in some form into the future to ensure that there is some dedicated transport spend for each region. Initial feedback indicates that there is likely to be some form of R going forward though it is likely to be substantially different to the use and distribution of R in the past.

There is currently unspent R for the West Coast. The RTC will be considering whether there are any projects either on local roads or on State Highways that could be submitted for the final year of the current Regional Land Transport Programme – 2014/15. Each District Council and the NZ Transport Agency will present these potential projects to the RTC in April to undergo a prioritisation process. If any projects are to be included for the final year of the programme, a variation to the Regional Land Transport Programme will be undertaken.

Regional Land Transport Plan Development

Following amendments to the Land Transport Management Act in 2013, the Regional Land Transport Strategy and the Regional Land Transport Programme are to be combined into a Regional Land Transport Plan (RLTP). It will be developed every six years with a review to be undertaken every three years in regards to the funding programme component. The NZ Transport Agency will be releasing guidelines on the development of the RLTP shortly. The

RTC were presented with an indicative timeline leading into the development of the RLTP which will commence on 1 July 2015.

Financial Assistance Rate Review

The NZ Transport Agency are reviewing the current financial assistance rates for all transport activities for local authorities. While this will affect all of the transport activities undertaken by the Regional Council (Total Mobility, Community Road Safety, Transport Planning) it will have a significant impact on the District Councils due to their responsibilities for local roads.

The FAR review will determine how to appropriately share the cost of land transport activities between local government and the National Land Transport Fund. The first round of consultation involved a discussion around the principles that should sit behind funding assistance rates and for developing a new provisional funding assistance rates framework.

The second round of consultation provides a description of the different factors that could determine the funding assistance rate for each approved organisation. The NZ Transport Agency are starting with a base rate of between 50% - 53% and will then provide an additional rate on top of this depending on which of the options are chosen through consultation. Councils will also be split into bands so that those with similar options will receive the same FAR. The options are:

1. Index of deprivation;
2. Rateable capital value/rating units;
3. Combines options 1 and 2;
4. Lane km/rateable capital value; and
5. Combines options 1 and 4.

Under all of these options there will be an increase in some of the local contribution that will need to be made for transport activities for the Regional Council. The potential FARs for the Regional Council based on the options above are set out below. The first figure is based on the 50% overall co-investment contribution from the National Land Transport Fund and the second is based on a 53% overall co-investment contribution.

1. 49% – 52%
2. 60% – 60%
3. 55% – 60%
4. 55% – 60%
5. 49% - 52%

Currently the FARs received for the Regional Council are:

▪ Transport Planning	68.78%
▪ Total Mobility	50%
▪ Community Road Safety	68.78%
▪ Public Transport Services/Administration	50%

The impending change will also mean that Regional Councils will receive the same FAR for public transport, total mobility services, road safety promotion and transport planning.

A table setting out the respective potential FARs for all four of the West Coast Councils is attached to this report.

The submission period closes on 3 March 2014.

Recommendation

That this report be received.

Chris Ingle
Chief Executive Officer

Potential Financial Assistance Rates for the West Coast Councils as proposed by the NZ Transport Agency in the Options Discussion Document

Council	Status quo – overall effective rate 2012/13	Status quo – overall rate 2009/10-2012/13	Status quo – Base FAR 2014/15	How Base FAR indicator rate is trending under the status quo	Option 1 Index of Deprivation		Option 2 Rateable value/rating units		Option 3 Combines Options 1 and 2		Option 4 Lanes kms/rateable capital value		Option 5 Combines Options 1 and 4	
					50% overall rate	53% overall rate	50% overall rate	53% overall rate	50% overall rate	53% overall rate	50% overall rate	53% overall rate	50% overall rate	53% overall rate
BDC	65%	66.5%	58	↕	55%	53%	60%	60%	60%	60%	55%	60%	55%	60%
GDC	62.3%	63.5%	60	↕	49%	52%	60%	65%	55%	60%	49%	52%	49%	52%
WDC	64.7%	65.5%	58	↕	49%	52%	55%	60%	49%	52%	55%	60%	49%	52%
WCRC	55.8%	66.6%	n/a	n/a	49%	52%	60%	60%	55%	60%	55%	60%	49%	52%

Refer: www.nzta.govt.nz/far for more information



Office of Hon Gerry Brownlee

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MP for Ilam

Leader of the House

Minister of Transport

Minister for Canterbury Earthquake Recovery

Minister Responsible for the Earthquake Commission

16 DEC 2013



Hon Roger Maxwell, QSO
Chair of the Taranaki Regional Transport Committee
Taranaki Regional Council
Private Bag 713
STRATFORD 4352

Dear Mr Maxwell

Thank you for your letter of 15 November 2013 regarding regional funding (R-funds). My apologies for the delay in replying to you.

The information you and other regional councils have provided will be very useful in determining how best to manage any funding to regions beyond 2015. At my request, the Ministry of Transport is now developing advice on how a new regional funding mechanism might operate after the current system ends in 2015.

The updating of the Government Policy Statement on Land Transport Funding (GPS) provides an opportunity to review how the policy has worked, both at a regional and national level. The feedback from regional councils on the current policy and other issues they are facing is a good way to start.

I expect to advise Cabinet in 2014 on options for R-funds as part of consideration of the GPS 2015-16 to 2024-25. This will ensure that any new policy development includes engagement with local government through the same process as the GPS. I also want to ensure that any new system works at a strategic level for both central and local government.

Yours sincerely

Hon Gerry Brownlee
Minister of Transport

THE WEST COAST REGIONAL COUNCIL

Prepared for: Resource Management Committee – 11 February 2014
 Prepared by: Nichola Costley – Regional Planner
 Date: 13 January 2014

Subject: **Regional Transport Committee Constitution**

Purpose

To provide Council with the nominees to be considered for the reconstitution of the West Coast Regional Transport Committee

Reconstitution of the Regional Transport Committee

As soon as practicable after each triennial election, every Regional Council must establish a Regional Transport Committee (RTC) for its region under section 105(1) of the Land Transport Management Act 2003 (the Act). The Amendments to the Act in 2013 removed the objective representatives from RTC. Now members on the RTC are from agencies that make a funding contribution to transport activities: Councils and the New Zealand Transport Agency (NZTA). Each District Council and NZTA appoint one representative with the Regional Council appointing two – the Chair and Deputy Chair, who also provide this function for the RTC.

The appointments are:

Representative	Organisation
Cr Andrew Robb (Chair)	West Coast Regional Council
Cr Peter Ewen (Deputy Chair)	West Coast Regional Council
Mayor Garry Howard	Buller District Council
Cr Peter Haddock	Grey District Council
Cr Greg Hope	Westland District Council
Mr Jim Harland	New Zealand Transport Agency

Responsibilities of the RTC

The RTC has two primary responsibilities. These are to prepare for approval for the Regional Council:

1. To prepare a regional land transport plan, or any variation to the plan, for the approval of the relevant regional council; and
2. To provide the regional council with any advice and assistance the regional council may request in relation to its transport responsibilities.

The RTC must also adopt a policy that determines significance for any variations that are made to a regional land transport plan and the activities that are included in the regional land transport plan.

The Regional Land Transport Plan will replace the Regional Land Transport Strategy and Regional Land Transport Programme from 1 July 2015.

RECOMMENDATION

That the Council ratify the appointments to the Regional Transport Committee.

Chris Ingle
 Chief Executive Officer

Prepared for: Resource Management Committee
 Prepared by: Jackie Adams - Consents & Compliance Manager
 Date: 30 January 2014
 Subject: **CONSENTS MONTHLY REPORT**

CONSENTSConsents Site Visits 29 November 2013 – 30 January 2014

DATE	NAME, ACTIVITY & LOCATION	PURPOSE
04/12/13	RC13181 – Mill Creek Mining Ltd, Alluvial gold mining, Taramakau / Dunganville	To assess the proposed gold mining activities and to assess the monitoring points for the discharge associated with processing the consent application.
21/01/14	RC-2014-0008 – Murihiku River Prospecting Ltd, Alluvial gold mining, Sulky Creek, Taylorville	To investigate the integrity of the base line flow within Sulky Creek associated with a proposed diversion and to quantify a bond quantum based on the expected rehabilitated outcome.

Non-Notified Resource Consents Granted 29 November 2013 – 30 January 2014

CONSENT NO. & HOLDER	PURPOSE OF CONSENT
RC04131 Phoenix Mining Ltd	To disturb the bed of Garden Creek associated with its diversion. To divert Garden Creek.
RC12233 John Dunbier	To undertake earthworks associated with alluvial gold mining near Ross. To disturb the bed of Clear Creek associated with its diversion. To disturb the bed of Robinsons Creek associated with its diversion. To divert the flow of Clear Creek. To divert the flow of Robinsons Creek. To take and use surface water for alluvial gold mining near Ross, within MP50125. To take and use groundwater via seepage near Ross for alluvial gold mining. To discharge sediment-laden water to land near Ross in circumstances where it may enter groundwater.
RC13081 Cascade Coal Ltd	To disturb the bed of Hagen Creek associated with the reinstatement of the access road. To take and use water from Mill Creek (also known as V8 Creek) associated with open cast coal mining within MP 41455. To discharge mine influenced water from treatment ponds to Hagen Creek and Mill Creek within MP 41455.
RC13091 Lake Brunner Station Ltd	To cross cattle (dry stock) through the Eastern Hohonu River and Morgan Creek.

RC13106 Matthew Dove	To disturb the Coastal Marine Area between the mouths of the Totara River and the Mikonui River for the purpose of removing selected stone.
RC13119 Aratika Farm Limited Partnership	To undertake earthworks associated with humping and hollowing activities, Aratika. To undertake earthworks associated with humping and hollowing activities, Aratika.
RC13174 KiwiRail Holdings Ltd	To disturb the bed of Deadmans Creek for the purpose of replacing Rail Bridge 126 and including rock protection works. To disturb the riparian margins of Deadmans Creek for the purpose of replacing Rail Bridge 126. To divert water for the purpose of replacing Rail Bridge 126. The incidental discharge of sediment to Deadmans Creek for the purpose of replacing Rail Bridge 126.
RC13193 Buller District Council	To disturb the bed of the Inangahua River for the purpose of constructing rock protection works. To disturb the riparian margins of the Inangahua River for the purpose of constructing rock protection works.
RC13195 B A & J M Morrison Farming Ltd	To take and use surface water from Kapitea Creek for irrigation purposes.
RC13206 Southwest Energy Ltd	To disturb the dry bed of the Mikonui River for the purpose of extracting gravel.
RC13213 Hamish Johnston	To discharge treated sewage effluent to land at 19 Hartmount Place & 11 Ross Place, Punakaiki.
RC13215 SR & SA Greenman	To discharge treated sewage effluent to land at 54 Rutherglen Road, Paroa.
RC13216 Buller Coal Ltd	To discharge contaminants to water associated with the feeding and preservation of Koura.
RC13217 Kuapaua Farm Ltd	To discharge treated dairy effluent to land from a dairy shed where it may enter surface water (Duck Creek) and groundwater near DS290, Kokatahi.
RC13219 Sicon Ferguson Ltd	To disturb the dry bed of the Totara River for the purpose of extracting gravel.
RC13220 Solid Energy New Zealand Ltd	To undertake earthworks and vegetation clearance on slopes greater than 25 degrees, Strongman Mine.
RC13225 Aratika Farm Limited Partnership	To discharge treated sewage effluent to land at Lot 1 - 3 DP 417211, Arnold Valley Road, Moana.
RC13226 Hokitika Gorge Holdings Ltd	To disturb the bed of the Hokitika River to form a diversion channel. To divert water, Hokitika River.
RC13227 Thomas Francis Condon	To disturb the bed of the Mahitahi River associated with the construction of river protection.
RC13229 Westland Contractors Ltd	To disturb the dry bed of the Karamea River for the purpose of extracting gravel.
RC13230 The Mokihinui–Lyell Backcountry Trust	To disturb the dry bed of the Mokihinui River for the purpose of extracting gravel.

RC13231 Barry James Cunniffe	To disturb the dry bed of the Mokihinui River, Seddonville, for the purpose of extracting gravel. To disturb the dry bed of Coal Creek, Seddonville, for the purpose of extracting gravel.
RC13232 SD Giddy & MD Lawrie	To discharge treated sewage effluent to land at 190B Gillams Gully Road, Hokitika.
RC-2014-0002 Westland Contractors Ltd	To disturb the dry bed of the Taramakau River, near the William Stewart Bridge, for the purpose of extracting gravel. To disturb the dry bed of the Crooked River for the purpose of extracting gravel.
RC-2014-0003 Geotech Ltd	To take and use surface water from the Greenstone River for the purpose of alluvial gold mining within MP 51525. To take and use surface water from Tansey Creek for the purpose of alluvial gold mining within MP 51525.
RC-2014-0004 Hamish Croft	To disturb the dry bed of the Grey River at St Kilda for the purpose of extracting gravel.
RC-2014-0005 PF Olsen Ltd	To disturb the bed of Cockeye Creek for the purpose of constructing a bridge.
RC-2014-0006 Hahn Logging Ltd	To disturb the bed and riparian margins of Sawyers Creek while undertaking tree harvesting works.
RC-2014-0007 Grey Gold Ltd	To undertake earthworks associated with alluvial gold mining near Waipuna Creek. To take and use groundwater near Waipuna Creek for alluvial gold mining. To take and use water from Waipuna Creek for alluvial gold mining. To discharge sediment-laden water to land near Waipuna Creek in circumstances where it may enter groundwater via seepage.
RC-2014-0009 Andrew Verwey	To disturb the bed of the Mawheraiti River associated with the construction of river protection.
RC-2014-0011 Hamish Croft	To disturb the dry bed of the Grey River at Kiwi Point for the purpose of extracting gravel.

Changes to Consent Conditions granted 29 November 2013 – 30 January 2014

CONSENT NO, HOLDER & LOCATION	PURPOSE OF CHANGE
RC97014[v3] Cascade Coal Ltd Cascade Mine, Denniston	To change conditions relating to the diversion of Hagen Creek.
RC97014[v4] Cascade Coal Ltd Cascade Mine, Denniston	To change conditions relating to bond requirements
RCN97190[v1] PF & LE Berry Grey River	To change consent conditions relating to the alignment of the stopbank.
RC03175[v5] Solid Energy New Zealand Ltd Cypress Mine, Stockton	To allow an alternative location for the discharge of contaminants to water associated with water treatment.

RC05133[v1]
CWPJ Holdings Ltd
Spring Creek, Inangahua

To change the name of the receiving waterbody.

RC12158-V1
West Coast Regional Council
Kongahu Swamp

To include a culvert in the stopbank design.

RC13176[v1]
West Coast Regional Council
Waiho River

To increase the area from which rock can be extracted from the riverbed.

Notified Resource Consents Granted 29 November 2013 – 30 January 2014

CONSENT NO. & HOLDER

PURPOSE OF CONSENT

RC13145
Forest Management Ltd

To disturb land on slopes greater than 25 degrees and within the Greymouth Earthworks Control Area associated with the harvesting of exotic forest, Greymouth.

To discharge stormwater containing sediment to land from exotic forest harvesting, Greymouth.

To discharge sediment to water as a result of exotic forest harvesting activities, Greymouth.

Public Enquiries

50 written public enquiries were responded to during the reporting period. 45 were answered on the same day, 3 the following day, and the remaining 2 no more than 10 working days later. 2 LGOIMA requests were responded to, all within the required timeframe.

RECOMMENDATION

That the February 2014 report of the Consents Group be received.

Jackie Adams
Consents & Compliance Manager

Prepared for: Resource Management Committee
 Prepared by: Jackie Adams – Consents & Compliance Manager
 Date: 30 January 2014
 Subject: **COMPLIANCE & ENFORCEMENT MONTHLY REPORT**

Site Visits

A total of 177 site visits were undertaken during the reporting period, which consisted of:

Activity	Number of Visits
Resource consent monitoring	39
Dairy Farm inspections	73
Mining compliance & bond release	34
Complaint Related	31

Out of the 177 site visits for the reporting period, 116 were compliant and 49 were non-compliant. Twelve are waiting on sampling results before being rated.

Specific Issues

Dairy farms:

- A total of seventy three farms have been inspected this month.
- Fifty seven farms have been graded as compliant.
- Twelve farms are waiting on sampling results to be returned from the lab before a rating can be given.

Alluvial Gold Mining:

- Complaints have been received about mining operations in Marsden and Waimea. These are being followed up by the mining team.
- Seventeen Alluvial gold mines were visited this reporting period.
- Nine sites were compliant, eight were found to be non-compliant.

Coal Mining:

- 10 coal mining consents have been inspected over the reporting period, with three non-compliance incidents recorded. (some are multiple consents on the same site).

White baiting:

- A total of 554 post season inspections were undertaken on sixteen rivers from the Little Wanganui north of Westport to the Arawhata River south of Haast. This resulted in 24 formal warnings being issued to consent holders for failing to remove their stands and white bait gear from the bed of the river.

Complaints/Incidents between 25 November 2013 – 28 January 2014

The following 24 complaints/incidents were received during the reporting period:

Activity	Description	Location	Action/Outcome
Discharge to water	Complaint regarding discharge of sediment to water.	Blackwater	Enquiries established that a gold mining operation was improving their access road. They were running large trucks up the wet bed of Blackwater Creek while carting gravel to the site. This caused a significant discharge of sediment. Enforcement action pending.
Discharge to air	Complaint received about aerial agricultural spraying damaging fruit tress.	Karamea	Enquiries carried out and the complaint was unsubstantiated.
Discharge to land	Complaint about an unauthorised land fill	Franz Josef	Enquiries established that a landowner had accepted rubbish from off site. An abatement notice was issued to cease the activity and remediate the site.
Stock in water	Complaint regarding stock accessing a water way.	Stafford	Enquiries established there was no breach of the rules.
Discharge to water	Complaint regarding the discharge of sediment to a stream.	Westport	Enquiries carried out and the complaint was unsubstantiated.
Discharge of storm water	Complaint that the discharge of storm water is causing issues to a property.	Stillwater	Enquiries are ongoing
Discharge to water	Complaint about the discharge of sediment to a creek.	Paroa	Enquiries carried out and the complaint was unsubstantiated.
Earthworks	Complaint about earthworks within a riparian margin.	Charleston	Enquiries carried out and the complaint was unsubstantiated.
Discharge to water	Complaint that dairy effluent from a road stock crossing was discharging to a water way.	Hari Hari	Enquiries are ongoing
Unauthorised River Diversion	Complaint regarding earthworks to divert a river.	Rotomanu	Enquiries established that a person was attempting to divert the Crooked River without consent. Abatement Notice was issued and enforcement action is pending.
Discharge to water	Complaint about a mining operations discharge to a creek	Camerons	Complaint was unsubstantiated
Unauthorised Diversion	Complaint regarding earthworks to divert a river.	Rotomanu	Enquiries established that a person had diverted Slatey Creek without consent. Abatement Notice was issued and enforcement action undertaken.
Discharge to water	Complaint regarding a mining operations discharge to a creek	Camerons	Enquiries carried out and established the discharge from the site was the result of heavy rain.

Activity	Description	Location	Action/Outcome
Fuel Spill	Diesel was spilled to a drain as a result of a vehicle accident.	Mai Mai Valley	The vehicle owner arranged for the spill to be contained and the area mitigated. No action was required by the Council.
Discharge to water	Complaint regarding a creek discoloured with sediment.	Blackball	Enquiries are continuing
Discharge to air	Complaint regarding an odour near the Inangahua River	Reefton	Complaint was unsubstantiated
Discharge to water	Complaint alleging that dairy effluent had been discharged to a water way	Atarau	Enquiries were carried out and the complaint was unsubstantiated.
Stock access to water	Complaint alleging that stock have heavily pugged and damaged the banks of a stream	Hari Hari	Complaint was unsubstantiated
Unauthorised structure in the bed of a river	Complaint regarding the location of a white Bait Stand	Hari Hari	Complaint was unsubstantiated
Earthworks in the bed of a water body	Earth works had been undertaken in the bed of a creek for the purposes of test pitting for gold.	Marsden	Enquiries established that the operators did not have consent for the work undertaken. Enforcement action is pending.
Discharge to water	Complaint regarding a creek discoloured with sediment.	Blackball	Enquiries are continuing
Discharge to water	Complaint regarding the discharge of sediment discolouring a creek.	Stafford	Enquiries established the discharge was from a gold mining operation. Enforcement action is pending.
Discharge to water	Complaint alleging that dairy effluent had been discharged to a water way	Mai Mai	Complaint was unsubstantiated
Storm water	Complaint alleging that the installation of a culvert was causing flooding	Paroa	Complaint was unsubstantiated

Formal Enforcement Action

Twenty four formal warnings were issued during the reporting period:

Activity	Location
White Baiting: 24 notices issued to consent holders for failure to remove their stands after the close of the white bait season.	West Coast

Activity	Location
Gold Mining	Waimea
Coal Mining	Reefton
Gravel Extraction	Greymouth
Unauthorised river diversion (2)	Rotomanu
Coal Mining	Stockton

Nine abatement notices were served during the reporting period:

Activity	Location
Gold Mining discharge	Camerons
Coal Mining discharge	Denniston
Unconsented river diversion: one notice to cease the activity and a second notice to remediate the bed.	Rotomanu
Gold Mining	Grey Valley
Unconsented river diversion	Rotomanu
Gold Mining discharge	Marsden
Gold Mining discharge	Stafford
Coal Mining discharge	Stockton

MINING

Work Programmes

The Council received eleven work programmes during the last reporting period.

Date	Mining Authorisation	Holder	Location
28/11/13	RC09009	Hampton	Cariboo
28/11/13	RC98024B	Alluvial Mining Ltd	Marsden
10/12/13	RC98024A	Blakely Mining Ltd	Marsden
19/12/13	RC12123	Bonar Farms	Ianthe
20/12/13	RC12007	Vortex Minerals	Greenstone
23/12/13	RC13082	Eldon Holdings	Grey Valley
23/12/13	RC09092	Geotech	Cape Terrace
14/01/14	RC10137	Hassan	Boatman's
22/01/14	RC12164	Madden Mining	Chesterfield

22/01/14	RC10194	Roa Mining Ltd	Roa
27/01/14	RC12126	Smith	Mawheraiti

The Council received three bonds during the reporting period

Mining Authorisation	Holder	Location	Amount
RC09092	Geotech	Cape Terrace	\$18000
RC04161	Hardrock Mining	Greenstone	\$6000
RC13058	Stewart	Kapitea	\$6000

No bonds are recommended for release.

RECOMMENDATION

That the February 2014 report of the Compliance Group be received.

Jackie Adams
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 **Tuesday, 11TH February 2014** commencing on completion of the Resource Management Committee Meeting.

A.J. ROBB
CHAIRPERSON

C. INGLE
CHIEF EXECUTIVE OFFICER

<u>AGENDA NUMBERS</u>	<u>PAGE NUMBERS</u>	<u>BUSINESS</u>
1.		APOLOGIES
2.		PUBLIC FORUM
4.		MINUTES
	1 – 6	3.1 Minutes of Council Meeting 10 December 2014
5		REPORTS
	7 – 11	4.1 Planning & Environmental Manager's Report on Engineering Operations
	12 – 14	4.2 Corporate Services Manager's Report
	15 – 32	4.2.1 Audit Management Report for the Year to 30 June 2013
6	33	CHAIRMAN'S REPORT
7	34	CHIEF EXECUTIVE'S REPORT
8		GENERAL BUSINESS

THE WEST COAST REGIONAL COUNCIL

**MINUTES OF THE MEETING OF THE COUNCIL HELD ON 10 DECEMBER 2013,
AT THE OFFICES OF THE WEST COAST REGIONAL COUNCIL, 388 MAIN SOUTH ROAD, GREYMOOUTH,
COMMENCING AT 11.01 A.M.**

PRESENT:

A. Robb (Chairman), A. Birchfield, P. Ewen, P. McDonnell, S. Challenger, N. Clementson, T. Archer.

IN ATTENDANCE:

C. Ingle (Chief Executive Officer), R. Mallinson (Corporate Services Manager), J. Adams (Consents & Compliance Manager), M. Meehan (Planning & Environmental Manager), T. Jellyman (Minutes Clerk)

1. APOLOGIES:

There were no apologies.

2. PUBLIC FORUM

There was no public forum.

3. CONFIRMATION OF MINUTES

Moved (Clementson / Challenger) that the minutes of the Council Meeting dated 11 November 2013, be confirmed as correct.

Carried

Matters arising

There were no matters arising.

REPORTS:

4.1 ENGINEERING OPERATIONS REPORT

M. Meehan spoke to this report and advised work has been completed in the Taramakau, Wanganui and Lower Waiho rating districts. He advised that the \$97,590 worth of work in the Lower Waiho rating district was for the raising of the Rubbish Dump Stopbank.

M. Meehan advised that the Hokitika Seawall is almost complete. He advised a meeting of the Hokitika Seawall committee was held on the 14th of November with the committee electing to go ahead with the tidying up of the site and grassing the areas that require grass. M. Meehan advised that it has now been agreed that the access to the seawall at this stage will be two sloped gravel pathways to the beach. He advised the pathways will be constructed prior to Christmas. M. Meehan advised that contractors are on track to finish all work by Christmas but there may be some minor work done in the New Year.

M. Meehan reported that there is still a lot of work being done in the Camelback Quarry. He stated this work is going well and once rock has finished being supplied for the Hokitika Seawall work will commence in the Whataroa quarry.

Cr Archer asked M. Meehan if work is likely to continue north of the Hokitika seawall where there was further erosion. M. Meehan advised that at the recent meeting of the Hokitika Seawall committee it was agreed that the seawall would not be extended to the north to Hampden Street. He stated that good information has been provided by OCEL Consultants and a careful eye will be kept on this area. M. Meehan advised that the beach is stabilizing and the beach may build up over the summer months.

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

Carried

4.1.2 COAL CREEK RATING DISTRICT REPORT

M. Meehan spoke to this report and advised that the Coal Creek rating district's main asset is a large stopbank. This stopbank runs the length of the river, opposite the Golf Club. M. Meehan advised that following the December 2010 floods the stopbank was overtopped and council made the decision to raise the stopbank at a cost of \$135,000. M. Meehan advised that this left the rating district with very little money in its account and at last year's meeting the proposed rate take was discussed to accommodate this work. M. Meehan advised that the rate take of \$7,500 per annum was too little to enable a prudent reserve to be built up. M. Meehan advised that at this meeting the rating district wanted \$10,000 but this was increased to \$15,000. M. Meehan stated that the reason for increasing the rate strike to \$15,000 was to build up the account up to an amount where the rating district would be able to respond if there was any damage to the newly constructed stopbank. M. Meehan advised that following the December 2010 floods, council applied to Civil Defence for funding to fund works that were done in response to this flood event. M. Meehan advised that over \$500,000 was obtained from Civil Defence and out of this amount the Coal Creek rating district received \$69,000. This amount covered 60% of the cost of raising the stopbank. M. Meehan advised that with this injection of government financial assistance it takes the rating district account balance to approximately \$90,000. M. Meehan advised that Council set a prudent reserve for Coal Creek of \$150,000. M. Meehan advised that he has recently met with members of the rating district and the doubling of the rate is impacting of some members of this rating district. M. Meehan advised that the financial situation for Coal Creek has now changed and he feels that the rate take for this current financial year can now be reduced from \$15,000 to \$10,000. Cr Archer expressed his concern that a decision to rescind or reduce a rate could have a long term impact. M. Meehan responded that this will not impact on the rating district as their account balance will be sitting at around \$95,000 which is enough to undertake maintenance works and they are now building up nicely towards the prudent reserve. Cr Birchfield stated feels the rate strike should stay at \$15,000 but he will vote in favour of a reduction. Cr Archer would like the recommendation to be amended to accommodate Standing Orders. Cr Ewen stated that the rating district will have close to \$100,000 in its account soon and that it is only \$50,000 short of their prudent reserve. Cr Ewen feels this is a fair compromise. Cr Robb stated that had the extra money not be obtained from Civil Defence then the original rate strike of \$15,000 would have stayed in place. Cr Robb feels that the rating district has put a reasonable case forward and he is happy to support the recommendation.

Moved (Archer / Birchfield)

1. *That this report be received.*
2. *That Council rescinds its previous decision and reduces the Coal Creek Rating District rate for the 2013 / 14 year from \$15,000 to \$10,000.*

Carried

4.1.3 LOWER WAIHO RATING DISTRICT CAPITAL WORKS REPORT

M. Meehan spoke to this report and advised that the raising of the Rubbish Dump stopbank was discussed in his earlier report. He stated that the Lower Waiho Rating District has two main assets, the Rubbish Dump Stopbank and the Milton and Others stopbank. M. Meehan advised that these two stop banks protect properties in the rating district from the Lower Waiho River which is a hugely dynamic river which causes a lot of problems. M. Meehan advised that at the moment gravel accretion in the river is significant. He stated that a careful eye is being kept on this with the cross section analysis. M. Meehan

advised that the Rubbish Dump Stopbank was being overtopped in ordinary annual floods and the committee agreed to raise this bank. M. Meehan advised that at the recent annual meeting the rating district discussed two capital works projects. The first one was the Rubbish Dump Stopbank which has been done and the second project is to construct a new compacted gravel stopbank to join the two existing stop banks together. M. Meehan advised that when these works were discussed the rating district was not in a good financial position therefore they elected to proceed with the raising of the Rubbish Dump stopbank and to see what the price would be for the new bank, and for the tender prices to be reported back to them so that a decision could be made as to whether or not to proceed with this. M. Meehan advised that the price has come back up just over \$90,000 for a gravel compacted stopbank. M. Meehan advised that the rating district would need to take out a loan for this work and they would need to make a loan repayment each year in addition to the current maintenance rate that they already pay. M. Meehan advised that in the past the rating district has paid \$100,000 per year into its account but in recent times Council has allowed them to take this down to \$50,000. M. Meehan advised that loan options were presented to the rating district committee on the 19th of November. He stated that the rating district voted 4 / 3 in favour of proceeding with both options. M. Meehan advised that the voting represents three properties to two properties. M. Meehan advised that the votes in favour represent approximately 45% of the rate take and the votes against represent approximately 36% of the rate take. M. Meehan advised that Cr Challenger and Cr McDonnell visited the site last week and met with the rating district spokesperson to discuss this. Two of the main property owners are in favour of raising the stopbank; they see the risk of the river going through their farms. One of the farmers against the project is not worried if the river goes through his property and the other landowner believes that their personal insurance will cover losses if the river does go through their farm. Cr McDonnell stated the rating district spokesman is in favour of the works going ahead. Cr Challenger stated that there are two options, either accept that it is going to flood and do nothing; or put up a stopbank. Cr Challenger stated that the gravel stopbank will require maintenance and there needs to be enough money to maintain it. M. Meehan advised that the rating district is currently rated \$50,000 per year for maintenance. He stated most of this money has gone into topping up the Rubbish Dump stopbank. M. Meehan is hoping that with the stopbank now being more stable not as much maintenance will be required. M. Meehan advised that the preferred option would be to use rock instead of compacted gravel but this price was completely out of the ball park for the rating district. Further discussion ensued. Both of the Westland Councillors agreed with the recommendation.

Moved (Birchfield / Challenger)

1. *That the report is received.*
2. *That Council secures a loan of \$260,000 on behalf of the Lower Waiho Rating District to fund the raising of the Rubbish Dump Stopbank and construction of a compacted gravel stopbank between the Rubbish Dump and the Milton and Others Stopbanks.*
3. *That the term of the loan be 10 years.*

Carried

4.2 CORPORATE SERVICES MANAGER'S REPORT

R. Mallinson spoke to his report advising that this is for the four months to the end of October. R. Mallinson stated that this is a modest surplus compared to budget, with the main reason for this being the amount of work that has been done in the Camelback Quarry. He advised that around \$650,000 has been spent in this quarry. R. Mallinson advised that some of this work will be capitalised. R. Mallinson advised that he has investigated that shortfall in revenue in the Consents & Compliance regulatory area. He stated that consent processing revenues were considerably lower than expected and budgeted for. R. Mallinson advised that there is a low volume of consent applications coming in at the moment which is causing a lull. R. Mallinson advised that once the processing for Westland District mining consents come on stream this will help.

R. Mallinson advised that the Quarries deficit will not be cleared over the whole of the financial year. R. Mallinson advised that previous year's surpluses from quarries have been carried forward and these

surpluses are in excess of \$300,000. R. Mallinson advised that the substantial amount of money that has been spent at Camelback quarry will benefit this quarry over the coming years. C. Ingle advised that this year is not going to be a great year for quarries but quarry finances have always been ring fenced and positive balances are in place from good years in the past. C. Ingle advised that work had to be done in the Camelback quarry so that rock could be supplied for the Hokitika seawall.

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

Carried

4.2.1 FOUR MONTH REVIEW 1 JULY 2013 – 31 OCTOBER 2013

C. Ingle spoke to this report and advised that this is the standard way of tracking progress with the Annual Plan targets. He advised that this is the first of the three reports that are produced every year. C. Ingle advised that at this time of the year many of the performance targets are in progress rather than fully achieved. Discussion ensued regarding the work being done in the Lake Brunner catchment. It was noted that some of the work being done in this area will not show significant results for a couple of years. Cr Archer asked if there has been any discussion with the Mokihinui community regarding the installation of a new flood warning system on the Mokihinui River. M. Meehan advised that the sites have been assessed. He advised that he will bring a report to council in the New Year on this matter.

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

Carried

4.2.2 TRIENNIAL AGREEMENT

C. Ingle spoke to this report and advised that it is a requirement of the Local Government Act every third year. C. Ingle advised that Grey District Council has already adopted the Triennial Agreement, it will soon be adopted by Westland and Buller District Councils. C. Ingle advised that essentially it is the same agreement as for the past nine years. C. Ingle advised that this agreement is a commitment from each council to meet four times a year, as the Mayors and Chairs forum and to work collaboratively together and explore potential shared services. Cr Birchfield stated that he feels one hearing commissioner for consent hearings is enough. He feels that doubling up is a waste of time. Cr Archer stated that is would suitable for some hearings but he would not support a lock in of one commissioner only. J. Adams advised that where possible only one commissioner is used but each consent hearing is discussed on a case by case basis. C. Ingle advised that the Mokihinui Dam proposal was very complex and more than one commissioner was required for this. C. Ingle stated that he the future he expects that these types of consent applications will be called in by the EPA for decision making. Cr Birchfield stated that he is talking about small scale consent applications. It was agreed that this matter would be discussed at the next Mayors and Chairs Forum.

Cr McDonnell stated that it was agreed at the Economic Summit on Friday that collaboration is a good idea. Cr McDonnell said this is an area he would like to see some good progress made.

Moved (Birchfield / McDonnell) *that Council formally adopt the attached Triennial agreement, for the three year term of the new Council.*

Carried

6.0 CHAIRMANS REPORT

The Chairman spoke to his report. He stated that Lawrence Yule, President of LGNZ spoke at the recent Regional Sector Group meeting. Mr Yule stated that the regions are being left out and the big focus is on Auckland. Mr Yule is concerned that growth is being focused on the main centres and he would like LGNZ to have a joint plan with central government so that regional growth can be improved. Cr Robb advised that Civil Defence matters were discussed at yesterday's Mayors and Chairs forum.

Cr Robb passed on his congratulations to C. Ingle and staff for their input into the Regional Policy Statement review. He stated that staff have put in a massive amount of work into this. Cr Robb stated

that the feedback from the public regarding this matter has been extremely positive. Cr Robb stated that the Economic Summit was very well received. He said it would be great to see some action points and progress come out of this. Cr Robb stated that as a result of the Economic Summit the Mayors and Chairs have decided to meet six times a year rather than four. C. Ingle stated that Civil Defence have decided to review that structure, to establish a shared service, and the Southland model will be followed. C. Ingle advised that the Mayors and Chair have asked the CEO's to come up with a draft economic development strategy for the region. This will follow on from the DWC one which expires this year. Cr Robb advised that at the RSG meeting Malcolm Alexander from LGNZ highlighted the need to elected members to get some training as bad governance has an impact on the reputation of all sectors. Cr Robb stated that the example of the Kaipara District Council's governance problems is an example of this type of thing. Cr Robb stated that this council needs to be assured that it is managing itself well and not to rely on Audit NZ for this. C. Ingle advised that the need for audit committees was discussed and it was noted that only about half of councils have an audit committee. C. Ingle advised that as we do not have an audit committee it may be time to discuss this again to see whether or not there is merit in this area. Cr Archer stated that Audit NZ is the statutory authority for audit and there is no going away from this. Cr Clementson stated that if Councillors are reading audit reports and asking tough questions if necessary then this is self-auditing. Cr Robb stated that he feels there are no problems in this area and council has good processes in place.

Cr Robb advised that he and C. Ingle attended the inaugural Morgan Foundation New Zealand River Awards. Cr Robb advised that council received a regional award for the improvements made to Harris Creek at Kowhitirangi, the second most improved river in New Zealand. Cr Robb advised that the Harris Creek project was a joint partnership between the farmers in the area, Westland Milk Products, Landcare Trust and council. Cr Robb reported that over the measuring time Harris Creek has improved by 13% and while the Shag River in North Otago won the award, it has improved by 13.1% during the measuring period (only 0.1% more than Harris Creek). Cr Archer stated that this was a good news story and congratulated council on this. C. Ingle spoke of the history of the Harris Creek project and advised that funding was received from MfE around eight years ago. He stated that farm plans were first done in Lake Brunner as this catchment was recognised early on as an area that needed some work. Then other catchments were looked at including Orowaiti in the Buller area and then Harris Creek. C. Ingle advised that Harris Creek is a 100% dairy area, is spring fed and is right in the heart of the Kokatahi Kowhitirangi valley. C. Ingle stated that Harris Creek was picked because it needed some improvement. It was agreed that the award would be presented to the community in the New Year.

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

Carried

5.0 CHIEF EXECUTIVE'S REPORT

C. Ingle spoke to his report and advised that his report is very similar to the Chairman's but there are a few meetings that he attended on his own. C. Ingle reported that he is now the Chair of the Planning and Accountability Working Party of SOLGM.

C. Ingle reported that he attended Zone 5 & 6 meeting in Christchurch. C. Ingle stated that the Amethyst Hydro opening was very significant and this scheme now has the capacity to power all of South Westland and if the Waitaha scheme goes ahead then this will meet the normal demand of up to two thirds of the whole of the West Coast. C. Ingle stated that the local hydro generations are no starting to meet the demand of the community which is very positive in terms of local electricity generation. C. Ingle stated that should there be a major earthquake and the power cables that go through the alpine passes go out then at least there is local modern hydroelectricity that can maintain function for the West Coast.

C. Ingle advised that staff have put in some big hours publicising the Regional Policy Statement Review, a lot of this work has been done on weekends in order to contact the public at various locations. C. Ingle stated that there has been a strong response to this and the media response has also been very positive. C. Ingle stated that he felt that Friday's Economic Summit was a great day and follow up on this took place at yesterday's Mayors and Chairs Forum. C. Ingle advised that the economic strategy for the West Coast will be collaboration between the four councils and Development West Coast. He stated that there are still some questions to be worked through as to how to progress this.

Cr Archer commented that it would be great to see if there is a possibility of creating hydro schemes as a controlled activity subject to limited parameters into the future. He feels that his would show communities that it is possible to be self-sustainable in terms of hydro generation. Cr Robb stated that at the Amethyst opening he was advised that if the Waitaha scheme gets up and running this will enable the entire West Coast to be self-sufficient at times.

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

Carried

7.0 GENERAL BUSINESS

There was no general business.

The meeting closed at 12.06 p.m.

.....
Chairman

.....
Date

THE WEST COAST REGIONAL COUNCIL

Prepared for: Council Meeting – 11 February 2014
 Prepared by: W. Moen – River Engineer and Paulette Birchfield – Engineering Officer
 Date: 29 January 2014
 Subject: **ENGINEERING OPERATIONS REPORT**

RIVER AND DRAINAGE INSPECTIONS

- Hokitika Foreshore – Inspection
- Lower Waiho RD – Inspection
- Wanganui RD – Inspection
- Southside RD – Inspection
- Crooked River – Robinson – Inspection
- Okarito – Ronald -Flooding Advice Inspection
- Slatey Creek – Kirsten – Compliance Inspection
- Orowaiti River– Van der Sluys - Erosion Inspection

WORKS COMPLETED AND WORKS TENDERED FORWanganui Rating District – Maintenance Works

Work involving 4,932 tonnes of rock riprap has been completed by Westland Contractors Ltd at a cost of \$110,858.40 (G.S.T. Exclusive).

Wanganui Rating District – Capital Works

This work involving 5,000 tonnes of rock riprap has been completed by Westland Contractors Ltd at a cost of \$120,247.20 (G.S.T. Exclusive) (Note this work was funded by individual landowners not through the Wanganui Rating District account).

Southside Hokitika – Maintenance Works.

Three tender were received for the placement of approximately 1,600 tonnes of rock to repair existing structures. Given the minimal rating district account balance, staff are awaiting sign-off from all individual ratepayers prior to the commencement of this work.

The successful tenderer was Henry Adams Contracting Ltd with a price of \$27,850 (GST Exclusive)

Lower Waiho Rating District – Rubbish Dump Stopbank Upgrade

Work involving the raising and strengthening of the existing Rubbish Dump stopbank utilized 20,500 m³ of compacted hardfill, 500 m³ of compacted topcourse material and 4,320 tonnes of rock (sourced from the Waiho Loop terminal moraine). This was completed by Henry Adams Contracting at a cost of \$93,578.00 (GST Exclusive).

The Lower Waiho Rating District Committee elected to proceed with the proposed stopbank extension downstream to Rata Knoll. This work involved the placing of 30,500 m³ of compacted hardfill and was completed by Henry Adams Contracting at a cost of \$90,890.00 (GST Exclusive).

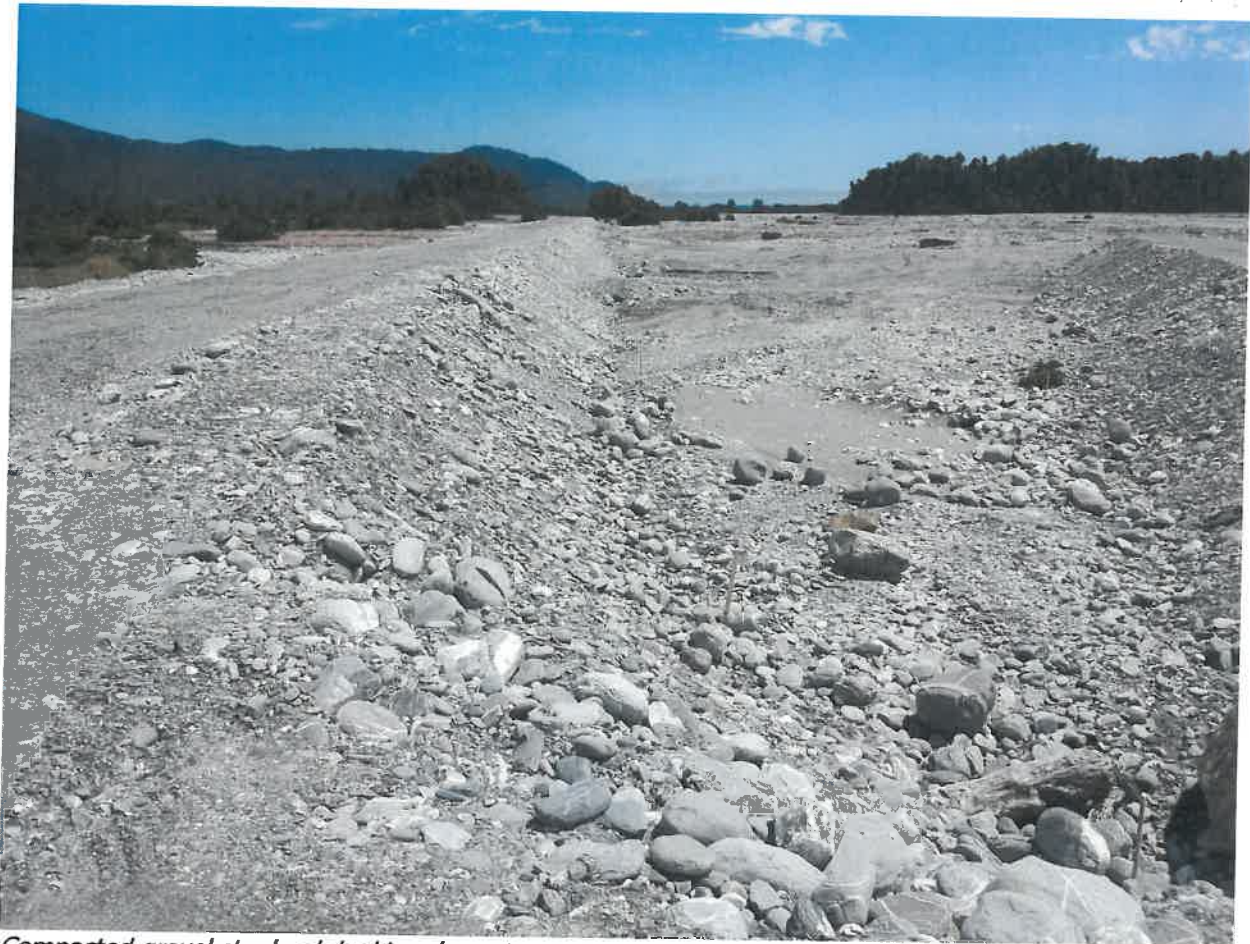
The above work along with survey, consent, supervision and rock costs will be incorporated into a \$260,000 loan over a term of 10 years.



Upgraded rubbish dump stopbank looking downstream



Upgraded rubbish dump stopbank looking upstream



Compacted gravel stopbank looking downstream towards Rata Knoll



Compacted gravel stopbank looking upstream towards rubbish dump stopbank

Hokitika Rating District - Erosion Protection

The construction of the 650m long seawall to protect Hokitika from sea erosion has been completed.

The work comprised of 11,614 m³ of quarry rubble, 12,593 m³ of compacted gravel and 39,581 tonnes of heavy rock armouring.

The work also involved the placing of five concrete stormwater extensions and 21,800 m² of specialised heavy filter fabric.

Additional costs for stormwater extensions (\$6,130.73), access ramps (\$21,456.40), and landscaping (\$39,118) amounted to an additional 1,081 tonnes of rock being required.

The original contract price was \$1,066,664.20 (GST Exclusive). Considerable savings were made in the original contract through prudent construction decisions and a beach build-up during the course of the operations.

The final contract cost is expected to be \$1,088,292.15.

The overall final cost including survey, consultants, supervision, fabric and rock costs amounts to \$1.809M. With \$300,000 funding from the New Zealand Transport Authority this brings the cost to the Hokitika Rating District to approximately \$1.5M.

While this contract appeared to start slowly, considerable staff time was involved in order to control progress. Credit must be given to Westland Contractors Ltd. for their innovative approach and overall completion of this large job in the timeframes requested. All of the contracting staff were always amenable and accommodating in a daily and at times unpredictable changing environment.



Camp Street Access ramp



Looking south towards Sunset Point

RECOMMENDATION

That the report is received

Michael Meehan
Planning and Environment Manager

THE WEST COAST REGIONAL COUNCIL

Prepared for: Council Meeting
 Prepared by: Robert Mallinson – Corporate Services Manager
 Date: 31 January 2014

Subject: Corporate Services Manager's Report

1. Financial Report

FOR THE SIX MONTHS ENDED 31 DECEMBER 2013				
	ACTUAL	YEAR TO DATE BUDGET	ACTUAL % ANNUAL BUDGET	ANNUAL BUDGET
REVENUES				
General Rates	1,036,899	1,030,000	50%	2,060,000
Rates Penalties	40,403	30,000	67%	60,000
Investment Income	514,647	467,367	55%	934,734
Resource Management	677,155	648,915	53%	1,282,130
Regional Land Transport	32,345	49,650	33%	99,300
Emergency Management	25,070	33,500	37%	67,000
River, Drainage, Coastal Protection	1,562,783	637,452	123%	1,274,903
Regional % Share Controls	332,839	325,000	51%	650,000
Warm West Interest charged	14,423			
VCS Business Unit	2,218,553	1,213,617	91%	2,427,233
	6,455,117	4,435,500	73%	8,855,300
EXPENDITURE				
Governance	230,472	210,465	55%	420,930
Resource Management	1,521,375	1,391,396	54%	2,832,792
Regional land Transport	64,637	89,878	36%	179,755
Hydrology & Floodwarning Services	218,086	206,793	53%	413,585
Emergency Management	33,556	67,808	25%	135,615
River, Drainage, Coastal Protection	2,078,677	663,945	157%	1,327,890
Regional % Share Controls	437,854	426,055	51%	852,110
VCS Business Unit	1,629,598	963,617	85%	1,927,233
Other Investments	52,087			
Discontinued activities	34,058			
Warm West Coast Loan interest	13,165			
	6,313,565	4,019,955	78%	8,089,910
SURPLUS / (DEFICIT)	141,552	415,545		765,390

BREAKDOWN OF SURPLUS (-DEFICIT)	Variance Actual V Budgeted YTD	ACTUAL	BUDGET Year to date	ANNUAL BUDGET
Rating Districts	271,816	373,319	101,503	203,005
Quarries	-771,165	-771,463	-299	-597
Regional % Share of AHB Programmes	-3,960	-105,015	-101,055	-202,110
Investment Income	47,280	514,647	467,367	934,734
VCS Business Unit	338,955	588,955	250,000	500,000
General Rates Funded Activities	-72,033	-374,004	-301,971	-669,642
Warm West Coast	1,258	1,258	0	0
Other	-86,145	-86,145	0	0
TOTAL	-273,993	141,552	415,545	765,390

Net Contributors to General Rates Funded Surplus (-Deficit)		Actual	Budget ytd	Annual Plan
	Net Variance Actual V YTD			
Rates	6,899	1,036,899	1,030,000	2,060,000
Rates Penalties	10,403	40,403	30,000	60,000
Representation	-20,007	-230,472	-210,465	-420,930
Resource Management	-101,739	-844,220	-742,481	-1,550,662
Planning Activities	7,936	-32,292	-40,228	-80,455
River, Drainage, Coastal Protection	9,948	-117,750	-127,698	-255,395
Hydrology & Floodwarning	-11,294	-218,086	-206,793	-413,585
Emergency Management	25,821	-8,486	-34,308	-68,615
	-72,033	-374,004	-301,971	-669,642

	@ 31/12/2013	@ 30/06/2012
CURRENT ASSETS		
Cash	-130,332	84,789
Deposit - Westpac	505,052	0
Accounts Receivable - General	555,648	383,138
Accounts Receivable - Rates	-116,187	273,080
Prepayments	142,730	98,410
Sundry Receivables	311,310	288,519
GST Refund due	98,715	35,008
Stock - VCS	43,168	206,114
Stock - Rock	484,335	590,346
Stock - Office Supplies	16,899	16,899
Accrued Rates Revenue		0
Unbilled Revenue	288,291	551,098
	<u>2,199,629</u>	<u>2,527,401</u>
Non Current Assets		
Investments	11,727,847	11,447,780
Strategic Investments	670,000	670,000
Term Deposit - PRCC bond	50,000	50,000
MED & DOC Bonds	31,651	31,651
Investments-Catastrophe Fund	705,112	676,460
Warm West Coast Loans	755,596	496,408
Fixed Assets	4,698,415	4,668,070
Infrastructural Assets	52,243,077	52,243,077
Capital works - Hokitika seawall	1,789,040	0
	<u>72,670,738</u>	<u>70,283,446</u>
TOTAL ASSETS	<u>74,870,367</u>	<u>72,810,847</u>

CURRENT LIABILITIES		
Bank Short Term Loan	600,000	400,000
Accounts Payable	1,012,438	820,137
Derivative Liabilities		0
GST		0
Deposits and Bonds	605,783	496,277
Sundry Payables	291,530	198,362
Accrued Annual Leave, Payroll	305,636	308,510
Other Revenue in Advance		0
Rates Revenue in Advance		0
	<u>2,815,387</u>	<u>2,223,286</u>

NON CURRENT LIABILITIES		
Future Quarry restoration	70,000	70,000
Greymouth Floodwall	1,903,925	1,934,660
Inchbonnie	34,019	44,535
Hokitika Seawall	1,500,000	0
Punakaiki Loan	98,771	122,480
Strategic Investments	739,391	750,000
Warm West Coast	570,000	600,000
Office Equipment Leases	44,693	48,258
	<u>4,960,799</u>	<u>3,569,933</u>
TOTAL LIABILITIES	<u>7,776,186</u>	<u>5,793,219</u>

EQUITY		
Ratepayers Equity	19,082,530	19,168,368
Surplus transferred	141,552	
Rating Districts Equity	1,354,503	1,333,665
Tb Special Rate Balance	120,332	120,332
Revaluation	35,299,357	35,299,357
Quarry Account	308,446	308,446
Catastrophe Fund	676,461	676,460
Investment Growth Reserve	10,111,000	10,111,000
TOTAL EQUITY	<u>67,094,181</u>	<u>67,017,628</u>
LIABILITIES & EQUITY	<u>74,870,367</u>	<u>72,810,847</u>

2. Investment Portfolio

December 2013		Catastrophe Fund	Major Portfolio	Total
Opening balance	December 2013	\$ 702,426	\$ 11,694,179	\$ 12,396,605
Income	December 2013	\$ 2,686	\$ 33,667	\$ 36,353
Deposit		\$ -	\$ -	
Withdrawal			\$ -	\$ -
Closing balance	December 2013	<u>\$ 705,112</u>	<u>\$ 11,727,846</u>	<u>\$ 12,432,958</u>
Total income year to date to	December 2013	\$ 28,652	\$ 483,466	\$ 512,118

3. General Comment

The operating surplus for the six months to 31 December 2013 was \$141,000.

This is less than budgeted mainly due to the the large deficit in the Quarry trading area of \$770,000. This was due to the unexpected scale of the work required at Camelback Quarry during the six months (\$1,063,000).

The investment portfolio continued to perform well for the period to 31 December with gains of \$512,000.

RECOMMENDATION

That this report be received.

Robert Mallinson
Corporate Services Manager

THE WEST COAST REGIONAL COUNCIL

Prepared for: Council Meeting 11 February 2014
Prepared by: Robert Mallinson – Corporate Services Manager
Date: 30 January 2014

Subject: **Audit Management Report for the Year to 30 June 2013**

Attached is the final audit management report from our auditors Audit New Zealand.

Internal Controls

2013 was a challenging year for myself and Corporate Services Group staff which reflected the challenges of implementing and coming to grips with the new "Civica Authority" Financial Management Information System (FMIS) which went live in November 2012.

The Audit NZ Management report for the year to 30 June 2013 reflects this.

From the Go Live date in November 2012 till at least mid 2013, staff ((including myself) were strongly focused on getting the new FMIS to operate effectively and some internal controls had to be put to one side until we had the new FMIS more or less under control and operating effectively.

A normal internal control environment has been operating again for some time.

During 2013 myself, the Chief Executive and IT Manager spent some time communicating with FMIS software providers Civica to seek improvements in various functional areas. This is continuing.

Other Matters

Due to the six year auditor rotation requirement, John Mackey is now no longer the Council's appointed Auditor.

The new Audit Director is Scott Tobin of Audit NZ in Christchurch.

RECOMMENDATION

That the Audit Management Report be received

Robert Mallinson
Corporate Services Manager

Report to the Council on the audit of
West Coast Regional Council
for the year ended 30 June 2013

Management report

Key messages

We have completed the audit for the year ended 30 June 2013. This report sets out our findings from the audit and draws attention to areas where West Coast Regional Council (the Council) is doing well or where we have made recommendations for improvement.

We issued an unmodified audit opinion on 31 October 2013. This was later than planned due to delays in starting the audit.

Authority implementation

The new financial management information system (FMIS), Authority, was implemented in November 2012. We found that the overall control environment has not been as effective as in previous years due to the Authority implementation. As a result, we have had to perform additional detailed transactional testing, which was not provided for in the audit fee estimate, to gain sufficient assurance to issue our audit opinion.

Investments to support pest control activities

The Council made investments to support its pest control activities during the year. We reviewed the accounting treatment of these new investments and are satisfied that they are fairly reflected in the financial statements.

Borrowings

The Council has obtained borrowings during the year to fund the Warm West Coast Loan Scheme.

Property, plant and equipment

The Council performed a valuation of its infrastructure assets. This resulted in an increase of 9.56% of the value of infrastructure assets from the last valuation performed in 2009, bringing the total value of infrastructure assets to \$53.7 million. We reviewed the valuation methodology, and are satisfied that the valuation has been performed in accordance with the relevant accounting and valuation standards. We are satisfied that the Council has appropriately reflected these movements in its financial statements.

Thank you

We would like to thank the Council and management for their assistance throughout the audit.



John Mackey
Audit Director
10 December 2013

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1 Our audit opinion

1.1 We issued an unmodified audit opinion

We issued an unmodified audit opinion on 31 October 2013, the statutory deadline. Due to delays in starting the audit and issues encountered during it, the audit was not able to be completed prior to the elections as planned.

The unmodified audit opinion means that we were satisfied that the financial statements, and statement of service performance, fairly reflected the Council's activity for the year and its financial position at the end of the year.

1.2 Uncorrected misstatements

The financial statements are free from material misstatements, including omissions. However, in the course of the audit, we have found:

- certain misstatements that are individually and collectively not material to the financial statements and the statement of service performance; and
- certain immaterial disclosures, required by generally accepted accounting practice, that have been omitted from the financial statements.

We have discussed the misstatements that we found with management. All significant misstatements have been corrected.

1.3 2012/2013 rates setting process

In 2012/2013, we have taken the opportunity to recalibrate our approach to rates testing, in conjunction with a review by the Office of the Auditor-General.

Our review focused on legislative compliance, specifically the process followed in striking rates. We were satisfied, based on the testing performed, that the Council had correctly raised its rates with some minor technical exceptions being identified. These exceptions have been discussed with management, and should be addressed in preparation of the 2014/2015 annual plan and setting the rates resolution.

2 Significant matters arising from the 2012/2013 audit

2.1 Control environment

As part of our final audit, we took into account any changes to the Council's control environment since our interim management report dated 19 June 2013. We continue to assess the Council's control environment as ineffective in relation to revenue, other than investment income and rates, as well as accounts receivable. This means that in performing our final audit, of the annual report, we needed to perform more detailed testing than was originally provided for in the audit fee estimate.

2.2 Authority implementation

The Council replaced its financial management information system (FMIS) with Civica's Authority system in November 2012. The Council has encountered challenges with the implementation of Authority. However, the majority of these issues have now been resolved.

We found that the overall control environment has not been as effective as in previous years due to the Authority implementation. As a result, we have performed additional detailed transactional testing and noted that many of the reports derived from the Authority system have not been as user friendly or informative as reports obtained from the previous system. Some reports were also only available in hard copy which required us to spend additional time to review and obtain the information required from the reports.

In our interim management report, we recommended that Council perform a post-implementation review to determine if the project results were in line with the project business case's objectives. From discussions with management, we note that Council is in the process of organising a post-implementation review.

Management comment

Civica are carrying out a Post Implementation Review (PIR) in December 2013. We are also briefing Christchurch based IT consultants, Effectus Limited, to carry out our own PIR. We have asked Effectus Limited to delay the PIR until the results of the Civica PIR are available.

2.3 Investments to support pest control activities

During the year, the Council made investments to support its pest control activities.

We reviewed the Council's accounting treatment and were satisfied that the investments have been accounted for in line with the relevant accounting standards. We reviewed the accounting policies and note disclosures and were satisfied they were appropriate.

2.4 Borrowings

In the past, Council's borrowings were obtained to fund river protection assets. We noted that the Council has obtained new borrowings to fund the Warm West Coast Loan Scheme. We have confirmed that the borrowings have been appropriately accounted for in the financial statements.

2.5 Property, plant and equipment

Council periodically revalues all its operational land; and rivers, drainage and coastal protection assets which are carried at fair value. NZ IAS 16, *Property, Plant and Equipment*, requires that valuations be conducted with sufficient regularity to ensure that the carrying amount does not differ materially from fair value.

The Council performed a revaluation over its infrastructure assets on 31 December 2012. The revaluation was performed by Wayne Moen (engineer), and peer reviewed by Robert Reid (retired Regional Engineer, formerly employed by Environment Canterbury). We reviewed the revaluation methodology undertaken and were satisfied that it was in accordance with NZ IAS 16 and the relevant valuation standards.

The valuation resulted in an increase in the valuation of infrastructure assets of 9.56% above the previous valuation performed on 31 December 2009, bringing the total

value of infrastructure assets to \$53.7 million. We are satisfied the Council has appropriately reflected these movements in its financial statements.

3 Other matters

3.1 Recommendations for the Council's Implementation of Integrated Regional Information Software (IRIS)

Recommendation

When implementing IRIS, we recommend that the Council:

- develop a plan and set responsibilities to resource, and test the data migration, and regularly monitor progress to ensure any issues are identified and addressed on a timely basis;
- assess and engage the expert resources required to assist it with the implementation; and
- perform an assessment to identify any business process changes needed and build on the work already undertaken by the other five Councils with their implementations.

Findings

The Council is a part of the Regional Council Cooperative Development Group. Audit New Zealand was engaged to provide independent assurance services, to the Group, on the project management processes employed for the IRIS project. The report concluded that the project was progressing well with participants remaining committed to its completion, and nothing has come to the writer's attention, during the review, to indicate that the project is not being managed in accordance with good project management practice.

Management comment

Agreed, we are now doing what has been recommended.

3.2 Rates Debtor Ageing

Recommendation

We recommend the Council

- seek a solution to report rates debtors, over six years past due, from Civica; and
- perform a review of the existing rates debtors to determine the initial due date for input into the rates module once the solution becomes available.

Findings

When performing our review of the collectability of rates debtors, we noted that the Civica Authority System is unable to produce a report that shows rates that are barred by statute. Section 65 (1) of the Local Government (Rating) Act 2002 states:

An action to recover unpaid rates must not be commenced in a court of competent jurisdiction later than six years after:

(a) the date on which the rates became due if the local authority required the rates to be paid in one payment in a financial year; or

(b) the date on which the last payment became due if the local authority required the rates to be paid in a number of payments in a financial year.

There is a risk that the Council is unable to recover rates, in a court of competent jurisdiction, if it is unable to prove the dates on which rates payments or the last payment became due in accordance with Section 65 (1) (a) and (b).

For 2012/2013, we have been able to analyse the arrears over six years old based on a report from the old FMIS, ACS, and have obtained assurance that the Council has limited rates arrears over six years old, and expects to be able to collect these arrears.

Management comment

Agreed. We are looking at using a Crystal report, developed by Grey District Council, to achieve this. We will have such a report before 30 June 2014.

3.3 Hedge accounting

Recommendation

We recommend that the Council review its accounting policy to hedge account interest rate swaps in the future.

A benefit of hedge accounting is that the variability in the fair value of the swaps is not included in surplus or deficit. However, applying hedge accounting does require the Council to comply with NZ IAS 39.

If the Council decides to continue hedge accounting, then it will need to document future hedging relationship and test the relationship for effectiveness, as required under NZ IAS 39.

Findings

The Council has elected to hedge account its interest rate swaps in accordance with NZ IAS 39: *Financial Instruments: recognition and measurement*. NZ IAS 39 only allows hedge accounting in certain situations. In addition, NZ IAS 39 only permits hedge accounting to occur when an entity completes the following:

- The entity formally documents the hedging relationship as set out in NZ IAS 39 the Information an entity is required to document if it elects to hedge account.
- The entity formally tests the hedging relationship for effectiveness at specified times. These times are at inception of the hedging relationship, and at each reporting date. Only the effective portion of a hedging relationship can be accounted for in other comprehensive income (reserves) and be recorded in the hedging reserve.

When entering into its most recent interest rate swap, the Council did not formally document the hedging relationship. This means that the Council cannot hedge account this swap. We have accepted the treatment in the current year, as the value is immaterial (less than \$2,000). However, if the value changes become significant, we will recommend that the movement is recognised in the surplus or deficit.

Additionally, the Council has not formally tested its other two swaps for effectiveness in the last two years. We understand in previous years, the Council relied on Ernst and Young to do this. We expect that there could be ineffectiveness in these hedging relationships as the swaps get closer to maturity. Despite us accepting the Council's treatment (on the basis of materiality), we will be unlikely to do so in the future.

Essentially, the Council is not complying with NZ IAS 39 with the management of its hedging relationships.

Management comment

We are currently in discussions with our advisors, Ernst & Young, about this issue.

3.4 Potential river assets owned by the Council

Recommendation

We recommend that the Council establish who owns and is responsible for the maintenance of the river works assets in Mokihinui and Whataroa.

Findings

From discussion with management, we noted that the Council potentially owns river assets in Mokihinui and Whataroa with a value of \$1,011,555 and \$437,703 respectively. These assets have not been recognised previously and the actual ownership of the assets is unclear. As such, the assets have not been included in the revaluation. If the Council owns the assets, then the Council is potentially responsible for the maintenance of them.

Management comment

We are investigating these questions.

3.5 Network security

Recommendation

We recommend the Council improve the strength of its user passwords by: increasing the password history parameter from three (eg. to 10), decreasing the maximum password age from 365 days (eg. to 60 or 90 days), and change the complexity parameter from "disabled" to "enabled".

Findings

Network security could be enhanced by making it more difficult for unauthorised users to gain access to the network through "guessing" a user's password.

Management comment

We do not disagree with your recommendation, but striking the right balance is difficult.

3.6 Employee remuneration band calculations

Recommendation

We recommend that the Council review how it calculates each employee's total remuneration and ensures that it correctly applies the SOLGM guidance in calculating the employee's base remuneration.

Findings

During our review of the remuneration band disclosure, required under Schedule 10 of the LGA, we identified that the calculation of remuneration was not in line with the SOLGM guidance.

The guidance identifies that the base salary should be as at a point in time, 30 June 2013. We identified that for employees, who were working for the full 12 months; their actual pay was used rather than their salary package at balance date.

We tested a sample of employees that were on the edge of each of the bands and we were satisfied that there was no misstatement of employees' bandings.

Management comment

Noted and agreed.

3.7 Compliance with significant legislation

We reviewed the systems and procedures that the Council employs to identify and comply with legislative requirements. No issues arose that need to be drawn to your attention.

4 Business risks/issues and sector issues

The table below outlines the outcome of our audit response to the matters outlined in our audit arrangements letter dated 13 February 2013. We make the following comments:

Your business risk/issue or area of sector interest	Our audit response
Vector Control Services Business Unit	
The Vector Control Services Business Unit receives revenue primarily from pest control contracts from the Animal Health Board. The business unit makes a significant revenue contribution to the Council.	We reviewed the business unit's revenue and expenditure and gained assurance they were fairly reflected in the financial statements. This included reviewing the basis of allocation of overhead costs to the business unit. We were satisfied that the allocation basis is reasonable.
Investment portfolio	
The Council has a significant Investment portfolio. This has been a significant source of income. Returns are always variable, but recently they have become more volatile.	We obtained confirmation from Westpac to verify the returns achieved during the year and the closing value of the portfolio. We noted that returns achieved were over 10%. This is a significant improvement on the prior year's returns of 2%.
Elections	
With the election held in October, we checked the content of the Council's annual report and pre-election report for any electioneering material and we noted no issues or concerns.	We remained alert and did not note any issues arising from the elections. The Council's annual and summary reports were issued after the election.
Funding Impact Statements (FIS)	
This was the first year the Council reports its actual financial performance in the FIS formats specified in forms 4 and 5 in the Schedule to the Local Government (Financial Reporting) Regulation 2011 (the Regulations). The preparation of the FIS statements, required the inclusion of comparative information, some sourced from different plans.	The format and presentation of the Council's FIS complied with the Regulations. This includes the financial information and the comparative information prepared specifically for the 2012/2013 annual report.
The Council's assessment of areas susceptible to fraud	
We will review the Council's assessment of areas susceptible to fraud.	The Council has not recently, within the last year, undertaken a review of transactions, activities or locations that may be susceptible to fraud. We recommended that the Council perform a robust review of transactions, activities or locations that may be susceptible to fraud.

4.1 Other sector matters

From addressing the matters outlined in our audit arrangements letter, we noted the following:

- no issues that need to be reported with the management of conflicts of interest;
- the Council's risk management and contract practices remain appropriate;
- no LTP amendments were required during the year;
- in the absence of an Audit Committee, we are satisfied there are appropriate systems and process in place to support the Council to carry out its accountability and governance responsibilities; and
- no severance payments were made by the Council during the 2012/2013 financial year.

5 Service performance information and associated systems and controls

We reviewed the environment, processes, and controls for developing service performance objectives and targets, as well as monitoring and reporting on service performance. This included reviewing the Council's annual plan. We focused on obtaining an understanding of how the Council:

- identifies its outcomes and objectives;
- develops its plans; and
- measures and monitors its performance.

6 We are satisfied that overall, the service performance information complied with generally accepted accounting practice and fairly reflected the actual achievements and performance of the Council. Changes to public benefit entity accounting standards

The New Zealand Accounting Standards Board recently released new accounting standards that will apply to public benefit entities (PBEs) with expenses greater than \$2 million. PBEs are required to transition to the new PBE standards for reporting periods beginning on or after 1 July 2014 with early adoption not permitted. This means the Council's first financial statements, including its forecast financial statements, under the new standards are for the year ending 30 June 2015.

To ensure a smooth transition to the new standards, the Council will need to plan and prepare in a timely manner for the transition to the new PBE accounting standards. This planning includes:

-
- determining the reporting tier of the Council;
 - becoming familiar with the new standards and assessing the differences that may have a recognition, measurement, or disclosure effect on the Council's financial statements;
 - determining any required system changes to comply with the new standards; and
 - preparing the 30 June 2015 forecast financial statements (annual plan) in compliance with the new standards. Timely analysis of the standards will need to be undertaken to achieve this.

Further information about the new accounting standards is included in Appendix 3.

We will continue to discuss the adoption of the new accounting standards with the Council.

7 Status of previous recommendations

The status of each matter that was outstanding in last year's report to the Council is summarised in Appendix 1.

Appendix 1: Status of previous recommendations

Outstanding matters

Recommendation	Current status	Management's proposed action
Change management procedures		
<p>Develop a change register/spreadsheet to document change requests, required levels of approvals on various stages, ways for updating the change requests and their status.</p>	<p>Some changes are tracked through the Spiceworks system. However there are no formal change management procedures and not all changes are tracked.</p>	<p><i>Larger sites often have quite a formal process of documenting what changes are proposed risks get signed off by management etc.</i></p> <p><i>We usually install new software or upgrades on one machine and test it there before rolling it out across the board.</i></p> <p><i>We do have test environments for the likes of Authority and IRIS where we can install updates and try it out in a Test (as distinct from a Live) environment first.</i></p> <p><i>Given our small size, including a small IT support group, we feel this approach is more suitable for us rather than a more formalised approach.</i></p>

Appendix 2: New public benefit entity accounting standards

Public benefit entity tier framework

The new accounting standards tier structure is shown in the table below:

Tier	Public Sector PBE Tier Criteria	Standards	Standards issued
1	Expenditure >\$30 million or public accountability (as defined)	PBE Accounting Standards (PAS)	May 2013
2	Expenditure <\$30 million	PAS with Reduced Disclosure Requirements (RDR)	May 2013
3	Expenditure <\$2 million	Simple Format Reporting (CFR) – accrual	Expected late 2013
4	Entities allowed by law to use cash accounting	SFR - cash	Expected late 2013

All entities start at tier 1, but can elect to be in lower tier if they satisfy the criteria of a lower tier.

PBE transition timeframe for the public sector



First-time adoption of the tier 1 and 2 PBE standards

Some of the key points to be aware of are:

- The process is similar to NZ IFRS conversion but is not expected to be as onerous.
- The standards apply to prospective financial statements of the first balance date under the new standards.
- You should use the same accounting policies as under NZ IFRS, unless PBE standards require a change.
- For your first financial statements:
 - prepare an opening balance sheet as at transition date. This is not required to be published;
 - restate comparatives where required; and
 - use standards effective at end of first reporting period.

-
- The opening balance sheet and restated comparatives will need to be audited.
 - The standard setter is developing guidance to help identify differences between the PBE standards and for-profit standards that could give rise to consolidation adjustments.

PBE Reduced Disclosure Regime (RDR)

There are opportunities for eligible entities to reduce their disclosures. We encourage entities to consider adopting RDR.

- Examples of areas where the RDR will apply in all circumstances are:
 - Financial instruments.
 - Capital management.
 - Reconciliation of surplus/deficit to net operating cash flows.
 - Standards issued but not yet effective, prior year opening to closing reconciliations.
- Example of areas where the RDR will apply in certain circumstances are:
 - Asset and goodwill impairment.
 - Associate investments.
 - Income tax.
 - Agriculture activities.
 - Where business combinations occur.

What you should be doing?

In preparation for these changes, you should:

- determine reporting tier;
- assess impact of standards;
- implement any required system changes;
- consider group reporting implications, particularly where a PBE group consolidates for-profit subsidiaries; and
- prepare compliant forecast financial statements.

Audit New Zealand – what we are doing

We are:

- engaging with key stakeholders on sector issues, such as non-exchange revenue;
- updating our model financial statements to be compliant with the new standards; and
- publishing a transition resource for clients.

Appendix 3: Mandatory disclosures

Area	Key messages
Our responsibilities in conducting the audit.	<p>We carried out this audit on behalf of the Controller and Auditor-General. We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001. The audit of the financial statements does not relieve management or the Council of their responsibilities.</p> <p>Our audit engagement letter contains a detailed explanation of the respective responsibilities of the auditor and the Council.</p>
Auditing standards	<p>We carry out our audit in accordance with generally accepted audit standards. The audit cannot and should not be relied upon to detect every instance of misstatement, fraud, irregularity or inefficiency that are immaterial to your financial statements. The Council and management are responsible for implementing and maintaining your systems of controls for detecting these matters.</p>
Auditor independence	<p>We confirm that, for the audit of the West Coast Regional Council's financial statements for the year ended 30 June 2013, we have maintained our independence in accordance with the requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.</p> <p>Other than the audit, we have not provided any engagements for the West Coast Regional Council during the year ended 30 June 2013. In addition, we have no relationships with, or interests in, the West Coast Regional Council.</p>
Other relationships	<p>We are not aware of any situations where a spouse or close relative of a staff member involved in the audit occupies a position with the West Coast Regional Council that is significant to the audit.</p> <p>We are not aware of any situations where a staff member of Audit New Zealand has accepted a position of employment with the West Coast Regional Council during or since the end of the financial year.</p>
Unresolved disagreements	<p>We have no unresolved disagreements with management about matters that individually or in aggregate could be significant to the financial statements. Management has not sought to influence our views on matters relevant to our audit opinion.</p>

Prepared for: Council Meeting 11 February 2014
Prepared by: Andrew Robb – Chairman
Date: 29 January 2014
Subject: **CHAIRMAN'S REPORT**

Meetings Attended

- I attended the LGNZ Branding Workshop at Grey District Council on the 11th of December.
- I chaired the Regional Transport Committee meeting on the 21st of January. The main focus of this meeting was introductions of new members to this committee as a result of last year's local body elections. The continuation of R Funding was discussed as there is a concern that this funding could be lost.
- I met with John Lovell from the Ministry of Civil Defence and Emergency Management on the afternoon of the 21st of January to discuss the planned shared agreement between our council and the three district councils.

July Council Meeting

I would like the July council meeting to be moved to the 15th of July due to my coaching commitment to the Top of the South Primary School Rugby Tournament.

RECOMMENDATION

That this report is received.

Cr Andrew Robb
Chairman

THE WEST COAST REGIONAL COUNCIL

Prepared for: Council Meeting 11 February 2014
Prepared by: Chris Ingle – Chief Executive
Date: 30 January 2014
Subject: **CHIEF EXECUTIVES REPORT**

Meetings Attended

- Chaired the Civil Defence Coordinating Executive Group meeting on 5 December.
- West Coast Economic Summit at Shantytown on 6 December.
- Mayors and Chairs forum on 9 December.
- Council meeting on 10 December.
- LGNZ Branding Workshop at Grey District Council on 11 December.
- West Coast Council CEOs met on 27 January in Hokitika.
- South Island joint Pest Management Plan meeting on 4 February in Christchurch.
- SOLGM Strategy day on 5 February in Wellington.
- Mayors and Chairs meeting on 10 February in Hokitika.

Annual Leave

Took annual leave 23 December to 17 January. Also needed to take sick leave late January.

Budget Workshop

Council will need to consider making time to discuss budget priorities over coming weeks. A brief workshop on Council finances follows this meeting and it is recommended we make time for a longer budget discussion either following the March Council meeting or on a separate day.

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.

35 – 36

- 8.1 Confirmation of Confidential Minutes 10 December 2013
- 8.2 Overdue Debtors Report (to be tabled)
- 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 10 December 2013		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		

I also move that:

- Chris Ingle
- Robert Mallinson
- Michael Meehan
- Jackie Adams

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.