

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, 12 May 2015**

P. EWEN
CHAIRPERSON

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

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**MINUTES OF THE MEETING OF THE RESOURCE MANAGEMENT COMMITTEE
HELD ON 14 APRIL 2015, AT THE OFFICES OF THE WEST COAST REGIONAL COUNCIL,
388 MAIN SOUTH ROAD, GREYMOUTH, COMMENCING AT 10.30 A.M.**

PRESENT:

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

IN ATTENDANCE:

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

1. APOLOGIES

Moved (Ewen / Archer) *That the apology from F. Tumahai be accepted.*

Carried

2. PUBLIC FORUM

There was no public forum.

3. MINUTES

Moved (Clementson / Birchfield) *that the minutes of the previous Resource Management Committee meeting dated 10 March 2015, be confirmed as correct.*

Carried

Matters Arising

There were no matters arising.

4. CHAIRMAN'S REPORT

Cr Ewen reported that he attended the Regional Transport Committee meeting on the 31st of March. He attended a Local Government NZ workshop on the 1st of April. Cr Ewen advised that he, The Chairman and the Chief Executive met with Hon. Damien O'Connor on the 14th of March to discuss matters relating to the West Coast as a region. Cr Ewen advised that he also dealt with ratepayer enquiries relating to gravel extraction.

Moved (Ewen / Robb)

Carried

5. REPORTS

5.1 PLANNING AND ENVIRONMENTAL GROUP

5.1.1 STATE OF ENVIRONMENT REPORT

M. Meehan spoke to this report and advised that State of Environment (SOE) report is prepared every three years. M. Meehan advised that the report reveals where water quality is declining or where it is showing improvement. M. Meehan advised that overall water quality is good. He advised that the results are assessed against the recently released national objectives framework under the National Policy Statement for Freshwater. M. Meehan advised that the majority of sites score well but there are some sites that could score better. M. Meehan introduced the two staff members who prepared the SOE report, J. Horrox and E. Chaney, to the meeting. J. Horrox

presented the SOE report to the meeting. J. Horrox provided an extensive overview of the report and spoke of various trends and answered several questions from Councillors. Cr Ewen thanked J. Horrox and E. Chaney for their presentation.

Moved (Archer / Robb) *That Council receives this report.*

Carried

5.1.2 STATE OF ENVIRONMENT REPORT ON SURFACE WATER QUALITY – POLICY IMPLICATIONS

M. Meehan spoke to this report follows on from the SOE report and covers analysis of potential policy implications arising from the SOE report. M. Meehan advised that the majority of sites that Council monitors are either stable or improving in water quality. He stated that there are a couple of sites that are deteriorating and council does need to do some work on these sites. M. Meehan stated that the National Objectives Framework and the NPS for Freshwater was developed with a lot of input from scientists around New Zealand, and regional council staff. M. Meehan advised that this framework allows Council to look at their waterways and to see how they compare nationally. He advised most of the west coast waterways are in the A or B categories. M. Meehan stated that council has done some very good work around farm plans and working with farmers and the dairy company has also done some good work in this area. He advised that work done with the mining industry has also helped to improve water quality. M. Meehan advised that there has been a lot of improvement with point source discharges. M. Meehan advised that N. Costley has done an analysis to work out if the policies and objectives are actually being achieved. He stated that the results from the SOE report reveal that Council is sustainably using and developing its land and water resources because water quality around the region is looking fine. He answered various questions from Councillors. Cr Ewen stated that this is a significant result and is a good news story. Cr Ewen stated he would like a press release done to show the community the progress that is being made and that council is up there with the Proposed National Policy Statement. Cr Ewen passed on his congratulations to staff that put the effort into this report.

Moved (Robb / Challenger) *That Council receives this report.*

Carried

5.1.3 BATHING BEACH WATER QUALITY SAMPLING UPDATE

M. Meehan and E. Chaney spoke to this report. This shows the results of the summer season's monitoring. M. Meehan stated that further testing occurred to ascertain whether the very poor results were due to bovine, avian or human waste. E. Chaney advised that at Hokitika Beach and Marrs and Shingle Beach samples were sent to a lab in Christchurch. If a high sample of E coli was found then the lab could run an extra test to give extra information on where this could be coming from. E. Chaney stated that there were not many high results this summer to enable extra investigations. She stated that the one sample from Hokitika Beach that did have a higher reading came back showing markers for human, ruminants and avian sources. E. Chaney advised that this type of testing could be undertaken next summer should there be concerns with E coli readings at these beaches.

Cr Clementson asked where the sampling point is at Marrs Beach. E. Chaney explained where the sampling point is. M. Meehan advised that with regard to water quality there is always an element of risk with swimming after significant rainfall, but the majority of times when there hasn't been rainfall the week prior to sampling the results are good.

Moved (Archer / McDonnell) *That Council receives this report.*

Carried

5.1.4 PARLIAMENTARY COMMISSIONER FOR THE ENVIRONMENT'S REPORT ON AIR QUALITY

M. Meehan spoke to this report and advised that currently Council is working under a NES for air quality which refers to PM₁₀. This NES was developed a decade ago with the information that was to hand at the time. M. Meehan advised that a lot of work has been done with the Reefton Airshed within the last couple of years and this work is still continuing. M. Meehan advised that the Commissioner has advised that potentially PM_{2.5} should be measured as this particle size has a bigger impact on health. M. Meehan stated that the Commissioner has looked at the World Health Organisation's health standards and has looked at what is being done around the world. She has

also looked at what is the actual risk of having short term exposure to PM₁₀ and what is the risk of having four or five days of exceedances when the rest of the year is not too bad. M. Meehan advised that that Commissioner is looking at changing the current NES to measure PM_{2.5}. It is unclear what this would mean for the Reefton Airshed. M. Meehan stated that MfE are now looking at this to see if changes to the NES are required. Councils will have the opportunity to have input into this. M. Meehan advised that air sheds that are consistently exceeding the NES are air sheds mainly in the South Island, during winter in sub alpine towns like Reefton and Alexandra. He stated that this is a very difficult issue to deal with. M. Meehan advised that the Commissioner has made some recommendations to see if PM_{2.5} should be measured as an annual average concentration, rather than looking at daily exceedances. Cr Archer stated that this is not helpful at all, considering all the work that this council has done with the Reefton Airshed Committee and the testing of Oeko tubes. M. Meehan stated that the work that has been done isn't wasted but this may mean some adaption to this work may be required. Cr Archer asked if anyone has done any Oeko tube testing on PM_{2.5}? If so on coal? M. Meehan responded that he would need to check this with the manufacturer, he suspects that this could have been done. M. Meehan advised that an update is expected from MfE within the next month or two.

Moved (Archer / Challenger) *That Council receives this report.*

Carried

5.1.5 PLANNING AND ENVIRONMENT MANAGERS REPORT

M. Meehan spoke to this report and advised that Council has now attempted to contact all Schedule 2 wetland landowners and some site visits have been made. Maps have also been supplied to those landowners who have requested them.

M. Meehan reported that the Select Committee for the Environmental Reporting Bill reported back on 30 March 2015. He advised that the Bill should come into effect later this year and there is no requirement for Council to do any more monitoring than is currently being done.

The RMA Reforms and the range of changes were discussed. M. Meehan spoke of various changes including avoiding appeals, decision making on plans and how MfE would like to have qualified commissioners on plan hearings and making collaborative processes for councils as easy as possible in order to get plan changes across the line.

M. Meehan reported that Council's Biosecurity Officer has assisted the Kongahu rating district with addressing Parrot's Feather in this catchment. Aerial and ground spraying work has been done which is shown positive results so far. Search work on African Feather Grass has also been done. M. Meehan advised that this grass has been known to be located in the Westport area but it has also been seen in the Cobden area recently.

M. Meehan advised that Ecan staff assisted with a nursery inspection on the West Coast. This was in accordance with the National Pest Plant Accord to ensure that nurseries are not selling any plants that they shouldn't. M. Meehan advised that there were no concerns raised.

Cr Archer commented that successive Parliaments are still not focussing on the real issue of what is causing all the problems and delays with RMA Reform. He stated that it is appeals that are taking up time and money and often they are frivolous and vexatious appeals.

Moved (Archer / Birchfield) *That Council receives this report.*

Carried

5.1.6 REGIONAL TRANSPORT PLANS

C. Ingle spoke to this report. He stated that both the Chairman and Deputy Chairman are on the Regional Transport Committee (RTC) and have worked through the transport plans with the committee. C. Ingle advised that nine submissions were received for the draft Regional Land Transport Plan 2015 – 21 and one submission on the draft Regional Public Transport Plan 2015. He advised that the hearing panel made decisions on the 17th of February and the RTC met on the 31st of March and approved both documents. Cr Robb stated this has been a good process with good outcomes. He stated that N. Costley has done very well with getting these plans through. Cr Robb advised that he will be attending a meeting with the Visitor Driving Governance Group next week. Cr Robb stated that the West Coast has been a late arrival to this group but it is important that we are represented in this area. The widening of the road around Arthurs Pass was discussed. Cr Robb advised that this is out of our region but affects the West Coast. He stated that this work has been tendered and is about to be let, the work is expected to start next summer.

Cr Challenger drew attention to the section of the report that relates to maintenance of the cycleway. He noted that Grey District Council and DoC are mentioned but not Westland District

Council. Cr Challenger queried as to whether or not this could be an oversight as maintenance of the cycleway is a considerable cost. C. Ingle advised that this cost be being accounted for in a different way. Cr Robb stated that this has been discussed before. Cr Archer stated that both Plans are comprehensive and well balanced.

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Moved (Robb / Birchfield) *That Council:*

1. *Adopts the West Coast Regional Land Transport Plan 2015 – 21 as per 18B(3)(a) of the Land Transport Management Act and submits this to the NZ Transport Agency; and*
2. *Adopts the Regional Public Transport Plan 2015 for the West Coast as per section 119(1) of the Land Transport Management Act.*

Carried

5.1.7 VARIATION TO THE REGIONAL LAND TRANSPORT PROGRAMME 2012 – 2015

C. Ingle spoke to this report and advised that it is related to the previous report with five of the submissions received on the Regional Land Transport Plan (RLTP) were to do with the High Street / Marlborough Street intersection in Greymouth. C. Ingle advised that originally this project was to be undertaken as a minor improvement project, being valued at less than \$300,000; but through consultation and a redesign the cost has escalated to \$600,000. He advised that in view of this, a variation to the RLTP needs to be done in order for this improvement to go ahead. Discussion took place on this intersection. C. Ingle advised that there are no budget implications for this council as it is an NZTA project but it does come under the umbrella of council's RLTP.

Moved (Archer / Clementson) *That Council:*

1. *Adopts the Variation to the West Coast Regional Land Transport Programme 2012 – 15; and*
2. *Submits the Variation to the West Coast Regional Land Transport Programme 2012 – 15 to the NZ Transport Agency.*

Carried

5.1.8 APPOINTMENT OF A DEPARTMENT OF CONSERVATION REPRESENTATIVE TO THE WEST COAST REGIONAL TRANSPORT COMMITTEE

C. Ingle spoke to this report. He advised that DoC is not currently a member of the RTC but they are the road controlling authority for the two glacier roads. C. Ingle advised that the DoC representative will not be a voting member of the RTC. It is suggested that W. Costello from the Franz Josef area will possibly fill this role.

Moved (Robb / Ewen)

That the representative from the Department of Conservation be appointed to the West Coast Transport Committee as a non-voting member.

Carried

5.2.1 CONSENTS MONTHLY REPORT

J. Adams spoke to this report. He advised that 20 non-notified resource consents were granted, four changes to consent conditions, and one limited notified consent were granted.

Moved (Robb / McDonnell) *that the April 2015 report of the Consents Group be received.*

Carried

5.2.1 COMPLIANCE & ENFORCEMENT MONTHLY REPORT

J. Adams spoke to this report and advised that 79 site visits were made during the reporting period. He reported that of the 56 dairy farm inspections four were found to be non-compliant, with one awaiting sampling results. J. Adams advised that the four non-compliant dairy farms are now compliant. J. Adams reported that ten complaints were received during the reporting period and no formal enforcement action was taken during the reporting period. J. Adams reported that four work

programmes were received during the reporting period. Three of these were approved at the time of writing this report and the fourth one has since been approved. J. Adams two mining bonds were received and two have been recommended for release.

Moved (Archer / Robb)

1. *That the April 2015 report of the Compliance Group be received.*
2. *That the bond held by Whyte Gold Ltd RC04027, Ian Whyte RC05067 and Astral Mining Ltd RC11145, are released.*

Carried

6.0 GENERAL BUSINESS

There was no general business.

The meeting closed at 12.22 p.m.

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Chairman

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Date

Prepared for: Resource Management Committee Meeting – 12 May 2014
Prepared by: Michael Meehan - Planning and Environment Manager
Date: 5 May 2015
Subject: **PLANNING AND ENVIRONMENT MANAGERS REPORT**

Coastal Plan review

Staff are continuing to work through pre-consultation feedback received on the Draft Coastal Plan. A second hui was held on 28 April with representatives from the two West Coast Rūnanga, and Te Rūnanga O Ngāi Tahu. Staff are meeting with Buller District Council to discuss their feedback. Once feedback is received from the Westland District Council, a joint meeting with the pre-consultation parties will be held to discuss specific issues. The meetings and discussions are proving to be beneficial by clarifying and resolving minor issues, and should reduce the number of submission points when the proposed Plan is notified.

Proposed Land and Water Plan Change

Staff have completed follow up work with the Schedule 2 wetland landowners contacted by phone. This work has resulted in field inspections and minor adjustments to boundaries. A workshop will be held at the June 2015 meeting, with a final draft to the July 2015 meeting for notification.

Resource Science

The Ministry for Environment and Department of Conservation funded Alexander and Waiuta historic mine remediation's are underway. Council is assisting the project by providing in kind advice regarding the hydrology of the Alexander River.

Biosecurity

Council's Biosecurity Officer has confirmed Yellow Bristle Grass has been located on the West Coast for the first time. The plant was located on the roadside near Inangahua; further search work has identified small infestations along the roadside through the Buller Gorge. The plant was found by a farmer returning from a trip to the North Island where he witnessed an area affected by Yellow Bristle Grass.

Yellow Bristle Grass is a serious pest plant throughout the central North Island, where it is proving very difficult to control. It is an extremely aggressive annual plant which once established in pasture spreads rapidly and reduces pasture quality. When Yellow Bristle Grass sets seed (around December-January) cows will avoid grazing it unless no other feed is available. Seed heads persist until the first frosts in autumn, leading to lower pasture utilisation during this period, and a cost for supplementary feed required to maintain milk production. These costs are estimated to be between \$350-\$1100/ha depending on the level of infestation.

Infestations to date have only been found around marker pegs on the roadside which provides an early opportunity to try and prevent further spread into pasture. In order to know the full extent of Yellow Bristle Grass spread on the Coast, it is important that farmers ensure they are familiar with the plant, and are actively look for it on their property and the adjoining roadside.

Roadside mowing contractors have been shown the plant and will be looking while they complete their work programme throughout the districts, as well as local Weedbusters staff and other contractors who are working throughout the region. Council is working with NZTA to eradicate the known infestations. Education material has been sent to Westland Milk Products who will include in their monthly newsletter to all farmers.



An example of a paddock infested with Yellow Bristle Grass

RECOMMENDATION

That the report is received

Michael Meehan
Planning and Environment Manager

Prepared for: Resource Management Committee
 Prepared by: Jackie Adams - Consents & Compliance Manager
 Date: 29 April 2015
 Subject: **CONSENTS MONTHLY REPORT**

CONSENTSConsents Site Visits 1 – 28 April 2015

DATE	NAME, ACTIVITY & LOCATION	PURPOSE
03/04/15	RC-2014-0117-V1 – Granville Mining Ltd, Gold mining, Tawhai (Slab Hut Creek)	To clarify application adjustment boundaries with Applicant.

Non-Notified Resource Consents Granted 1 – 28 April 2015

CONSENT NO. & HOLDER	PURPOSE OF CONSENT
RC-2014-0080 BRM Developments Ltd	<p>To undertake earthworks associated with alluvial gold mining within MP 56101 at Ianthe Forest.</p> <p>To disturb the bed of an unnamed tributary of the Te Rehotalepa River within MP 56101 associated with water diversion.</p> <p>To divert the unnamed tributary of the Te Rehotalepa River associated with alluvial gold mining within MP 56101 at Ianthe Forest.</p> <p>To take and use water for alluvial gold mining activities within MP 56101 at Ianthe Forest.</p> <p>To discharge sediment-laden water to land associated with gold mining within MP 56101 in circumstances where it may enter water, namely the Te Rehotalepa River and its tributaries.</p>
RC-2014-0180 Dempster Ltd	<p>To undertake earthworks associated with alluvial gold mining activities within the Shamrock Amenity Area, Callaghans.</p> <p>To take and use surface water from unnamed tributaries of Kapitea Creek for the purposes of alluvial gold mining activities within the Shamrock Amenity Area, Callaghans.</p> <p>To take and use ground water for the purposes of alluvial gold mining activities within the Shamrock Amenity Area, Callaghans.</p> <p>To discharge sediment-laden water to land in circumstances where it may enter water, namely Kapitea Creek at Callaghans.</p> <p>To discharge sediment-laden water to water, namely Kapitea Creek and its tributaries at Callaghans.</p>
RC-2015-0006 Department of Conservation	<p>To disturb the Coastal Marine Area (CMA) for the purpose of opening the mouth of the Kohaihai River.</p> <p>To divert the Kohaihai River for the purpose of flood protection.</p> <p>To deposit material (sand) within the CMA.</p>
RC-2015-0047 Kelvin Douglas Contracting (2004) Ltd	To disturb the dry bed of the Fox River within the Coastal Marine Area for the purpose of extracting gravel.
RC-2015-0051 Westroads Greymouth Ltd	<p>To disturb the dry bed of the Karamea River at Arapito for the purpose of gravel extraction.</p> <p>To disturb the dry bed of Canoe Creek for the purpose of gravel extraction.</p>

To disturb the dry bed of the Grey River at St Kilda for the purpose of gravel extraction.

To disturb the dry bed of the Grey River at Kiwi Point for the purpose of gravel extraction.

To disturb the dry bed of the Grey River at Taylorville for the purpose of gravel extraction.

To disturb the dry bed of the Haupiri River for the purpose of gravel extraction.

To disturb the dry bed of the Crooked River the purpose of gravel extraction.

To disturb the dry bed of the Crooked River downstream of Moana-Rotomanu road bridge for the purpose of gravel extraction.

To disturb the dry bed of the Taramakau River downstream of William Stewart bridge for the purpose of gravel extraction.

To disturb the dry bed of the Taramakau River downstream of SH6 road/rail bridge for the purpose of gravel extraction.

To disturb the dry bed of the Hokitika River upstream of SH6 bridge for the purpose of gravel extraction.

To disturb the dry bed of the Hokitika River in the vicinity of Kaniere-Kowhitirangi Road for the purpose of gravel extraction.

To disturb the dry bed of the Kokatahi River for the purpose of gravel extraction.

To disturb the dry bed of Donnelly Creek at Ross for the purpose of gravel extraction.

To disturb the dry bed of the Kakapotahi River for the purpose of gravel extraction.

To disturb the dry bed of the Wanganui River for the purpose of gravel extraction.

To disturb the dry bed of the Poerua River for the purpose of gravel extraction.

To disturb the dry bed of the Whataroa River for the purpose of gravel extraction.

To disturb the dry bed of the Waitangitaona River for the purpose of gravel extraction.

To disturb the dry bed of the Waiho River for the purpose of gravel extraction.

To disturb the dry bed of Docherty Creek for the purpose of gravel extraction.

To disturb the dry bed of the Cook River for the purpose of gravel extraction.

To disturb the dry bed of Bullock Creek for the purpose of gravel extraction.

To disturb the dry bed of the Karangarua River for the purpose of gravel extraction.

To disturb the dry bed of the Haast River for the purpose of gravel extraction.

To disturb the dry bed of the Turnbull River for the purpose of gravel extraction.

To disturb the dry bed of the Arawhata River for the purpose of gravel extraction.

To disturb the dry bed of the Jackson River for the purpose of gravel extraction.

Shawn Weir Builders Ltd

To occupy space in the Coastal Marine Area (CMA) with a rock wall, Whareatea.

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To construct a structure (rock wall) in the CMA, Whareatea.

To deposit natural material (rock) in the CMA, Whareatea.

RC-2015-0055
Westland District Council

To take and use surface water from the Tatare River for an emergency town water supply, Franz Josef.

RC-2015-0057
S M Lowe Contracting Ltd

To disturb the dry bed of the Karamea River at Arapito for the purpose of gravel extraction.

To disturb the dry bed of the Oparara River for the purpose of extracting gravel.

To disturb the dry bed of the Little Wanganui River for the purpose of extracting gravel.

To disturb the dry bed of the Granite Creek for the purpose of extracting gravel.

Changes to and Reviews of Consent Conditions granted 1 – 28 April 2015

CONSENT NO, HOLDER & LOCATION

PURPOSE OF CHANGE

RCN98219-V2
Value Proteins Ltd

To allow an increase in the production rate through the rendering plant, Lake Haupiri.

RC09030-V2
Crescent Creations Ltd

Riparian margin removal and water treatment chemical authorisation associated with gold mining, Waimea.

RC10217-V8
Solid Energy New Zealand Ltd

To amend and delete conditions relating to water monitoring, Reddale Mine.

RC-2014-0164-V1
Blakeley Mining Ltd

To amend bond conditions associated with gold mining at Nemona.

Notified or Limited Notified Resource Consents granted 12 – 28 April 2015

CONSENT NO, HOLDER & LOCATION

PURPOSE OF CHANGE

RC13001
Alan Russell

To disturb the dry bed of the Poerua River for the purpose of selected stone removal.

RC-2015-0018
SGA & ME Berendt

To undertake earthworks and vegetation clearance on slopes associated with quarrying limestone rock, Charleston.

To discharge contaminants to air associated with fertiliser manufacture, Charleston.

To discharge contaminants to air from fuel burning equipment associated with the manufacture of fertiliser.

Public Enquiries

24 written public enquiries were responded to during the reporting period. 40 were answered on the same day, 3 the following day, and the remaining 1 no more than 10 working days later. 2 LGOIMA requests were responded to, all within the required timeframe.

RECOMMENDATION

That the May 2015 report of the Consents Group be received.

Jackie Adams
Consents & Compliance Manager

THE WEST COAST REGIONAL COUNCIL

Prepared for: Resource Management Committee
 Prepared by: Jackie Adams – Consents & Compliance Manager
 Date: 1 May 2015
 Subject: **COMPLIANCE & ENFORCEMENT MONTHLY REPORT**

Site Visits

A total of 68 site visits were undertaken during the reporting period, which consisted of:

Activity	Number of Visits
Resource consent monitoring	6
Mining compliance & bond release	11
Complaint Related	8
Dairy Farm Inspections	43

Out of the 68 total site visits for the reporting period none were double categorised. 52 visits were compliant, 9 visits were non-compliant, 3 are awaiting sampling results before being rated and 4 are still under investigation.

Specific Issues**Gold Mining:**

- Alluvial gold mining operations at Kaniere and Callaghans received infringement notices for sediment discharge incidents this month, one of these operations also received an abatement notice to cease the discharge.

Coal Mining:

- No specific issues reported.

Dairy inspections:

- 43 farm effluent systems have been inspected over the past month. 4 of these are non-compliant and 3 are awaiting sampling results to determine rating for the season.

Complaints/Incidents between 29 March 2015 and 30 April 2015

The following 6 complaints/incidents were received during the reporting period:

Activity	Description	Location	Action/Outcome	INC/Comp
Gold mining	Striplands Creek discoloured	Kaniere	Site investigated. Discharge discovered entering creek from operation. Enforcement action undertaken.	Complaint
Dairy farming	Stormwater compliant	Seddonville	Site investigated – landowner requested to remove gravel to reduce stormwater build up on neighbours property	Complaint
Humping/hollowing/ excavation	Stormwater/sediment complaint	Hokitika	Site investigated. Landowner required to install sediment traps. On the day of the complaint there was heavy rain and all rivers were running high and discoloured.	Complaint
Petrol Station	Odour complaint from petrol station	Hokitika	Site investigated and odour unsubstantiated.	Compliant

Activity	Description	Location	Action/Outcome	INC/Comp
Gravel extraction	Unconsented works in creek bed	Westport	Site visit undertaken – PA rule explained and request for RC to be applied for for future works. Enforcement action taken.	Complaint
Gold mining	Kapitea creek sediment discolouration	Kapitea	Site visit undertaken. Unforeseen incident resulted in sediment discharge to Kapitea Creek enforcement action taken	Complaint

Formal Enforcement Action

One formal warning was issued during the reporting period

Activity	Location
Unconsented works in creek bed	Westport

Two infringement notices was issued during the reporting period

Activity	Location
Gold mining sediment discharge	Kaniere
Gold mining sediment discharge	Kapitea

One abatement notice was issued during the reporting period:

Activity	Location
Gold mining sediment discharge	Kaniere

MINING

Work Programmes

The Council received the following **seven** work programmes during the last reporting period and **three** programmes were approved in the 20 day timeframe. The remaining work programmes are awaiting further information/site visits for approval or have only been recently received.

Date	Mining Authorisation	Holder	Location
27-Mar-15	RC09035	Francis Mining Co. Ltd	Reefton
30-Mar-15	RC06163	Steve Grant Excavating Ltd	Blue Spur
30-Mar-15	RC07104	Brian Blacktopp Contracting	Rimu
30-Mar-15	RC10055	Rockies Mining Ltd	Granity
7-Apr-15	RC08109	Matthew Mills	Atarau
10-Apr-15	RC04161	Hardrock Mining Ltd	Greenstone
24-Apr-15	RC12186	George Colligan	Marsden

The Council **received** the following bonds during the reporting period:

Mining Authorisation	Holder	Location	Amount
RC13056	Kanierie Mining Ltd	Kanierie	\$6,000

The following bonds are recommended for **release**:

Mining Authorisation	Holder	Location	Amount
RC09167	Granville Mining Ltd	Nelson Creek	\$20,000

RECOMMENDATION

1. *That the May 2015 report of the Compliance Group be received.*
2. *That the bond held by Granville Mining Ltd RC09167 be released.*

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, 12 May, 2015** commencing on completion of the Resource Management Committee Meeting

A.J. ROBB
CHAIRPERSON

C. INGLE
CHIEF EXECUTIVE OFFICER

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4.		REPORTS
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7.		GENERAL BUSINESS

THE WEST COAST REGIONAL COUNCIL

**MINUTES OF THE MEETING OF THE COUNCIL HELD ON 14 APRIL 2015,
AT THE OFFICES OF THE WEST COAST REGIONAL COUNCIL, 388 MAIN SOUTH ROAD,
GREYMOUTH, COMMENCING AT 12.52 P.M.**

PRESENT:

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

IN ATTENDANCE:

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

1. APOLOGIES:

Moved (Robb / Archer) *that the apology from Cr Birchfield be accepted.*

Carried

2. PUBLIC FORUM

There was no public forum.

PRESENTATION

Mr Greg Kelley and Mr Francois Richeboeuf from Westpac Banking Ltd made a presentation to Council relating to Council's investment portfolio. They answered various questions from Councillors.

3. CONFIRMATION OF MINUTES

Moved (Archer / Ewen) *that the minutes of the Council Meeting dated 10 March 2015, be confirmed as correct.*

Carried

Matters arising

C. Ingle drew attention to the central paragraph in his CEO's report that relates to the change to the compliance monitoring funding source from 70 to 80% user charges and 20 to 30% general rate. C. Ingle advised that the Audit Director asked him whether Councillors had considered this to be a significant change or not. C. Ingle informed the Audit Director that he did not feel this was a significant change but he now needs to ask Councillors if they feel this is significant change in terms of the overall budget.

Moved (Archer / Clementson)

That the Council is satisfied that the proposed compliance monitoring funding source changes are not significant.

Carried

REPORTS:

4.1 ENGINEERING OPERATIONS REPORT

M. Meehan spoke to this report and advised that a small amount of works were carried out in Saltwater Creek, the Greymouth rating district and Wanganui rating district.

M. Meehan reported that significant work has been done in the Whataroa quarry and there is now a lot more rock available. He will report further on this next month.

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

Carried

4.1.2 WEST COAST REGIONAL COUNCIL FLOOD PROTECTION BYLAW

M. Meehan spoke to this report and advised that the consultation for this bylaw was timed for around the annual rating district meetings. He advised that it was agreed to publicly notify the draft bylaw at last year's October Council meeting. M. Meehan advised that the purpose of the bylaw is for Council to be able to control activities on or near Council's flood protection structures, in particular planting and stock grazing. The submission period closed on 19 January 2015 with two submissions received. One submission was in support but the submitter asked for some minor amendments. The second submitter (Fulton Hogan Ltd) was opposed to the bylaw with their concerns being around the Coal Creek rating district area where their gravel operation being in this area. M. Meehan advised that a signed agreement has been put in place between Fulton Hogan Ltd and Council which allows them to continue their work and should any problems arise then these will be discussed. M. Meehan explained the amendments from the first submitter, both amendments were approved.

Moved (Archer / Challenger)

1. *That Council approve the drafted amendments to the Bylaw resulting from submissions, and*
2. *That Council adopt the operative West Coast Regional Council Flood Protection Bylaw, and publicly notify its operative status as per Clause 157 of the Local Government Act 2002.*

Carried

4.2 CORPORATE SERVICES MANAGER'S REPORT

R. Mallinson spoke to this report and advised that this report covers the eight month results to the end of February. He reported that this is a low result but is in line with trends that have been reported to council previously. He stated that a small surplus of \$77,000 has been made compared to the budgeted figure of \$700,000 for the eight month period. R. Mallinson advised that work done in the Lake Brunner enhancement project is being done but the bulk of the funding was received in the last financial year. A substantial amount of this money is being spent in this financial year. R. Mallinson advised that \$178,000 has been spent in the Whataroa quarry. He stated that a report on this quarry is awaited and good detail of this amount will then be capitalised. R. Mallinson reported that enforcement expenditure is twice the budgeted amount but significant cost recoveries from a number of prosecutions are awaited. R. Mallinson advised that consent processing income is under performing with solutions for this currently being worked through. R. Mallinson answered various questions from councillors. R. Mallinson advised that the investment portfolio is continuing to perform well. C. Ingle stated there have been a lot of legal costs incurred this year but cost recovery is imminent in some cases. Cr Ewen asked on behalf of Cr Birchfield if Grey District Council has paid for the works carried out in the Nelson Creek / Red Jacks rating district yet. M. Meehan advised that this work has not been paid for. C. Ingle stated that he is hopeful that some of the costs that council is trying to recover will come in before the end of the financial year.

Moved (Challenger / Ewen) *that this report is received.*

Carried

4.2.1 EIGHT MONTH REVIEW – 1 JULY 2014 – 28 FEBRUARY 2015

C. Ingle spoke to this report. He drew attention to a mistake in the resource consent section of this report and advised that Council has not incurred any costs for resource consent applications. C. Ingle advised that Council is on track with all performance targets. C. Ingle advised that the results at the top of page 27 relate to data that goes back to 1996 and the trends that are being reported on in this report are better than the results published in the SOE report because the early data is being taken into account. It was agreed that the wording at the top of page 29 of the report relating to costs incurred

for five resource consent applications would be amended to show that no costs were incurred during the reporting period.

Cr McDonnell asked C. Ingle if he thought there would be any benefit in Councillors doing a basic civil defence course should there be a civil defence emergency in the region. Cr Ewen stated that in the past Councillors have attended civil defence training. The Chairman stated that Councillors are community leaders and they would benefit from training. C. Ingle advised that one of the important roles for elected members could be to look after Ministers of the Crown who visit the region following a disaster. He stated that elected members could also assist with media responses if they were not involved in the actual emergency management side of things. It was agreed that C. Ingle would discuss this with C. Raine, the Regional Manager for Civil Defence, and arrange for a workshop on civil defence training.

Cr Archer passed on his thanks to staff for their efforts with meeting the performance targets in this report. Cr Robb agreed with Cr Archer comments.

Moved (Archer / Robb)

That this report is received with the amendment made to the resource consent costs not being incurred.

Carried

4.2.2. DRAFT LONG TERM PLAN FOR 2015 – 2025

C. Ingle spoke to this report and advised that last month a budget workshop was held following the council meeting. C. Ingle stated that he and R. Mallinson have now put the numbers into the Long Term Plan (LTP) and the next step is to adopt the LTP once the audit has been finalised. C. Ingle drew attention to the financial strategy and the overview at the top of this report on page 8 and the 30 year infrastructure strategy which are the key parts of the strategy. Cr McDonnell drew attention to the first bullet point regarding the increase of \$500 per ratepayer; he stated this would have implications for keeping the debt repayment plus interest to below 15%. Cr McDonnell stated that hypothetically council could borrow \$17M. R. Mallinson explained that the only reason that this was pitched so high is because the existing debt of about \$5M is about \$150 per head of population, and there is potential need to borrow up to a \$10M for a flood protection scheme in Westport. R. Mallinson stated that council needs to be able to cope with that scale of borrowing if it has to without having to amend the LTP. R. Mallinson advised that council is required by the legislation to adopt quantified limits on rates and quantified limits on borrowing. C. Ingle advised on page 9 under 4, rate caps are illustrated and Audit NZ advise that rate caps have to be in place for targeted rates as well. Extensive discussion ensued. R. Mallinson gave various examples of how loan repayments would work out if a large loan was taken out. C. Ingle drew attention to other small changes to the report including the two proposed changes to rating districts, (Hokitika and Waiho rating districts). R. Mallinson advised that he is now completing minor changes that audit have requested. Consent deposit fees on Page 119 have been adjusted. He explained several of changes in fees including the costs incurred with Official Information request charges.

Discussion on the proposed gravel compliance fee occurred. Extensive discussion ensued regarding whitebait stand consents, administration costs and annual consent holder fees. Cr Archer stated that he feels this area needs to be tidied up and that the fees and charges need to be made very clear so that there is no dispute. Cr Archer suggested that "f" is moved to "b" and everything else is moved down. It was agreed that J. Adams would provide data to council on the costs involved with the monitoring and administration for whitebait stands. Extensive discussion took place regarding council charges with all Councillors having input.

Moved (McDonnell / Challenger)

That this report is received and Councillors note the contents of the draft Long Term Plan.

Carried

5.0 CHAIRMANS REPORT

The Chairman reported that the recent Landcorp meeting he, C. Ingle and J. Adams attended was very good. Cr Robb advised that Landcorp may be developing more land in the region.

Cr Robb advised that he and C. Ingle attended a meeting with the Westland District Mayor on matters relating to Franz Josef. C. Ingle advised that the hearings for the fault avoidance zone are happening

now and a decision is imminent. C. Ingle stated that once this matter is settled and people know what the rules are, there will be more certainty in the town. C. Ingle stated that the district council does have some issues around water supply and sewage disposal and they are not capturing income from visitors. It was noted that during the tourist season numbers can increase to around 8000 for visitor nights. Cr Robb advised that he gave the Mayor assurance that this council is here to help in any way it can.

Cr Robb advised that he and Cr Ewen met with Hon Damien O'Connor recently to discuss matters relating to Council and they agreed to have more regular meetings.

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

Carried

6.0 CHIEF EXECUTIVE'S REPORT

C. Ingle spoke to his report and advised that he has been involved with meetings with Grey District Council relating to the hospital rebuild from a civil defence perspective.

C. Ingle advised that he attended a webinar on opportunities for Ultrafast Broadband and increasing cell coverage within the region. C. Ingle stated that he is hopeful that the West Coast will get some of this money.

C. Ingle advised that the Civil Defence Co-ordinating Executive Group meeting was held yesterday. The Director from Wellington was in attendance and this was a very good opportunity for attendees to ask questions of the Director.

C. Ingle advised that he and R. Mallinson have been spending a lot of time on the Long Term Plan. He circulated a new copy of the Consultation Document and advised that he and the Audit Director have been through this document together. C. Ingle advised that the main changes are on page 10 to the targeted rate cap. C. Ingle stated that once the audit opinion and the rating data is to hand the document will then be complete. Council can then adopt the LTP next Thursday 23 April and it will be released for public submissions the same day.

Moved (Ewen / Clementson)

1. *That this report is received.*
2. *That Council receives the Long Term Plan Consultation Document as a draft.*

Carried

GENERAL BUSINESS

Cr Challenger advised that he will be away for the May Council meeting.

Cr Clementson stated that he attended a meeting with the Buller River Flood Working Group last night. Cr Clementson advised that Council's Hydrologist provided a very informative presentation to this meeting. He provided council with an update from this meeting. M. Meehan advised that a meeting will be arranged for June or July with both councils and options will be finalised and discussed at this meeting.

C. Ingle advised that Development West Coast is providing board training in leadership and governance. Cr Clementson stated that he is unable to attend this due to conflicting events. C. Ingle invited other councillors to consider this. Cr McDonnell has previously attended this training and advised that it is very good training.

The meeting closed at 3.45 p.m.

.....
Chairman

.....
Date

THE WEST COAST REGIONAL COUNCIL

**MINUTES OF A SPECIAL MEETING OF THE WEST COAST REGIONAL COUNCIL HELD ON
23 APRIL 2015, AT THE OFFICES OF THE WEST COAST REGIONAL COUNCIL,
388 MAIN SOUTH ROAD, GREYMOUTH, COMMENCING AT 10.30 A.M.**

PRESENT:

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

IN ATTENDANCE:

C. Ingle (Chief Executive Officer), J. Adams (Consents & Compliance Manager) T. Jellyman (Minutes Clerk), The Media.

1. APOLOGIES:

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

Carried

2. WHITEBAIT COMPLIANCE ANNUAL FEE

J. Adams spoke to this report. He drew attention to a minor mistake on the first page of this report and advised that Council is responsible for 657 white stands and not 675.

MOVED (Clementson / Challenger)

That Council adopts the new proposed whitebait annual compliance monitoring charge \$150 per consent holder, as set out in the Long Term Plan page 121, (C) fourth bullet point.

Carried

3. WHITEBAIT CONSENTS ADMINISTRATION FIXED FEES

J. Adams spoke to this report and took it as read.

MOVED (Clementson / Ewen)

1. *That the Council deletes the fixed fee for consent renewal from the Long Term Plan on page 121 (C) bullet 1; and instead relies on actual and reasonable costs being charged for the consent renewals, under part A of the fixed fee schedule on page 120.*

2. *That the Council endorse the new annual consent file administration fee of \$55, to apply across all consent types, including whitebait stand consent holders*

Carried

Cr Ewen stated that this is a fair way of doing things over the gambit of consents. Cr Clementson stated that in comparison to other councils this is a mid-range option; it is not excessive or too cheap. He stated that it is important that costs are covered.

4. ADOPTING THE LONG TERM PLAN

C. Ingle spoke to this report and noted that Councillors had already seen the draft LTP at the council meeting last week. He advised that at that time the Audit NZ work was incomplete. C. Ingle advised that this report covers changes since the Audit work has been completed. C. Ingle handed out a copy of the unqualified audit report to councillors. C. Ingle advised that there are no major changes to the LTP and all requirements have now been met. C. Ingle stated that under 121 Fees and Charges, he has changed the format of this section in order to get the decisions that Council has just made into the plans. C. Ingle advised that the \$200 fixed fee for consents has been deleted

and ensuring the compliance and consents are separated from each other. He circulated the amended LTP pages. C. Ingle explained various other changes to the LTP document and the Consultation Document.

MOVED (McDonnell / Challenger)

1. *That Council formally adopts the proposed amendments to the Revenue and Financing Policy, as it appears on page 103 – 106 of the Long Term Plan 2015 – 2025.*

Carried

C. Ingle confirmed that Council does have to have an Annual Plan next year but if there are no material changes made, then a submissions process is not required.

C. Ingle advised that people are to make submissions on the Consultation Document, but at the end of the submissions and hearings process all amendments will be wound into the Long Term Plan.

MOVED (Birchfield / Ewen)

2. *That Council formally adopts all the remaining information that is contained in the Long Term Plan 2015 – 2025, including;*
 - *The Financial Strategy (page 7–11).*
 - *The 30 year Infrastructure Structure Strategy (page 12-15).*
 - *The summaries of Groups of Council Activities (pages 26-44).*
 - *Significant forecasting assumptions (pages 56-58).*
 - *Accounting Policies (page 59).*
 - *Funding Impact Statements (page 82).*
3. *That Council adopts the Consultation Document including Attachment 1, and release that for consultation for the period of at least one month.*
4. *That Council notes the dates for consultation and decision-making are:*
 - *Submissions open Friday 24 April;*
 - *Submissions close 1pm Monday 25 May;*
 - *Hearing of submissions on 8 June;*
 - *Deliberations Tuesday 9 June, following ordinary Council meeting;*
 - *Special Council Meeting Tuesday 23 June to adopt final Long Term Plan.*

Carried

C. Ingle confirmed to Cr Birchfield that the target for cost recovery in the consents processing area is 70% - 80%. C. Ingle advised that gravel extraction is in the LTP for consultation but does not take effect until July 2016 but this is dependent on how the submissions and hearing process goes. C. Ingle explained in detail various changes to the document and the rationale behind these changes. Extensive discussion ensued regarding gravel takes and rules around this. Cr Robb advised that the basis of the LTP is to ensure that the general ratepayer isn't subsidising costs. He stated that Council has a responsibility to make sure that it runs a financially viable Council. Cr Robb said that the LTP will generate submissions and decisions will need to be made. Discussion took place on the gravel extraction charges, monitoring and compliance relating to gravel extraction. C. Ingle advised that the Consultation Document will be on the council website straight after today's meeting. He advised a media release will be made regarding Council's decision to part fund the new economic development agency that the Mayors and Chairs forum is promoting. This is a joint communication from the four councils and Development West Coast.

The meeting closed at 10.52 a.m.

.....
Chairman

.....
Date

THE WEST COAST REGIONAL COUNCIL

Prepared for: Council Meeting – 12 May 2015
 Prepared by: Wayne Moen – Senior River Engineer & Paulette Birchfield – Engineering Officer
 Date: 5 May 2015
 Subject: **ENGINEERING OPERATIONS REPORT**

WORKS COMPLETED AND WORKS TENDERED FOR**Taramakau Rating District – Emergency Maintenance Works**

This emergency maintenance work involving the replacing of slumped rockwork with 500 tonnes of rock was completed by Henry Adams Contracting Ltd at a cost of \$5,725.00 (GST Exclusive).

Mokihinui Rating District – Emergency Maintenance Works

Emergency maintenance work involving the placing of riprap rock and gravel by SM Lowe Contracting Ltd, to reform the stopbank and raise a low point adjacent to the scour has been completed, at a cost of \$1,715.00 (GST Exclusive).

FUTURE WORKS

- Raft Creek Rating District
- Vine Creek Rating District
- Whataroa Rating District

Quarries

Quarry	Rock Available	Emergency Stockpile
Blackball	2,300	-
Camelback	5,437	2,000
Inchbonnie	8,000	-
Kiwi	7,197	-
Whataroa	5,960	-
Okuru	500	-

RECOMMENDATION

That the report is received

Michael Meehan
Planning and Environment Manager

THE WEST COAST REGIONAL COUNCIL

Prepared for: Council Meeting – 12 May 2015
 Prepared by: Robert Mallinson – Corporate Services Manager
 Date: 4 May 2015

1. Financial Report

FOR THE NINE MONTHS ENDED 31 MARCH 2015				
	ACTUAL	YEAR TO DATE BUDGET	ACTUAL % ANNUAL BUDGET	ANNUAL BUDGET
REVENUES				
General Rates and Penalties	1,608,208	1,620,000	74%	2,160,000
Investment Income	1,035,948	821,557	95%	1,095,409
Resource Management	781,648	944,950	63%	1,238,000
Regional Land Transport	64,358	66,450	73%	88,600
Emergency Management	214,069	162,000	99%	216,000
River, Drainage, Coastal Protection	1,011,787	1,152,552	66%	1,536,736
Regional % Share Controls	495,300	487,500	76%	650,000
Warm West Coast	109,565	0	0%	
VCS Business Unit	3,725,874	2,509,396	111%	3,345,861
Other	9,776			
	9,056,533	7,764,405		10,330,606
EXPENDITURE				
Governance	294,659	323,954	68%	431,939
Resource Management	2,503,216	2,183,234	86%	2,910,979
Regional land Transport	143,105	126,412	85%	168,549
Hydrology & Floodw arning Services	418,553	353,204	89%	470,938
Emergency Management	271,494	236,698	86%	315,597
River, Drainage, Coastal Protection	1,251,231	1,144,067	82%	1,525,423
Regional % Share Controls	571,038	514,928	83%	686,571
VCS Business Unit	3,181,542	2,096,896	114%	2,795,861
Other Investments	123,073	0		104,172
Warm West Coast	23,886	0		
	8,781,797	6,979,393		9,410,029
SURPLUS / (DEFICIT)	274,736	785,012		920,577

BREAKDOWN OF SURPLUS (-DEFICIT)	Variance Actual V Budgeted YTD	ACTUAL	BUDGET Year to date	ANNUAL BUDGET
Rating Districts	-48,201	147,319	195,520	260,693
Quarries	-102,843	-104,432	-1,589	-2,119
Regional % Share of AHB Programmes	-48,310	-75,738	-27,428	-36,571
Investment Income	214,391	1,035,948	821,557	1,095,409
VCS Business Unit	131,832	544,332	412,500	550,000
General Rates Funded Activities	-629,528	-1,245,075	-615,547	-842,663
Warm West Coast	85,679	85,679	0	0
Other	-113,297	-113,297	0	-104,172
TOTAL	-510,276	274,736	785,012	920,577

Net Contributors to General Rates Funded Surplus (-Deficit)	Actual	Budet ytd	Annual Plan
Net Variance Actual V YTD			
Rates	-11,792	1,608,208	2,160,000
Representation	29,295	-294,659	-431,939
Resource Management	-483,284	-1,721,568	-1,672,979
Transport Activities	-18,785	-78,747	-79,949
River, Drainage, Coastal Protection	-96,885	-282,331	-247,261
Hydrology & Floodw arning	-65,350	-418,553	-470,938
Emergency Management	17,273	-57,425	-99,597
	-629,528	-1,245,075	-842,663

STATEMENT OF FINANCIAL POSITION @ 31 MARCH 2015

	@ 31/03/2015
<u>CURRENT ASSETS</u>	
Cash	-479,882
Deposit - Westpac	7,311
Accounts Receivable - General	252,185
Accounts Receivable - Rates	1,779,798
Prepayments	70,140
Sundry Receivables	1,036,578
GST Refund due	0
Stock - VCS	38,281
Stock - Rock	747,840
Stock - Office Supplies	22,116
Accrued Rates Revenue	0
	<hr/>
	3,474,367
<u>NON CURRENT ASSETS</u>	
Investments	11,200,325
Strategic Investments	887,028
Term Deposit - PRCC bond	50,000
MBIE & DOC Bonds	14,636
Investments-Catastrophe Fund	892,833
Warm West Coast Loans	787,456
Commercial Property Investment	1,352,561
Fixed Assets	4,960,037
Infrastructural Assets	54,061,958
	<hr/>
	74,206,833
TOTAL ASSETS	<hr/>
	77,681,199
<hr/>	
<u>CURRENT LIABILITIES</u>	
Bank Short Term Loan	600,000
Accounts Payable	690,036
GST	183,274
Deposits and Bonds	775,850
Sundry Payables	266,380
Accrued Annual Leave, Payroll	328,903
Other Revenue in Advance	47,500
Rates Revenue in Advance	1,031,430
	<hr/>
	3,923,373
<u>NON CURRENT LIABILITIES</u>	
Future Quarry restoration	70,000
Interest Rate Hedge Position	98,130
Lower Waiho	241,920
Greymouth Floodw all	1,821,634
Inchbonnie	5,934
Hokitika Seaw all	1,406,250
Punakaiki Loan	35,866
Strategic Investments	1,273,723
Warm West Coast	745,000
Office Equipment Leases	27,821
	<hr/>
	5,726,278
TOTAL LIABILITIES	<hr/>
	9,649,651
<u>EQUITY</u>	
Ratepayers Equity	18,627,078
Surplus transferred	274,736
Rating Districts Equity	2,093,310
Tb Special Rate Balance	226,336
Revaluation	35,299,357
Quarry Account	-11,751
Catastrophe Fund	779,482
Investment Growth Reserve	10,743,000
TOTAL EQUITY	<hr/>
	68,031,548
LIABILITIES & EQUITY	<hr/>
	77,681,199

2. Investment Income

Westpac Portfolios

March 2015	Catastrophe Fund	Major Portfolio	TOTAL
Opening balance 1 March 2015	\$ 891,113	\$ 11,288,429	\$ 12,179,542
Income March 2015	\$ 1,720	\$ 11,895	\$ 13,615
Deposit			
Withdrawal		-\$ 100,000	-\$ 100,000
Closing balance 28 February 2015	\$ 892,833	\$ 11,200,324	\$ 12,093,157
Total income year to date to 31 March 2015	\$ 63,352	\$ 875,811	\$ 939,163

3. Comments

The surplus for the 9 months to 31 March 2015 was \$274,000 and is in line with the trend of previous results reported.

This is an improvement on the 8 month surplus reported to the April meeting.

An amount of \$89,555 spent on developing a new resource at Whataroa Quarry has been capitalized (following a report from Council Quarry consultant) which had previously been treated as operating expenditure.

4. Project Funding

Council income for the 13/14 year included \$195,698 from Ministry for the Environment (MFE) relating to the Lake Brunner project". Only \$63,616 of that was actually spent during the 13/14 year. That means that \$132,082 should have been treated as revenue in advance @ 30/6/2014 to fund expenditure falling in the 2014/15 year.

This means that the reported Council surplus for the 9 months would have been \$132,082 higher if the \$132,082 had been accounted for correctly in 13/14.

We intend to improve our accounting for project funding from organisations such as MFE and DOC where the projects and the funding can extend over more than one financial year.

A good example is the further freshwater funding project entered into between WCRC and MFE, "*in respect of tools to enable community engagement in setting water use limits that protect in-stream values*". The project total is \$190,000 and in terms of the funding Deed we were required to invoice MFE for \$47,500 as soon as the Deed was signed. However, Council has not yet incurred any expenditure with regard to this project so this \$47,500 has been treated as revenue in advance in the 9 month financial statement. (It was treated as revenue in the 8 month financial statement to 28/2/15).

5. Audit of Long Term Plan Consultative Document

We have now received the final Audit NZ Report on this document and a copy is attached. The letter is supportive and positive regarding Council's consultative document.

Audit NZ has recommended that we dispense with the Cost of Services Financial Statements (contained on various pages from page 28 – 54). They point out that these statements are no longer required under the Local Government Act 2002 (LGA 2002) or the new Public Benefit Entity (PBE) accounting standards. We would then just have the Whole of Council and Group of Activities Funding Impact Statements. This would remove 7 pages from the LTP. Provided Councillors have no objection I would like to do as Audit NZ suggests.

They also identify in Appendix 1 changes required in the final LTP document accounting policies to comply with the new PBE International Public Sector Accounting Standards (IPSAS). These changes are minor in nature.

RECOMMENDATION

1. *That this report be received.*
2. *That Council to agree to establish a Reserve Fund amounting to \$132,082 @ 1 July 2014, which will be used to fund expenditure on the Lake Brunner Project work during 2014/15 and 2015/16.*
3. *That Council receives the report from Audit New Zealand regarding the Long Term Plan Consultative Document.*
4. *That Councillors note the intention to dispense with the Group of Activities Financial Statements as recommended by Audit New Zealand.*

Robert Mallinson
Corporate Services Manager

5 May 2015

PO Box 2, Christchurch 8140

www.auditnz.govt.nz

Fax: 03 961 3059

Mr Andrew Robb
Chairperson
West Coast Regional Council
PO Box 66
Greymouth 7840

cc Chris Ingle, Chief Executive Officer

Dear Andrew

Management Letter: Audit of the Long-term Plan Consultation Document for the period commencing 1 July 2015

We have completed the audit of the Long Term Plan Consultation Document (LTP CD). This report sets out our findings from the audit and draws attention to where West Coast Regional Council (the Council) is doing well or where we have made recommendations for improvement.

1 Our audit opinion

1.1 We issued an unmodified audit opinion

We issued an unmodified audit opinion on the Council's LTP CD on 23 April 2015.

In our opinion:

- The LTP CD provides an effective basis for public participation in the Council's decisions about the proposed content of its 2015-25 LTP, because it:
 - fairly represents the matters proposed for inclusion in the LTP; and
 - identifies and explains the main issues and choices facing the Council and district, and the consequences of those choices.
- The information and assumptions underlying the information in the LTP CD are reasonable.

The LTP CD is free from material misstatements, including omissions.

The LTP CD is concise, identifies the key consultation issues clearly – the regional economic development initiative, changes to user charges, changes to the revenue and financing policy and flood protection scheme initiatives. There is a good overview of the infrastructure and financial strategies. The reliance on VCS and investment returns

is highlighted as part of the financial strategy summary as is the risk that if these amounts are not as high as forecast, that general rates would need to increase.

Council prepared a full draft LTP as its supporting information, which is ideal practice and made the audit easier.

2 Control environment

Our approach to the audit was to identify, confirm and assess the Council's key processes and controls over the underlying information and ultimate production of both the LTP CD and the LTP. The purpose of this assessment was to enable us to plan the most effective and efficient approach to the audit work needed to provide our two audit opinions.

Council's process is relatively informal and significantly reliant on the Chief Executive and Corporate Services Manager. While unusual compared to other Councils, given WCRC's small size the practices are appropriate. A key benefit from the hands-on approach of Council most senior management is that they fully understand all of the issues in the document and how they link to the underlying information and are explained to the community.

We noted no significant areas of required improvement around the Council's processes and controls over the underlying information.

3 Areas of audit emphasis

3.1 Issues identified during planning

During the planning stage of the audit, and our review of the content of the LTP CD, we identified the following key risks and issues which were areas of emphasis during our audit.

3.1.1 Affordability

Keeping rates and rate increases at affordable levels continues to be a focus for the Council. This is reflected primarily in the comparatively low level of increases proposed which are lower than forecast local specific government inflation estimated by BERL.

Council has rationalised the number of rates limits from the previous LTP from five to four. The key change to the limits proposed is for targeted rates increases which will be kept within 100% more of 2016 targeted rates levels (ie so that targeted rates do not double in 10 years). This limit is high, and the actual increases proposed over the 2016 to 2025 period are significantly lower than this. We understand that the limit includes an allowance for possible future flood protection schemes, but question whether the limit needed to be set this high.

The other major change to the limits proposed is in relation to debt, where the debt affordability benchmark has doubled with interest and principle payments increasing from 7.5% to 15% of total revenue, and debt per capita increasing from \$125 per person to \$500 per person. The debt per capita ratio was exceeded in 2014 due to the additional debt for the Hokitika seawall. From our perspective the critical factor is

the ability to service debt, which Council can comfortably throughout the next 10 years.

We reviewed the forecast financial information against these limits and were satisfied the Council remains within them for the duration of the LTP. We confirmed the limits included in the financial strategy were included in the financial prudence regulations graphs within the LTP.

3.1.2 Encouraging regional economic development

The Council indicated early in the LTP CD process that they would be taking a more active role in the economic development of the West Coast region. As such, a proposal for the creation of a Regional Economic Development Agency (REDA) was included in the LTP CD.

The Council disclosed the purpose and structure of REDA and the expected financial impact on West Coast Regional Council ratepayers in the LTP CD. We were satisfied the information disclosed was consistent with the financial model and clearly disclosed. A link is provided to where additional information on the REDA can be obtained.

3.1.3 River and coastal protection schemes

River and coastal protection schemes are the Council's only infrastructure asset and largest balance sheet item, we expected they would be a focus in the LTP CD.

Our review included an examination of a sample of asset management plans for key schemes. Fundamentally those schemes reflect historic maintenance expenditure which is used as a basis for future spend which is reasonable given the static nature of the assets.

We were satisfied information included in the asset management plans was incorporated into the financial model, infrastructure strategy and draft LTP.

Given the uncertain nature of future capital works for protection schemes, we accepted the disclosures included in the LTP CD were based on the most current information available.

In terms of possible improvements, we noted that the AMPs included a programme of future work that would be completed triennially or 10 yearly. The plans did not note what year that work was expected, or when it was last completed. The plans would benefit from this addition. The two river AMPs reviewed also noted that assets were designed to handle a one in 50 year return period. The capacity of the schemes was assessed in 2008 or prior. The AMPs would benefit from including information on how frequently a formal reassessment of the return period and freeboard should be performed and when the next review is required.

3.2 Underlying information and assumptions

Fundamentally the underlying information underpinning the LTP CD is a roll-forward of the previous LTP and Annual Plan budgets, adjusted for known and proposed changes. Because levels of service for nearly all activities were unchanged, and no significant capital expenditure was forecast, this approach was appropriate.

We reviewed the forecast financial information against the assumptions outlined. We confirmed that the assumptions applied are reasonable, disclosed well and have been appropriately applied.

Overall we consider the underlying information reasonable.

4 Issues identified during the LTP CD audit

4.1 Infrastructure strategy

The infrastructure strategy is a new requirement for the LTP. Given the nature of Council's infrastructure assets, and uncertainties around future capital spend which is driven in part by rating district demand, many of the provisions do not easily fit. We considered this by reviewing the IS and made a few suggestions for improvement to management. These were:

- Adding indicative estimates of projected operating and capital expenditure for the first 10 years in detail and then in each subsequent period of five years.
- Including significant decisions regarding capital expenditure, these should align with the consultation documents capital expenditure items and issues identified. As much information about the timing, options, scale and costs associated with these decisions needs to be included as is available.
- Including further details regarding the significant infrastructure issues the Council is expecting to face over the next 30 years and how the issues will be managed. For example the possible new flood protection scheme in Westport and Franz Josef risks around flooding on the south bank.

We were satisfied the above recommendations were included in the adopted version of the infrastructure strategy and that the strategy is appropriate to Council's circumstances.

4.2 Revenue and financing policy changes

During our review of the LTP CD and draft LTP we identified that the Council was making changes to its revenue and financing policy – to the levels of user funding and to the interest to be retained and reinvested into the investment fund. Under the LGA this is concurrent consultation, separate from the LTP CD, and some additional disclosures were required in the draft LTP summarising the changes to the policy, the reasons for it and an analysis of the practicable options.

4.3 Legislative compliance

We reviewed both the LTP CD and the draft LTP for legislative compliance against relevant legislation and accounting standards.

We identified some changes that we expect to be included in the final LTP. These are detailed in Appendix 1 of this report. Please note that these changes are not an exhaustive list and, in relation to the transition to PBE IPSAS, further work will need to be done by the Council for the 2015 Annual Report.

4.4 Cost of service statements

We continue to recommend to Council that the cost of service statements be removed from each activity. These activity statements are no longer required under the Local Government Act 2002 or the new PBE accounting standards. In addition these statements, in total, do not reconcile with the main financial statements included in the draft LTP.

5 Audit of the final LTP

The next step in the LTP audit process will be the audit of the final LTP. This is scheduled to be undertaken in the week commencing 15 June 2015. To ensure our audit of the LTP is efficient we expect Council to prepare a schedule of changes to the financial forecasts, draft LTP and performance framework that were the basis of the LTP CD. This will enable us to assess the extent of changes as a result of community consultation and tailor our audit work accordingly.

Under section 94(1) of the Act, our audit report on the final LTP forms part of the LTP, which the Council is required to adopt before 1 July 2015 (section 93(3)). Our agreed timeframes will enable us to issue our audit report in time for the Council meeting on 23 June 2015, at which time the 2015-25 LTP will be formally adopted.

We are responsible for reporting on whether the LTP meets the statutory purpose and provides a reasonable basis for integrated decision making by the Council and accountability to the community. We considered the quality of the underlying information and assumptions and how these are reflected in the LTP as part of the audit of the LTP CD so for the audit of the LTP. We will consider the effect of the decisions that come out of the consultation process and review the LTP to gain assurance that all appropriate, material, consequential changes and disclosures have been made.

At the conclusion of the LTP audit, we will ask Council to provide us with a signed management representation letter on the LTP. The audit team will provide the letter template during the LTP audit.

Conclusion

We would like to thank the Council, management and staff for their assistance during the audit.

Yours sincerely



Scott Tobin
Audit Director

Appendix 1: Changes to be reflected in the final LTP

Section/Issues	Description of required change
Statement of accounting policies	<ol style="list-style-type: none"> 1. Remove reference to NZIFRS and replace with references to NZ GAAP and PBE standards. Use model accounts as an example (e.g. EY Good City Council). 2. Basis of preparation section needs updating. In particular: <ul style="list-style-type: none"> - Remove reference to NZIFRS from this section replace with PBE standards. - Reference to IPSAS needs to be updated to reflect current situation – i.e. that the new PBE standards apply from 1 July 2014. - Reporting tier that the Council has selected to report under and the criteria for meeting the tier requirements. 3. Revenue accounting policies: <ul style="list-style-type: none"> - Split revenue types into exchange and non-exchange revenue (there are some good examples in the EY Good City Council model financial statements).
FIS's	<p>Whole of Council FIS</p> <ul style="list-style-type: none"> - Remove internal charges and overheads recovered line from sources of funding. - Add line for interest and dividends from investments (and include investment income in this line rather than in fines, infringements and other receipts). - Remove internal charges and overheads applied line from applications of operating funding.
Financial information and estimates	<ol style="list-style-type: none"> 1. The LTP must include the projected number of rating units for each year covered by the LTP. 2. For each reserve fund – the purpose of the fund and the activities it relates to must be disclosed in the LTP.

Appendix 2: 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 2015-25 Long Term Plan Consultation Document (LTP CD) and reporting that opinion to you. This responsibility arises from section 93C(4) of the Local Government Act 2002.</p> <p>The audit of the LTP CD does not relieve management or the Council of their responsibilities.</p> <p>Our audit proposal and audit arrangements letter dated 31 October 2014 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 the International Standard on Assurance Engagements (New Zealand) 3000 (revised): <i>Assurance Engagements Other Than Audits or Reviews of Historical Financial Information</i>, the International Standard on Assurance Engagements 3400: <i>The Examination of Prospective Financial Information</i>, and the Auditor-General's auditing standards.</p>
Auditor independence	<p>We confirm that, for the audit of the West Coast Regional Council's LTP CD for the period 1 July 2015 to 30 June 2025, we have maintained our independence in accordance with the requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.</p> <p>Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the Council or any of its subsidiaries.</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 LTP CD. Management has not sought to influence our views on matters relevant to our audit opinion.</p>

THE WEST COAST REGIONAL COUNCIL

Prepared for: Council Meeting 12 May 2015
Prepared by: Andrew Robb – Chairman
Date: 4 May 2015
Subject: **CHAIRMAN'S REPORT**

Meetings Attended

- I attended a meeting with Westland District Mayor on 8 April.
- I attended the Civil Defence Co-ordinating Executive Group meeting on 13 April.
- I attended a Visiting Drivers Governance Group Meeting in Christchurch on the 20th of April.
- C. Ingle and I attended a meeting with Richard Tacon, Chief Executive of Bathurst Mining Ltd on 21 April.
- I attended the Special Council meeting on 23 April.
- I attended the HMNZS Hawea Charter Parade in Greymouth on 27 April.
- I attended the Business Breakfast hosted by Development West Coast on 30 April.
- C. Ingle and I attended the Regional Sector Group meeting in Wellington on 1 May.
- I attended the May Day Forum in Blackball on 2 May. I spoke about the RPS and Council's role with economic development in the region.
- I will be attending The Mayors and Chairs forum on Monday 11 May.

RECOMMENDATION

That this report be received.

Andrew Robb
Chairman

THE WEST COAST REGIONAL COUNCIL

Prepared for: Council Meeting 12 May 2015
 Prepared by: Chris Ingle – Chief Executive
 Date: 2 May 2015
 Subject: **CHIEF EXECUTIVE'S REPORT**

Meetings Attended

- I chaired the Civil Defence Co-ordinating Executive Group meeting on 13 April.
- I met with Development West Coast's CEO and COO on 20 April.
- The Chairman and I met with Richard Tacon, Chief Executive of Bathurst Mining Ltd on 21 April.
- I attended the Special Council meeting on 23 April and presented the Long Term Plan for adoption. A civil defence presentation followed.
- The Chairman and I attended the HMNZS Hawea Charter Parade in Greymouth on 27 April.
- I attended the West Coast Civil Defence Controllers Forum in Paroa on 28 April.
- On 29 April the CEOs of the four West Coast Councils and DWC met in Hokitika.
- I spoke about Council's proposed Regional Policy Statement at the Business Breakfast hosted by Development West Coast on 30 April, encouraging attendees to make a submission.
- The Chairman and I attended the Regional Sector Group meeting in Wellington on 1 May.
- I will be attending the Regional Council Chief Executive's meeting in Wellington on 5 May and the Chief Executive's Environmental Forum the following day.
- The Mayors and Chairs forum is scheduled for Monday 11 May at Paroa.

Long Term Plan 2015 - 2025

Following the Council's Special Meeting on 23 April the Long Term Plan was adopted. Submissions opened on 23 April and will close at 1pm on Monday 25 May. All the relevant material including a submission form is available on the council's website. All submissions will be forwarded to Councillors in the week of 25 May. Hearings are scheduled for Monday 8 June.

Regional Sector Group Update

I have covered three topics below from the many that were discussed at the recent RSG meeting.

1. The Land and Water Forum has been re-formed and tasked by the Environment Minister with various work streams related to the NPS Freshwater. Alastair Bisley, CEO of Land Water forum met Regional Council Chairs and CEs on 1 May to discuss how the work of the forum might intersect and overlap with the work the Regional Councils are doing on freshwater within their regions. This is likely to be of ongoing concern in many regions, though less so for the West Coast as our work in Lake Brunner is reasonably well advanced and progress on outcomes is good.
2. The LAWA website continues to be extended, with encouragement being given to Councils to put their stories up onto the website so there is a comprehensive picture nationally of fresh and coastal water quality in all regions, along with the work councils and communities are doing to improve things.
3. LGNZ has formed a new "environmental policy and advisory group". The group has two tasks related to the RMA: The first is to develop a local government sector position on the RMA amendments currently being developed by MfE; while the second is to develop a 'blue skies' thinkpiece on what an ideal environmental statute would look like, given the RMA is now nearing

25 years old and a fresh approach to resource management in New Zealand may be timely. Some of the bigger picture questions include:

- Are there alternatives to a single statute?
- What is the relationship between the economy and the environment?
- How can we better provide for timely policy and plan development processes?
- Where does the balance lie between the public interest and private property rights?
- What is the right balance between central government direction vs local government policy setting, and are decisions best made by independent commissioners or elected councillors?
- What incentives can be put in place to enable and encourage growth, while still ensuring we enjoy a healthy, quality environment?

Stephen Woodhead (Chair of Otago RC) and Rob Phillips (CEO of Southland RC) are the regional council's lead people on this group. They will be seeking feedback on their initial work in October this year, with the draft final version going to LGNZ's National Council in November.

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.

- | | | |
|---------|-------|---|
| 22 – 23 | 8.1 | Confirmation of Confidential Minutes 14 April 2015 |
| 24 – 25 | 8.1.2 | Confirmation of Confidential Minutes of Special Meeting 23 April 2015 |
| | 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 14 April 2015		Section 48(1)(a) and in particular Section 9 of 2nd Schedule Local Government Official Information and Meetings Act 1987.
8.1.2	Confirmation of Minutes of Special Meeting 23 April 2015		
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.