

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

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

**TUESDAY, 9 DECEMBER 2014**

**The programme for the day is:**

**10.30 a.m:**

**Resource Management Committee Meeting**

**On completion of RMC Meeting:**

**RMC Workshop on:**

- Draft Regional Policy Statement
- Draft Coastal Plan
- Land and Water Plan – Plan Change 1

**Council Meeting**

# **RESOURCE MANAGEMENT COMMITTEE**

**THE WEST COAST REGIONAL COUNCIL**

Notice is hereby given that a meeting of the **RESOURCE MANAGEMENT COMMITTEE** will be held in the Offices of the West Coast Regional Council, 388 Main South Road, Paroa, Greymouth on **Tuesday, 9 December 2014**

**P. EWEN**  
CHAIRPERSON

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

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<b>2.</b>		<b>MINUTES</b>
	1 – 3	3.1 Confirmation of Minutes of Resource Management Committee Meeting – 10 November 2014
<b>3.</b>		<b>PRESENTATION</b>
<b>4.</b>		<b>CHAIRMAN'S REPORT</b>
<b>5.</b>		<b>REPORTS</b>
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	4	5.1.1 Planning & Environmental Manager's Report
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	9	5.1.5 Bathing Beach Water Quality Sampling Update
		<b>5.2 Consents and Compliance Group</b>
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		<b>6.0 GENERAL BUSINESS</b>

**MINUTES OF THE MEETING OF THE RESOURCE MANAGEMENT COMMITTEE  
HELD ON 10 NOVEMBER 2014 AT THE OFFICES OF THE WEST COAST REGIONAL COUNCIL,  
388 MAIN SOUTH ROAD, GREYMOUTH, COMMENCING AT 10.32 A.M.**

**PRESENT:**

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

**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 / Robb) that the apologies from J. Douglas and F. Tumahai be accepted.*

*Carried*

**2. PUBLIC FORUM**

There was no public forum.

**3. MINUTES**

*Moved (Clementson / Archer) that the minutes of the previous Resource Management Committee meeting dated 14 October 2014, be confirmed as correct.*

*Carried*

**Matters Arising**

There were no matters arising.

**4. CHAIRMAN'S REPORT**

Cr Ewen reported that it has been a quiet month. He attended the Regional Transport Committee meeting, along with the Chairman and Chief Executive. Cr Ewen stated there was good agreement that the remainder of R Funding will be used for more passing bays. He stated that around six passing bays have been approved for funding from Buller to South Westland.

Cr Ewen advised that he assisted with one tender opening for emergency works relating to the Waiho River where urgent survey work and repair work is required. Cr Ewen stated that he did not receive any council related phone calls during the reporting period.

*Moved (Archer / Challenger)*

*Carried*

**5. REPORTS**

**5.1 PLANNING AND ENVIRONMENTAL GROUP**

**5.1.1 PLANNING AND ENVIRONMENT MANAGER'S REPORT**

M. Meehan spoke to this report and advised that a meeting of the Reefton Airshed Committee was held on the 3<sup>rd</sup> of November. He reported that discussion on where to from here took place and it was agreed that a public meeting will be held in early 2015 to discuss the recommendations made to Council. M. Meehan advised that the main purpose of this meeting will be to get a paper to the Minister for the Environment and others, and to look at getting a subsidy to assist Reefton people.

M. Meehan advised that the State of Environment Monitoring Report is being finalised with staff looking at the National Objectives Framework and how our sites stack up compared to this.

M. Meehan reported that the draft Coastal Plan is being finalised. A short workshop will be held after the December Council meeting and once Council is happy with this, pre consultation will then begin.

M. Meehan reported that changes are being finalised to the draft plan change for the Land and Water Plan. He advised that changes to wetland boundaries are being sought with around 80 wetlands identified. M. Meehan advised that the plan change and a way forward will be discussed at a workshop following the December Council meeting.

M. Meehan reported that staff are working through some of the pre consultation comments on the Regional Policy Statement Review.

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

*Carried*

### 5.2.1 CONSENTS MONTHLY REPORT

J. Adams spoke to this report and advised that two site visits was carried out during the reporting period. He reported that 16 non-notified resource consents were granted and seven changes to resource consent conditions were granted during the reporting period.

**Moved** (Archer / Robb) *that the November 2014 report of the Consents Group be received.*

*Carried*

### 5.2.1 COMPLIANCE & ENFORCEMENT MONTHLY REPORT

J. Adams spoke to this report and advised that 56 site visits were made during the reporting period. He stated that six of these visits were double categorised. J. Adams reported that 12 complaints were received during the reporting period. J. Adams stated that enforcement action has been taken on five of these and inquiries are continuing on two other complaints. J. Adams advised that nine infringement notices were issued during the reporting period and two formal warnings. J. Adams reported that five abatement notices were also issued. J. Adams reported that six work programmes were submitted during the reporting period and all six were processed within the required time period. J. Adams reported that one bond for \$30,000 has been received.

Cr Challenger asked if monitoring is still being done in the Hau Hau Creek area. J. Adams stated that he had staff in this area twice last week and they checked the mine sites in this area and none of them had discharges. J. Adams stated that in this instance the mine sites were checked first. The water was dirty above the mine sites.

J. Adams stated that an adjacent landowner had opened the mouth of Hau Hau Creek but this was done under the permitted activity rule. J. Adams stated that he has an agreement with this landowner that anytime he is doing work, then staff will be present to make sure he only does what he says he is going to do.

Cr Archer asked if in view of the increase in enforcement action over recent times, is Council getting the right messages out to the people undertaking these activities regarding the expectations of Council. He asked if there is anything that can be done to educate these errant people towards undertaking a more satisfactory state of activity so that they do comply with the rules rather than having to take enforcement action. Cr Archer wonders if there is adequate information that is easily available going out to people and / or if Council needs to advertise and be more upfront with the level of assistance that could be offered. Cr Ewen asked councillors for their opinions on this matter. Cr Clementson stated that in his experience the information packs provided make it fairly clear what can and can't be done and what is expected. Cr Robb stated that even though something may be a permitted activity there are still things that must be done. J. Adams stated that in the previous financial year 42 infringement notices were issued. The financial year before that 78 infringement notices were issued, which shows that there has been a drop off in the number of non-compliances. J. Adams stated that there are a lot more complaints received during the whitebait season as there are a lot more people out on the rivers. J. Adams advised that there are fewer non-compliant dairy sheds each year. J. Adams stated that his staff are promoting education rather than enforcement as it takes a lot less time and effort to get people to get the job right the first time around rather than having to send staff out to show people what they need to do. J. Adams advised that when a resource consent is sent out, an information pack is included and for resource consents that are being renewed an information pack is provided on what can and can't be done and advice on how best to go about things without having problems. Further discussion ensued and it was agreed that enforcement information would be included in the next quarterly council newsletter. Cr

Robb stated that it would be good to remind people that it does not cost anything to phone council and ask questions should they have any concerns about any work they wish to undertake.

**Moved** (Archer / McDonnell) *That the November 2014 report of the Compliance Group be received.*  
*Carried*

**6.0 GENERAL BUSINESS**

There was general business.

The meeting closed at 10.47 a.m.

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Chairman

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Date

Prepared for: Resource Management Committee Meeting – 9 December 2014  
Prepared by: Michael Meehan - Planning and Environment Manager  
Date: 29 November 2014  
Subject: **PLANNING AND ENVIRONMENT MANAGERS REPORT**

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### Biosecurity

In October 2014 Council employed a Biosecurity Officer to undertake pest plant work. Since taking on the role the Officer has met with key Department of Conservation staff to gain an understanding of their work programme.

The key role of the Biosecurity Officer is to enforce the provisions of the Regional Pest Plant Management Strategy and to lead the review of the strategy in the future.

Key projects that the Biosecurity Officer is involved in are:

- African Feathergrass control work in the Buller area.
- Nodding Thistle control work in Mai Mai.
- Parrots Feather control work in Kongahu swamp, Karamea.
- Investigating shared databases to allow better communication between agencies.
- Promotion of educational material regarding pest plant control work.

Council has organised a pest plant workshop to be held on 11 December 2014. This workshop builds on the 2012 workshop, which allowed a forum for many agencies to coordinate and learn more about work in this area.

Council is also using Envirolink funding to look at pest plant management issues within the lakes in the region.

### Lake Brunner Fresh Start to Freshwater Lake Brunner Project

Council has been working closely with farmers within the Lake Brunner catchment as this project approaches completion. The majority of farmers have completed their fencing and planting projects, however five farmers have been unable to complete their works.

Council has discussed this matter with the Ministry for the Environment and will apply for an extension to the funding deed to March 2015 to ensure all planned projects are completed.

### State of Environment Reporting

The 3 yearly State of Environment report is in its final stages of completion. Staff have undertaken an assessment of our State of Environment sites against the Freshwater National Policy Statement National Objectives Framework.

Staff will run a workshop with Council at its February 2015 meeting on the State of Environment report.

### Reefton Airshed

Staff have been advised that the site the air quality monitoring device is located on has been sold. Staff are working through options to continue monitoring air quality in Reefton, it is highly likely Council will need to relocate the device to another site in the near future.

## **RECOMMENDATION**

*That the report is received*

Michael Meehan  
**Planning and Environment Manager**

Prepared for: Resource Management Committee – 9 December 2014  
Prepared by: Mike Meehan – Planning and Environmental Manager  
Date: 27 November 2014  
Subject: **Planning Activity Update**

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**Purpose**

To provide Council with an update on regional planning activity anticipated for 2015.

**Background**

As Council will be aware there are a number of plan reviews currently underway. This report provides a summary of the current status of each review and the anticipated processes for 2015.

**Regional Policy Statement (RPS)**

Pre-consultation in accordance with section 3 of the First Schedule of the RMA has finished with staff having analysed feedback received and prepared an updated draft which will be the subject of a Councillor workshop on 9 December 2014. Work will then commence on the Section 32 reports to accompany the RPS when it is publicly notified. It is anticipated that the draft RPS will be put to Council for notification at its February 2015 meeting. The submission period will run over a two month period.

**Coastal Plan**

The final parts of the draft Coastal Plan will be presented to a Councillor workshop on 9 December 2014. Following this workshop, pre-consultation can commence in accordance with section 3 of the First Schedule of the RMA. Pre-consultation will commence immediately following the workshop and run into February 2015. Feedback will be reviewed over February/March with a revised draft Coastal Plan ready to be workshopped in April 2015 with a final draft presented to the May 2015 Council meeting for public notification. The submission period will run over a two month period.

**Plan Change 1 – Land and Water Plan**

Plan Change 1 to the Land and Water Plan seeks to update the boundaries of approximately 80 Schedule 2 wetlands as well as making amendments to the Plan regarding the definition of riparian margins and vegetation disturbance. Some minor editorial amendments are also being made to achieve consistency between this and the Coastal Plan. These changes will be workshopped on 9 December 2014, and it is intended that pre-consultation will commence immediately following this and run through to February 2015.

A draft Plan Change is intended to be presented to Council for notification at its April 2015 meeting. The submission period will run over a one month period, all Schedule 2 wetland landowners will be contacted and alerted to the opportunity to make submissions.

**Other planning activities**

There are several other planning activities also occurring. This includes consultation on the draft Regional Land Transport Plan and draft Regional Public Transport Plan (public notification between 3 December 2014 – 23 January 2015 with hearings to be held on 17 February), the draft Flood Protection Bylaw (public notification between 13 November – 15 January 2015 with hearings to be held in February/March), as well as work continuing with the drafting of the Regional Air Plan in relation to the Reefton Airshed Committee work.

**Implications**

With a small planning team, the dates proposed above are indicative at this stage and may require some flexibility depending on the number, and nature, of the submissions received. Updates on planning timeframes will be communicated to Council over coming months.

**RECOMMENDATION**

*That Council receives this report.*

Michael Meehan  
**Planning and Environment Manager**



# 5.1.3

## THE WEST COAST REGIONAL COUNCIL

Prepared for: Resource Management Committee – 9 December 2014  
 Prepared by: Nichola Costley – Regional Planner  
 Date: 27 November 2014

Subject: **Regional Transport Update**

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### **Purpose**

To provide Council with an update on regional transport matters.

### **Regional Land Transport Plan**

The Regional Transport Committee (RTC) has prepared a new draft Regional Land Transport Plan (RLTP) for the West Coast region with the assistance of the Regional Transport Advisory Group. This is the first RLTP developed under the amendments made to the Land Transport Management Act 2003 and will effectively combine elements of the existing Regional Land Transport Strategy and Regional Land Transport Programme into one Plan.

The RTC met on 19 November 2014 and approved the Draft RLTP for public notification. The Draft RLTP provides the strategic context and direction for the West Coast region. It sets out the land transport objectives, policies and measures for the next ten financial years. It also identifies a programme of activities that will be put forward for future funding from the National Land Transport Fund for the next six years.

The Draft RLTP also lists a range of roading improvement activities identified by the NZ Transport Agency and the District Councils which have been prioritised. These projects will use the remaining Regional (R) Funds which must be committed by 30 June 2015 and spent by 30 June 2018. After all Regional Councils have submitted their approved RLTPs to the NZ Transport Agency, the NZ Transport Agency will carry out a national moderation process that ranks activities nationally for inclusion in the National Land Transport Programme 2015-18. All improvement projects will be prioritised, and those that are not funded by R will need to rank highly enough in the moderation process in comparison to those put forward by other regions to be eligible for inclusion in the National Land Transport Programme.

The Draft RLTP was notified on 3 December 2014 with submissions closing on 23 January 2015. Hearings on submissions received will be held on 17 February 2015. The RLTP must be lodged with the Regional Council at its April 2015 Council meeting before it is submitted to the NZ Transport Agency by 30 April 2015.

### **Regional Public Transport Plan**

Changes to the transport legislation have resulted in the requirement to review the Regional Public Transport Plan (RPTP) for the West Coast. This was previously a chapter of the West Coast Regional Land Transport Strategy. While the West Coast has minimal public transport, this RPTP must be prepared due to the financial subsidies that are provided for the provision of the Total Mobility scheme, and the financial assistance provided by the Buller and Westland District Councils to ensure the ongoing viability of their local taxi services.

The RPTP sets out the Council's intentions regarding public transport for the West Coast over the next three years. To ensure consistency, the RPTP is being consulted on in conjunction with the RLTP with hearings to be held on any submissions received on the same day (17 February 2015). The Regional Council must adopt the RPTP by 30 June 2015.

### **Financial Assistance Rate Review**

The NZ Transport Agency has been reviewing the current financial assistance rates for all transport activities for local authorities. This will eventually affect all of the transport activities undertaken by the Regional Council (Total Mobility, Road Safety Promotion, Transport Planning, and Public Transport).

The final key decisions have now been made as well as the inputs and methodology which will be used to set the FAR for the 2015-18 National Land Transport Fund investment period. At this stage, the FARs for Transport Planning, Road Safety Promotion and Public Transport Services/Administration have been confirmed. Decisions on the FAR for Total Mobility have yet to be decided, and as such will remain at 50% for the next three year funding period (2015 – 2018) while the NZ Transport Agency determine what will occur in the long term in this area.

The FAR for the Council for both the 2015-18 National Land Transport Programme period and at the end of the transition is set out in the table below.

<b>Normal funding assistance rates for the 2015-18 NLTP and at the end of transition</b>			
2015/16	2016/17	2017/18	2023/24
67%	66%	65%	58%

The FAR for Transport Planning and Road Safety Promotion will decrease from 68% to 58% over the next ten years (decreasing 1% per year with a 2% decrease from 60% in 2023/24). For Bus Services (public transport administration) the FAR is currently 50%. For 2015/16 the FAR will shift to 67% and will decrease down to the final base rate of 58% (again decreasing 1% per year with a 2% decrease from 60% in 2023/24). This is a very small expenditure area with only \$6,500 budgeted for 2015/16.

The largest budget item for Council is subsidising the Total Mobility scheme (anticipated to cost \$90,000 in the 2015/16 year). The change to this activity class is yet to be determined but it is hoped that it will increase to the same 58% final FAR for the Council. If this occurs, then it will offset the reductions in the Transport Planning and Road Safety Promotion FARs. The FAR for Total Mobility will remain at 50% for the 2015-18 funding period.

Once decisions have been made on the FAR for Total Mobility this will be communicated to Council.

## **RECOMMENDATION**

*That Council receives this report.*

Chris Ingle  
Chief Executive Officer

**THE WEST COAST REGIONAL COUNCIL**

Prepared for: Resource Management Committee Meeting - 9 December 2014  
 Prepared by: Emma Reeves, Hydrology Technician  
 Date: 27 November 2014  
**Subject: HYDROLOGY & FLOOD WARNING UPDATE**

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**Flood Warning**

A north moving front on 22 November 2014 caused alarm levels to be reached in the Grey and Karamea Rivers. For a 24 hour period during this event the Karamea River at Garibaldi rainfall site recorded 219mm of rain and the Karamea River at Township rainfall site recorded 81.5mm.

<b>Site</b>	<b>Time of peak</b>	<b>Peak level (mm)</b>	<b>Warning Issued</b>	<b>Alarm threshold (mm)</b>
Karamea River @ Gorge	22/11/2014 13:15	5531	22/11/2014 10:15	4000
Grey River @ Dobson	22/11/2014 21:15	3929	22/11/2014 14:30	3400
Grey River @ Dobson	26/11/2014 12:35	3776	22/11/2014 09:30	3400

**Recommendation**

*That Council receives this report.*

Michael Meehan  
**Planning and Environment Manager**

Prepared for: Resource Management Committee Meeting - 9 December 2014  
 Prepared by: Lucas MacDonald, Resource Science Summer Student  
 Date: 27 November 2014  
**Subject: BATHING BEACH WATER QUALITY SAMPLING UPDATE**

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 20 locations, twice per month in the Grey district and weekly in the Buller and Westland districts. The frequency of sampling has been increased in Westland and Buller in response to higher than usual results last year.

The table below presents the results of sampling carried out in November 2014, the 3<sup>rd</sup> round of sampling from Westland was unavailable at the time of writing this report.

SITE	Nov	Nov	Nov	Nov
<b>Buller Sites</b>	7th	14th	18th	24th
Carters Beach at campground beach access	😊	😊	😊	😊
North Beach at tip head road steps	😊	😊	😊	😊
Buller River at Shingle Beach	😊	😊	😊	😊
Buller River at Marrs Beach	😊	😊	😊	😊
<b>Grey District Sites</b>	6th		17th	
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 Domain at Surf Club	😊		😊	
<b>Westland Sites</b>	6th	13th	19th	24th
Hokitika Beach at Hokitika	😊	😊		😊
Kaniere River at Kaniere Kokatahi Rd	😊	😊		😊
Lake Mahinapua at Shanghai Bay	😊	😊		😞*
L. Kaniere @ Sunny Bight jetty	😊	😊		😊
L. Kaniere @ Hans Bay boat ramp	😊	😊		😊
L. Kaniere @ Hans Bay jetty	😊	😊		😊

😊	< 260 E. coli; < 140 Ent
😞	260-550 E. coli; 140-280 Ent
😡	> 550 E. coli; > 280 Ent
☐	Not sampled

The following table indicates rainfall prior to sampling, where the result falls into the low - moderate or moderate - high risk category

	Rainfall past 24hrs	Rainfall past week
0-10 mm	*	•
10-30 mm	•	•
30-60 mm	*	•
>60 mm	*	•

## RECOMMENDATION

*That the report is received.*

Michael Meehan  
 Planning and Environment Manager

**THE WEST COAST REGIONAL COUNCIL**

Prepared for: Resource Management Committee  
 Prepared by: Jackie Adams - Consents & Compliance Manager  
 Date: 28 November 2014  
 Subject: **CONSENTS MONTHLY REPORT**

**Consents Site Visits 30 October – 27 November 2014**

<b>DATE</b>	<b>NAME, ACTIVITY &amp; LOCATION</b>	<b>PURPOSE</b>
04/11/14	CC-2014-0002 – CJ Ward & KJ Rutland, Sewage discharge, Nelson Creek Road	To inspect an onsite waste system in order to assess for a certificate of compliance.
18/11/14	RC13123-V3 & RC-2014-0207 - Greid Mining Ltd , Alluvial gold mining, Saint Kilda	To undertake a site visit with the department of conservation and the miner, to discuss the potential environmental impacts of a consent variation to include a new area and to discuss the associated water diversions, conditions of resource consent and the expectations of the miner in complying with them.
21/11/14	RC-2014-0192 - D & R Waghorn and P McLennan, Alluvial gold mining, Ikamatua	To undertake a site visit with the applicant and the property owner John Clayton, to ascertain monitoring points associated with the discharge permit and to discuss the conditions of consent including the expectations of the miner in complying with them.

**Non-Notified Resource Consents Granted 30 October – 27 November 2014**

<b>CONSENT NO. &amp; HOLDER</b>	<b>PURPOSE OF CONSENT</b>
RC11025 Little Farms Ltd	To discharge treated dairy effluent to land from a dairy shed where it may enter surface water (Murray Creek) and groundwater via seepage near DS215, Kowhitirangi.
RC-2014-0146 New Zealand Transport Agency	To disturb the bed of the Haast River to undertake river protection works (rock spurs).  To divert water from rock protection work (rock spurs), the Haast River.
RC-2014-0147 New Zealand Transport Agency	To disturb the bed of the Haast and Taramakau Rivers to undertake river protection works (rock spurs and armouring).  To divert water from rock protection work (rock spurs and armouring), the Haast and Taramakau Rivers.
RC-2014-0154 KiwiRail Holdings Ltd	To disturb the bed of Larrys Creek for the purpose of undertaking rock protection works and gravel relocation.  To divert water for the purpose of undertaking rock protection works and gravel relocation, Larrys Creek.  The incidental discharge of sediment to Larrys Creek for the purpose of undertaking rock protection works and gravel relocation.

RC-2014-0196 Fulton Hogan Ltd	To disturb the dry bed of the Buller River at Organs Island for the purpose of removing gravel.
RC-2014-0198 Westreef Services Ltd	To disturb the dry bed of the Maruia River for the purpose of gravel extraction.
	To disturb the dry bed of the Big Totara River for the purpose of gravel extraction.
RC-2014-0201 Patrick John Fitzgerald	To disturb the bed of the Taipo River to construct river protection works (stopbank).
	To divert water from river protection structures (stopbank), Taipo River.
RC-2014-0209 Lake Brunner Contracting Ltd	To disturb the dry bed of the Crooked River for the purpose of gravel extraction.

#### Changes to and Reviews of Consent Conditions granted 30 October – 27 November 2014

CONSENT NO, HOLDER & LOCATION	PURPOSE OF CHANGE
RC13079-V1 Alan Gregory Sutherland Rotomanu	To change conditions relating to tracking area and buffers.

No Notified Resource Consents and no Limited Notified Resource Consents were granted between 30 October and 27 November 2014.

#### Public Enquiries

29 written public enquiries were responded to during the reporting period. 23 were answered on the same day, 4 the following day, and the remaining 2 no more than 10 working days later. No LGOIMA requests were responded to.

#### **RECOMMENDATION**

*That the December 2014 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: 27 November 2014  
 Subject: **COMPLIANCE & ENFORCEMENT MONTHLY REPORT**

**Site Visits**

A total of 61 site visits were undertaken during the reporting period, which consisted of:

Activity	Number of Visits
Resource consent monitoring	5
Mining compliance & bond release	11
Complaint Related	12
Dairy Farm Inspections	33

Out of the 61 total site visits for the reporting period three were double categorised, thus giving an adjusted total number of visits as 58.

Fifty visits were compliant, and 8 visits were non-compliant.

**Specific Issues****Gold Mining:**

- Complaints have been received about two alluvial gold mining operations at Marsden, these were followed up at the time and the issues resolved.

**Coal Mining:**

- Four coal mine site visits were carried out.

**Dairy inspections:**

- Thirty three farm effluent systems have been inspected over the past month. Six of these are non-compliant. Several of the non-compliant farms require enforcement action.

**Whitebait inspections:**

- Post whitebait inspections are about to be carried out to ensure that structures have been removed from the rivers as required by stand holder consent conditions.

**Complaints/Incidents between 29 October 2014 – 27 November 2014**

The following 17 complaints/incidents were received during the reporting period:

Activity	Description	Location	Action/Outcome	INC/Comp
Gold Mining	Complaint received that the New River was discoloured with sediment.	Marsden	Complaint investigated – the operator was required to undertake remedial work.	Complaint
Discharge to water	Complaint received that a river was discoloured.	Charleston	Complaint is unsubstantiated	Complaint
Discharge to water	Complaint received that the New River was discoloured with sediment.	Camerons	Site visit undertaken – established river was discoloured due to rain event.	Complaint

Activity	Description	Location	Action/Outcome	INC/Comp
Discharge to water	Complaint received that there was white scum floating in the Hokitika River	Hokitika	Enquiries were carried out and the source of the white scum was not identified.	Complaint
Discharge to water	Complaint received that Deadmans Creek was discoloured.	Westport	Enquiries carried out and were unable to substantiate the complaint.	Complaint
Works in the bed of a river.	Complaint received that a property owner has undertaken unconsented work in the Maruia River.	Maruia	Enquiries are continuing.	Complaint
Discharge to land	Complaint received that a dispute between white baiters has resulted in a small quantity of engine oil being deliberately spilled onto the Hokitika River bank.	Hokitika	Site visit carried out and established that the overnight rain and the river being in flood had removed the oil so no remedial action was required. The offender is unknown.	Complaint
Whitebait	Stand location dispute	Taramakau	Site visit carried out and issue resolved.	Complaint
Discharge to air	Complaint regarding a spray painters discharge of paint fumes.	Hokitika	Situation resolved itself as the spray painter ceased working for the day.	Complaint
Gold mining	Complaint received that a black sand beach miner was operating without consent.	Barrytown	Site visit undertaken and the miner was not operating at the time.	Complaint
Storm water	Complaint received that stormwater is causing flooding to a property.	Seddonville	Enquiries established that there was no breach of the relevant rule.	Complaint
Discharge to water	Complaint regarding the discharge of dairy effluent.	Fairdown	Site visit undertaken and established that there had been an unauthorized discharge of dairy effluent. Enforcement action is pending.	Complaint
Discharge to water	Inspection undertaken on a dairy farm effluent system	Harihari	During the inspection it was found that the effluent sump had overflowed and discharged to a creek. Enforcement action is pending.	Incident
Discharge to air	Complaint regarding a spray painters discharge of paint fumes.	Hokitika	Site visit undertaken and the spray painting had ceased so unable to substantiate complaint.	Complaint
Discharge to water	Inspection undertaken on a dairy farm effluent system	Whataroa	During the inspection it was found that there was ponding of effluent around the irrigator and other issues with effluent management which requires remedial work. Enforcement action is pending.	Complaint



Activity	Description	Location	Action/Outcome	INC/Comp
Discharge to water	Complaint received that the New River was discoloured with sediment.	Camerons	Enquiries carried out and were unable to substantiate the complaint.	Complaint
Discharge to water	Complaint received that there was a dead cow floating in the Hokitika River	Hokitika	The cow was washed up onto the Hokitika beach. A contractor was arranged to dispose of it.	Complaint

### **Formal Enforcement Action**

Two infringement notices were issued during the reporting period

Activity	Location
Dairy effluent discharge	Westport
Dairy effluent discharge	Whataroa

One formal warning was issued during the reporting period

Activity	Location
Dairy effluent discharge	Whataroa

Four abatement notices were issued during the reporting period:

Activity	Location
Dairy effluent: 4 Abatement notices issued to the same farmer to cease discharges and to undertake remedial work.	Whataroa

## **MINING**

### **Work Programmes**

The Council received one work program during the last reporting period and this program was approved in the 20 day timeframe.

Date	Mining Authorisation	Holder	Location
05-Nov-14	RC09039	Paramount Mining Ltd	Rimu

The Council received one bond during the reporting period:

Mining Authorisation	Holder	Location	Amount
RC09039	Paramount Mining Ltd	Rimu	\$6,000

## **RECOMMENDATION**

*That the November 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, 9 December 2014** commencing on completion of the Resource Management Committee Meeting

A.J. ROBB  
CHAIRPERSON

C. INGLE  
CHIEF EXECUTIVE OFFICER

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<u>AGENDA NUMBERS</u>	<u>PAGE NUMBERS</u>	<u>BUSINESS</u>
1.		<b>APOLOGIES</b>
2.		<b>PUBLIC FORUM</b>
3.		<b>MINUTES</b>
	1 – 4	3.1 Minutes of Council Meeting 10 November 2014
4.		<b>REPORTS</b>
	5	4.1 Report on Engineering Operations
	6 – 28	4.2 Corporate Services Manager's Report
	29 – 37	4.3 Four Month Performance Review
	38 – 39	4.4 Schedule of Meeting Dates for 2015
5.	40	<b>CHAIRMAN'S REPORT</b>
6.	41	<b>CHIEF EXECUTIVE'S REPORT</b>
7.		<b>GENERAL BUSINESS</b>

**THE WEST COAST REGIONAL COUNCIL****MINUTES OF THE MEETING OF THE COUNCIL HELD ON 10 NOVEMBER 2014,  
AT THE OFFICES OF THE WEST COAST REGIONAL COUNCIL, 388 MAIN SOUTH ROAD,  
GREYMOOUTH, COMMENCING AT 10.48 A.M.****PRESENT:**

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

**IN ATTENDANCE:**

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

**1. APOLOGIES:**

There were no apologies.

**2. PUBLIC FORUM**

There was no public forum.

**3. CONFIRMATION OF MINUTES**

**Moved** (Archer / Birchfield) *that the minutes of the Council Meeting dated 14 October 2014,  
be confirmed as correct.*

*Carried*

**Matters arising**

There were no matters arising.

**REPORTS:****4.1 ENGINEERING OPERATIONS REPORT**

M. Meehan spoke to this report. He stated that the annual round of rating district meetings will start this week. He noted that Councillors have now received the reports for the rating district meetings. M. Meehan offered to discuss any issues or concerns that Councillors might have in their constituencies prior to the annual meetings.

M. Meehan reported there have been a number of enquiries that the Councillors from Westland have been taking regarding the situation with the Waiho River. M. Meehan stated that the river has cut in quite hard on the north side and is now affecting the road. M. Meehan stated that the area of concern is downstream of the rating district works in Franz Josef. He advised that discussions have been held with Electronet, NZTA, Westland District Council and Scenic Circle Hotel about doing some emergency works on their behalf. Following a minor flood event which exacerbated the erosion affecting the highway, NZTA have now done some emergency works and have built a gravel stopbank on the north side of the bank. M. Meehan stated that all the parties are working well together and he is hopeful of a good solution. He advised that this matter has been placed on the agenda for the Franz Josef rating district meeting.

M. Meehan advised that a request has been received from ratepayers at Neil's Beach. They are seeking advice on an erosion problem and as most of the property owners were on site for the Whitebaiting season, they requested that Council's River Engineer visit them to

discuss their concerns. M. Meehan suggested that a short workshop be held after today's meeting to discuss the possibility of a rating district in this area.

M. Meehan reported that the first meeting of the Buller River Flood Working Group was held on the 13<sup>th</sup> of October. He stated that Crs, Clementson, Archer and Robb were in attendance. M. Meehan stated this was a good meeting with good input from the locals and the Buller District Mayor, Cr Sharon Roche and staff from both councils. M. Gardner from River Edge Consulting provided a presentation to the meeting. M. Meehan advised that there are two streams of work, the civil defence response and potential engineering solutions, along with district planning work which Buller District Council seems to have in hand. M. Meehan advised that the next meeting will be held on the 24<sup>th</sup> of this month when options will have been looked at and there will be further input and discussion on where to from there.

M. Meehan reported that there are good stockpiles of rock in the Council quarries at the moment although there has not been much demand for rock lately as there have not been any major floods.

**Moved** (Clementson / McDonnell) *that this report be received.*

*Carried*

#### **4.2 CORPORATE SERVICES MANAGER'S REPORT**

C. Ingle spoke to this report in R. Mallinson's absence and advised that this report is for the first three months of the financial year up until the end of September. C. Ingle commented that the surplus for the three months is just over \$100,000 and the Investment Portfolio has pulled in \$300,000 for these three months. Cr Birchfield commented on VCS's excellent surplus last year, with a budgeted surplus of \$500,000 but has come out at over \$900,000 surplus for last year.

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

*Carried*

#### **4.3 DRAFT SIGNIFICANCE AND ENGAGEMENT POLICY**

C. Ingle spoke to this report advising that the Draft Significance and Engagement Policy is one of the first new requirements of the Local Government Act that this council will be rolling out with the Long Term Plan. C. Ingle advised that Council has always had a Significance Policy in the last LTP's but this policy is now recast as a Significance and Engagement Policy which changes the focus a little bit and broadens it out to be about how Council consults with its community as well as what matters might meet the significance test. C. Ingle stated that the new version of this policy is more of a broad judgment of what might be important to the community. C. Ingle stated that in development of this policy he looked at the policies developed by other councils. He also considered the professional advice from SOLGM and what council already has in place. C. Ingle drew attention to the last section of the policy regarding public consultation where the wording of the Act says that the local authority must consult on this document unless council considers on reasonable grounds that there is sufficient information about community interests and preferences to enable the purpose of the policy to be achieved. C. Ingle feels that this council does have sufficient information to waive the consultation requirement due to the consultation done recently on the RPS and the strong linkages between the elected members and their constituent community members. C. Ingle stated that some councils are consulting and some aren't. Cr Archer stated he is supportive of the policy but he feels it would be beneficial to Councillors in the future if recommendations are assessed in terms of their significance in terms of this policy. Cr Archer stated that this would then give Councillors a steer in knowing that significance has been considered. Cr McDonnell drew attention to the list of strategic assets included in this report and asked C. Ingle if there are any other assets that Council deems as strategic such as the council building or other property that council owns. It was agreed that this policy would be adopted as is and then review the strategic asset page when it goes into the LTP.

**Moved** (Archer / Clementson)

- 1. That the Council adopts the attached draft Significance and Engagement Policy.*

2. *For future reports and recommendations made by Council Management to Council, that Managers evaluate and report whether recommended actions meet the significance test.*

3. *That Council Management considers whether or not there are any additional strategic assets that could be included in schedule one of the policy.*

*Carried*

#### 4.4 RISK MANAGEMENT AND AUDIT SUB COMMITTEES

C. Ingle spoke to this report and advised that this paper was requested by Council at last month's meeting. C. Ingle stated that this matter has been the subject of quite a lot of discussion around the sector particularly in response to issues that arose in Kaipara District Council and more recently in Dunedin City Council.

C. Ingle stated that this Council does not have a formal process to manage business risks or maintain a risk register, as they are dealt with as they arrive on an ad hoc basis. C. Ingle advised that this has been looked at before and Audit NZ request that it be looked at again. The last time this was looked at it was agreed that risks would be managed within the normal council meeting structure rather than have a separate committee that would cost more and take up more time. The Chairman stated that the advice from the Auditor General is that if a risk committee is established it needs to be a totally separate group of people with external expertise. The Chairman stated that there would be a reasonable amount of cost involved and the size and amount of risk for this council would need to be considered. Cr Birchfield stated that Councillors are paid to run the council, and why would council need to pay someone else to carry out this function. Cr Birchfield feels that Councillors should do the job that they are paid to do. Cr Archer stated that Cr Birchfield makes a valid point as council pays Audit NZ already. Cr Archer feels this is a duplication as Council is already paying money to an organisation to audit all of council's activities. Cr Archer stated that it would be good to meet with the Auditor to discuss this further and to ascertain what the perceived risks might be. It was agreed that this would be arranged. Cr Ewen stated that he agrees with Cr Archer. Cr Ewen feels that the recommendation that Audit NZ has come up with is a reaction to the Kaipara and Dunedin Council situations and he does not feel it is necessary for a small council like us. He feels this may shed a little bit more insight into this matter. Extensive discussion ensued. The Chairman stated that there may need to be some slight tweaking of what council already has in place. He feels that it will be good to have a discussion with the Auditor when Council has its usual annual meeting with him. The Chairman stated that our council is small and our major risks are well covered by what we already have in place.

**Moved** (Archer / Birchfield)

1. *Councillors note the intention of the management team to develop a Risk Management Register for West Coast Regional Council.*
2. *That Council engages in additional discussion with the Audit Director to ascertain what level of risks Council faces and to ensure there is no duplication of activities.*

*Carried*

#### 5.0 CHAIRMANS REPORT

Cr Robb spoke to his report and advised that he attended the Regional Transport Committee meeting on the 21<sup>st</sup> of October. He stated that this is a work in progress.

Cr Robb reported that he and C. Ingle attended the Zone 5 and 6 meeting in Christchurch on the 23<sup>rd</sup> and 24<sup>th</sup> of October. LGNZ President, Lawrence Yule advised at this meeting that he and the Chief Executive, Malcolm Alexander will be visiting all councils over the coming months. Cr Robb advised that the purpose of the visit is to see where councils are at with reputation and helping to get councils up to speed with performance. Cr Robb reported that LGNZ are pleased with Hon. Paula Bennett's senior position in Government in view of her being the Local Government Minister.

Cr Clementson stated that he feels it would be beneficial to ensure the 1080 delegation includes all poisons that are manufactured by PCR, in case PCR develop other products later on down the line. Cr Archer stated that Council's decision to step away from the decision

making process with regard to 1080 decision making is the right one as where there are perceptions of conflict, then this is the right and proper way to go.

**Moved** (Clementson / Archer)

1. *That this report be received.*
2. *That Council delegates all 1080 decision-making, or that relating to any other PCR Products, to an external, qualified expert, and asks the CEO to modify Council's delegations manual to reflect this decision.*

*Carried*

**6.0 CHIEF EXECUTIVE'S REPORT**

C. Ingle reported that his report covers the meetings he attended during the report period, some of which have already been covered in the Chairman's report.

C. Ingle advised that the SOLGM Planning and Accountability Working Party meeting held in Wellington on Friday was also attended by Bruce Robertson from Audit NZ. Mr Robertson spoke about LTP processes and what Audit NZ will be looking for in the LTP's. C. Ingle stated that this year, Audit NZ is looking at the consultation document which is something that nobody has prepared before. C. Ingle stated that Audit NZ is still concerned about having the "right debate" with communities and seeing what the priorities are for communities and whether or not it is being properly expressed in the consultation document. C. Ingle stated this was a very useful discussion to be a part of.

C. Ingle stated that the Chief Executive's Environmental Forum which he attended last week in Wellington was very good. Government has a fresh perspective on matters and are very keen to get legislative changes made within the next year or two. C. Ingle advised that one of the four top priorities for them is RMA reform. Government is focused on making the rules more simple and easy for people to navigate their way through. Hon Paula Bennett is personally taking a high level interest in this area.

C. Ingle advised that Audit NZ do not think the Plans should be more onerous than in previous years as their audit will be focused on the consultation document which should be between 10 and 50 pages long. C. Ingle expects this council's consultation document to be at the narrow end of this. C. Ingle drew attention to the attachment to his report which outlines the legislative requirements for the LTP. He suggested Councillors discuss the LTP direction in the workshop at the end of today's meeting and discuss the high level strategic direction for the next ten years.

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

*Carried*

**GENERAL BUSINESS**

Cr Archer stated that Transfund has reduced the roading subsidy again, down to 51%. Cr Archer said that he cannot believe that LGNZ is accepting such a massive reduction in the funding subsidy. C. Ingle stated that the allocation of funding between the larger cities, particularly Auckland, and the rest of New Zealand, especially the smaller councils, means that if the allocation of funding was at 52 or 53% then that would mean Auckland would be getting more. He stated that this is why the funding was pulled back. He understands there is more money to give to the smaller councils but these decisions have not yet been made. C. Ingle stated that 51% is just a base level, but there will be extras coming on top of this. Cr Archer stated that communities will not be able to afford to maintain roading and he is concerned about reduced subsidies.

The meeting closed at 11.45 a.m.

.....  
Chairman

.....  
Date

**THE WEST COAST REGIONAL COUNCIL**

Prepared for: Council Meeting – 9 December 2014  
 Prepared by: Wayne Moen – River Engineer and Paulette Birchfield – Engineering Officer  
 Date: 27 November 2014  
 Subject: **ENGINEERING OPERATIONS REPORT**

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

This emergency maintenance work involving the placing of approximately 200 tonnes of rock was awarded to Henry Adams Contracting Ltd at a tendered price of \$1,700.00 (G.S.T. Exclusive).

**Franz Josef Area – Emergency Work**

This work was carried out on behalf of NZTA, Electronet Services, Scenic Hotel Group and Westland District Council. The work involved the construction of a partial diversion channel and the placement of 792 tonnes of rock. The successful tenderer was Westland Contractors Ltd at a cost of \$21,647.76 (GST Exclusive).

Following on from this due to significant pressure on the north side of the river Council is coordinating an options report. This report will investigate options to protect the north side from flooding and allow the above parties and others to discuss funding arrangements should they wish to proceed.

**FUTURE WORKS**

- Coal Creek Rating District
- Vine Creek Rating District
- Waitangitona Rating District
- Whataroa Rating District

**Quarries****Rock available as at 24 November 2014**

Quarry	Rock Available	Emergency Stockpile
Blackball	2,300	-
Camelback	5,925	2,000
Inchbonnie	10,000	-
Kiwi	8,000	-
Whataroa	2,200	2,500
Okuru	500	-

**RECOMMENDATION**

*That the report is received*

Michael Meehan  
**Planning and Environment Manager**



## THE WEST COAST REGIONAL COUNCIL

Prepared for: Council Meeting – 9 December 2014  
 Prepared by: Robert Mallinson – Corporate Services Manager  
 Date: 2 December 2014

**1. Financial Report**

FOR THE FOUR MONTHS ENDED 31 OCTOBER 2014				
	ACTUAL	YEAR TO DATE BUDGET	ACTUAL % ANNUAL BUDGET	ANNUAL BUDGET
<b>REVENUES</b>				
General Rates	705,549	700,000	34%	2,100,000
Rates Penalties	26,822	20,000	45%	60,000
Investment Income	454,893	365,136	42%	1,095,409
Resource Management	382,195	413,634	31%	1,238,000
Regional Land Transport	29,049	29,533	33%	88,600
Emergency Management	120,988	72,000	56%	216,000
River, Drainage, Coastal Protection	430,667	512,245	28%	1,536,736
Regional % Share Controls	220,204	216,667	34%	650,000
Warm West Coast	37,100	0	0%	
VCS Business Unit	1,683,123	1,115,287	50%	3,345,861
Other	9,860			
	4,100,450	3,444,502		10,330,606
<b>EXPENDITURE</b>				
Governance	131,358	143,980	30%	431,939
Resource Management	1,160,559	970,326	40%	2,910,979
Regional land Transport	62,180	56,183	37%	168,549
Hydrology & Floodwarning Services	137,580	156,979	29%	470,938
Emergency Management	110,948	105,199	35%	315,597
River, Drainage, Coastal Protection	575,218	508,474	38%	1,525,423
Regional % Share Controls	254,489	228,857	37%	686,571
VCS Business Unit	1,315,235	931,954	47%	2,795,861
Other Investments	64,252	0		104,172
Warm West Coast	12,607	0		
	3,824,426	3,101,952		9,410,029
<b>SURPLUS / (DEFICIT)</b>	<b>276,024</b>	<b>342,550</b>		<b>920,577</b>

BREAKDOWN OF SURPLUS (-DEFICIT)	Variance Actual V Budgeted YTD	ACTUAL	BUDGET Year to date	ANNUAL BUDGET
Rating Districts	-117,756	-30,858	86,898	260,693
Quarries	-12,790	-13,496	-706	-2,119
Regional % Share of AHB Programmes	-22,095	-34,285	-12,190	-36,571
Investment Income	89,757	454,893	365,136	1,095,409
VCS Business Unit	184,555	367,888	183,333	550,000
General Rates Funded Activities	-158,298	-438,219	-279,921	-842,663
Warm West Coast	24,493	24,493	0	0
Other	-54,392	-54,392	0	-104,172
<b>TOTAL</b>	<b>-66,526</b>	<b>276,024</b>	<b>342,550</b>	<b>920,577</b>

Net Contributors to General Rates Funded Surplus (-Deficit)	Actual	Budget ytd	Annual Plan
Net Variance Actual V YTD			
Rates	5,549	705,549	2,100,000
Rates Penalties	6,822	26,822	60,000
Representation	12,622	-131,358	-431,939
Resource Management	-221,671	-778,364	-1,672,979
Planning Activities	-6,481	-33,131	-79,949
River, Drainage, Coastal Protection	-17,777	-100,197	-247,261
Hydrology & Floodwarning	19,399	-137,580	-470,938
Emergency Management	43,239	10,040	-99,597
	-158,298	-438,219	-842,663

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 STATEMENT OF FINANCIAL POSITION @ 31 OCTOBER 2014
 

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	@ 31/10/14
<u>CURRENT ASSETS</u>	
Cash	588,817
Deposit - Westpac	1,103,497
Accounts Receivable - General	201,650
Accounts Receivable - Rates	-35,613
Prepayments	167,139
Sundry Receivables	881,526
GST Refund due	
Stock - VCS	466,023
Stock - Rock	785,004
Stock - Office Supplies	22,116
Accrued Rates Revenue	
	<hr/> 4,180,159
<u>NON CURRENT ASSETS</u>	
Investments	10,983,904
Strategic Investments	889,043
Term Deposit - FRCC bond	50,000
MBIE & DOC Bonds	14,636
Investments-Catastrophe Fund	803,960
Warm West Coast Loans	796,782
Commercial Property Investment	1,352,561
Fixed Assets	4,756,925
Infrastructural Assets	54,061,958
	<hr/> 73,709,768
<b>TOTAL ASSETS</b>	<hr/> <b>77,889,926</b> <hr/>
<u>CURRENT LIABILITIES</u>	
Bank Short Term Loan	800,000
Accounts Payable	589,820
GST	314,014
Deposits and Bonds	758,011
Sundry Payables	67,715
Accrued Annual Leave, Payroll	331,447
Other Revenue in Advance	397,798
Rates Revenue in Advance	706,171
	<hr/> 3,964,976
<u>NON CURRENT LIABILITIES</u>	
Future Quarry restoration	70,000
Interest Rate Hedge Position	98,130
Lower Waiho	253,220
Greymouth Floodwall	1,852,357
Inchbonnie	15,349
Hokitika Seawall	1,437,500
Punakaiki Loan	57,517
Strategic Investments	1,250,496
Warm West Coast	770,000
Office Equipment Leases	33,079
	<hr/> 5,837,648
<b>TOTAL LIABILITIES</b>	<hr/> <b>9,802,624</b> <hr/>
<u>EQUITY</u>	
Ratepayers Equity	18,774,148
Surplus transferred	276,024
Rating Districts Equity	2,000,706
Tb Special Rate Balance	226,336
Revaluation	35,299,357
Quarry Account	-11,751
Catastrophe Fund	779,482
Investment Growth Reserve	10,743,000
<b>TOTAL EQUITY</b>	<hr/> <b>68,087,302</b> <hr/>
<b>LIABILITIES &amp; EQUITY</b>	<hr/> <b>77,889,926</b> <hr/>

## 2. Comments

The surplus for the four months to 31 October was \$276,000.

## 3. Investment Income

### Westpac Managed Funds

October 2014	Catastrophe Fund	Major Portfolio	Total
Opening balance 1 October 2014	\$ 797,878	\$ 10,913,496	\$ 11,711,374
Income October 2014	\$ 6,082	\$ 70,407	\$ 76,489
Deposit			
Withdrawal		\$ -	\$ -
Closing balance 31 October 2014	\$ 803,960	\$ 10,983,903	\$ 11,787,863
Total income year to date to 31 October	\$ 24,479	\$ 359,390	\$ 383,869

### Other Investment Income

In addition to the above managed portfolio income, Council also earned other investment income from a general Westpac deposit account (\$3,303) and share of earnings from Pest Control Research LP 1 April – 31 October 2014 (\$67,720).

## RECOMMENDATION

*That this 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 2014

# Management report

Key messages

We have completed the audit for the year ended 30 June 2014. 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.

**Issues identified during the audit**

The following table summarises our recommendations and their priority:

Recommendation	Urgent	Necessary	Beneficial
<b>Financial prudence disclosures</b> Council reviews our comments on the financial prudence disclosures and consider revising the limits proposed in the upcoming LTP.		✓	
<b>Unbilled consent work in progress</b> Council develop a report it understands and has confidence in. Council review each open consent lodged up to and including 2013 and determine whether the costs incurred should be written off or invoiced.	✓		
<b>Audit Committee</b> The Council consider whether it covers the key functions of an audit committee.		✓	
<b>Additional capital contribution to PCR LP over Council approval</b> Payments of additional capital contributions to PCR be in line with documented Council approvals.		✓	
<b>Rating base information disclosure</b> The land value of rating units be retained stored so the rating base information disclosures can be reported on in accordance with the Local Government Act.		✓	
<b>Public notice of availability of rating information</b> The public notice of the availability of the RID be made by 31 May each year to comply with the Local Government (Rating) Act.		✓	

There is an explanation of the ranking system in Appendix 2.

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**Thank you**

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



Scott Tobin  
Audit Director  
26 November 2014

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## **1 Our audit opinion**

### **1.1 We issued an unmodified audit opinion**

We issued an unmodified audit opinion on 14 October 2014. This 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.

In forming our audit opinion, we considered the following matters.

### **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.

We have discussed any misstatements that we found with management. The significant misstatements that have not been corrected are listed in Appendix 1 along with management's reasons for not adjusting these misstatements. We are satisfied that these misstatements are individually and collectively immaterial.

## **2 Key issues and recommendations**

### **2.1 Financial prudence disclosures**

#### **Recommendation**

We recommend Council reviews

- the results of financial prudence disclosures; and
- the nature and number of rates and debt limits included in its financial strategy.

#### **Findings**

Council needed to report on the mandatory financial prudence graphs for the first time in 2014. There are seven benchmarks (organised around three elements of financial prudence – affordability, sustainability and predictability) against which local authorities were required to report.

We reviewed the disclosures against the legislation and noted that the graphs show that generally Council is complying with its own and DIA's limits. However, there are two key exceptions. These are the debt control benchmark and the operations control benchmark.

#### **Debt control benchmark**

The debt control benchmark which compares the level of debt to budgeted debt, or in Council's case because it is in a net asset position it compares the net assets to



budgeted net assets. This graph shows that compared to Council's financial forecasts in each of the last five years, Council has had less financial assets than planned. This has coincided with an unplanned increase in debt related to unexpected rating district work.

**Management comment**

*The net position at 30 June 2014 (Total liabilities – Financial Assets) graph was constructed in accordance with the Regulations and DIA practice notes. The graph doesn't include receivables and inventories which were substantially more than actually budgeted at 30 June (+ \$1.817 million). Neither does it include the commercial property investment at Rolleston of \$692,000.*

*This unbudgeted borrowing could not have been foreseen by Council. That is the nature of our borrowing for Rating Districts where we are requested to finance unexpected works when they are urgently needed.*

*As noted by Audit NZ, there was substantial unbudgeted borrowing during the year, amounting to \$1.76 million during the year – Hokitika seawall and Lower Waiho.*

**Operations control benchmark**

The operations control benchmark shows that for the last five years the actual cash flows from operations are significantly below the planned cash flows. For four of the last five years Council has had negative cash flows from operations. This is principally because Council uses proceeds from its investment funds to subsidise operations. Those proceeds are shown as investing and not operating activities in the actual performance, but are budgeted for as operating inflows. We suggest that they should be budgeted for as investing inflows in the upcoming LTP.

After adjusting for the difference in treatment detailed above, in each of the last two years net operating inflows have been lower than budgeted. In 2014 this is largely attributable to the Camelback quarry work and increase in rock inventory. We will be reviewing this area again in 2015.

**Management comment**

*We agree with your comments. We will certainly align the method of calculating Budgeted Operating Cash Flows in the LTP round to correctly align with how the Actual Operating Cash Flows in the Annual Report are calculated.*

**Council consider reviewing the nature and number of rates and debt measures included in the financial strategy**

The rates affordability (limits and increases) and debt affordability benchmarks are self-determined by Council in its financial strategy. Council needs to report against these in the annual report. In reviewing the limits and reporting, we make the following observations:

- Council has a number of measures around rates and debt affordability. We recommend Council considers an aggregation or a review of the limits. For example, does Council need both the pest management rate increase and

the river, drainage, and coastal protection rates increase? Could these be combined like they are in the target rates no more than 25% of revenue graph? How useful is a 33% tolerance for the river, drainage, and coastal protection rates limit?

- In relation to term liabilities – does Council need the term liabilities to assets measure? The repayments to revenue and debt per capita ones seem more critical. For a council where infrastructure assets cannot be sold to cover debt or generate cash flows to service debt, a comparison of debt to assets is less meaningful (especially compared to a commercial organisation).

**Management comment**

*We agree with these comments and we will review as part of the LTP process.*

**2.2 Unbilled consent work in progress**

**Recommendations**

Council develop a report it understands and has confidence in.

Each open consent lodged up to and including 2013 be reviewed and determine whether the costs included in WIP should be written off or invoiced.

**Findings**

Unbilled work in progress was an area of concern for the Council during the year. Management questioned the accuracy over the report produced by its financial management information system, Authority, and produced its own unbilled works order report. However, our discussions revealed that staff and management were unfamiliar with the report and had limited understanding of what the report shows, leading to some doubts over its accuracy.

At year end, the value of unbilled work in progress revenue was \$362,510. We reviewed the aging and status of unbilled consents included in WIP. Many are shown as on hold and have been open for some time - from 2004 to 2013. There is a significant risk given these circumstances that WIP is overstated, and includes consents that are no longer progressing and so should be closed and the costs expensed, or the costs incurred to date invoiced and recovered.

We understand that the Council is obliged to keep consent applications in progress open. However, this does not mean that from an accounting perspective it should not review and consider the costs against those open consents.

**Management comment**

*We agree with these comments. We have engaged a local CA firm to help us identify the correct balances, invoice and where necessary write off. That staff member has previously worked for the WCRC finance group.*

## 2.3 Audit Committee

### Recommendation

Council consider whether it is covering the key functions of an audit committee.

### Findings

There is increasing emphasis on the importance of audit committees in public sector organisations, and especially local authorities. Council does not have an audit committee or equivalent, and considers that these responsibilities are addressed by Council as a whole.

We agree that the form of the committee is not the important aspect, but rather that the function of an audit committee is fulfilled. However, we suggest Council consider whether it is covering the key functions of an audit committee.

The OAG's good practice guide, *Audit committees in the public sector (2008)*, should be the reference point for Council in this assessment. This can be found on the OAG website, <http://www.oag.govt.nz/2008/audit-committees/docs/audit-committees-public-sector.pdf>.

Key points in relation to the function of an audit committee that we suggest Council reflect on are noted below.

There are four main principles of an effective audit committee:

- independence – most of the members of an audit committee need to be independent of the management team to provide objective and impartial advice;
- competence – audit committee members need to have relevant experience and expertise to bring valuable insights and perspectives to the areas of interest;
- clarity of purpose – an audit committee needs to be clear about its mandate, purpose, and role in the organisation and within the governance structure as a whole; and
- open and effective relationships – the audit committee needs to encourage open and transparent communication and effective ways of working with stakeholders.

In addition to identifying the main principles of an effective audit committee the report also highlights the benefits:

- increased scrutiny – the audit committee can focus on specific aspects of the District Council's current practices, for example governance, risk management and financial management practices;

- **efficient use of resources – audit committees can help to drive efficiency and effectiveness throughout the organisation;**
- **increased focus on internal assurance - audit committees can enforce the disciplines of having risk-based strategic audit plans and regularly reporting audit results and progress against plans; and**
- **increased focus on accountability - audit committees can improve accountability mechanisms throughout the organisation. They require the management team and internal auditor to report on aspects of organisational activities and to be prepared to provide the rationale for their actions in an open and transparent environment.**

The good practice guide notes that the core responsibilities of an audit committee should include overseeing the effectiveness of:

- **the risk management framework;**
- **the internal control environment;**
- **legislative and regulatory compliance;**
- **internal audit and assurance;**
- **external audit; and**
- **financial reporting.**

Other areas that could be included in the audit committee's mandate are:

- **the effectiveness of governance arrangements;**
- **all external accountability reporting, including non-financial performance and the clarity of links between non-financial performance measures and strategy; and**
- **overseeing the management of significant projects.**

#### **Management comment**

*Recently considered by Council.*

## **2.4 Additional capital contribution to PCR LP**

### **Recommendation**

Payments of additional capital contributions be in line with documented approvals.

### **Findings**

The Council approved \$60,000 of additional capital contribution during their February 2014, public excluded meeting to PCR LP. The actual capital contribution made on 26 May 2014 was of \$68,600, \$8,600 above the approved contribution.

### **Management comment**

*We agree that the minutes do indicate an approval for a capital call of only \$60,000; although examination of reports considered by Council indicate that it was envisaged that a call of up to \$70,000 might be required.*

*We do not see the \$8,600 variance as significant.*

## **3 Compliance with significant legislation**

The Regional Council is responsible for ensuring that it has appropriate systems, policies, and procedures to comply with all relevant legislative, regulatory, and contractual requirements that apply to the activities and functions of the Regional Council. Such systems, policies, and procedures should be documented. We note that the Council does not have a formal legislative compliance system. This is not unusual for a council of WCRC's size.

We reviewed compliance with legislation that could have a significant effect on the financial statements (as set out in the audit arrangements letter). We noted the following issues for your attention.

### **3.1 Rating base information disclosure**

#### **Recommendation**

The land value of rating units be captured so the rating base information disclosures can be reported on in accordance with the requirements of the Local Government Act 2002 in future years.

#### **Findings**

The Local Government Act 2002 now requires Councils to report on rating base information. This includes the total land value of rating units within the region of the local authority of the preceding financial year. In 2014 the Council was been unable to produce this information for the disclosure as the information was not maintained.

#### **Management comment**

*We have never maintained records of Land Values as we don't levy our general rate on land values. Therefore we didn't have the LV information available as at 30/6/13. However, we are now alert to collate this data and will be able to disclose as at 30 June 2014 in the 2015 Annual Report.*

### 3.1.2 Public notice of availability of rating information

#### Recommendation

Council ensures that public notice of the availability of the RID is made by 31 May each year to comply with the Local Government (Rating) Act.

#### Findings

Section 28 (4) of the Local Government (Rating) Act requires Council to ensure that the Rating Information Database (RID) is available for public inspection and that public notice of this is made by 31 May at the latest each year.

The RID is available for public inspection at the Council offices. Notification of the availability of rating information and records is made on the back of all rates assessment notices sent out before 31 May. It states: "As the ratepayer for this rating unit you are entitled to inspect Council's Rating Information Database and rated records and object on certain grounds set out in the Local Government (Rating) Act 2003. All objections will be determined by Council." However, this does not constitute public notice.

#### Management comment

*As we have always used the TA rating information, we have never considered that WCRC needed to also advertise publicly that its RID was available for public inspection. (The three TA's do that, and it's their information that we are using).*

*Agree that we should now start to do this.*

## 4 Business and sector risks/issues

The table below summarises the outcome of the business risks and sector issues outlined in our audit arrangements letter dated 2 April 2014.

Your business/issue	Our audit response
<b>Investments to support pest control activities</b>	
In 2013, the Regional Council made investments to support its pest control activities and diversify its investments. This included the acquisition of land and construction of a building in Rolleston and the purchase of a 49% interest in Pest Control Research Limited (PCR).	We updated our understanding of any changes to investments made during the year. We reviewed the accounting treatment and disclosure of the investment in PCR and the investment property. We are satisfied that the appropriate accounting treatment has been applied to these investments.
<b>Capitalisation of quarry costs</b>	
Council incurred significant costs cleaning up the Camelback quarry and exposing new rock for future quarrying. Council considered that a portion of those costs should be capitalised and amortised over a	We reviewed the accounting treatment over the capitalisation of quarry costs. Council obtained accounting advice from Ernst and Young which it followed. We are satisfied that the quarry costs are fairly stated in the

Your business/issue	Our audit response
future period.	financial statements. In future years Council will need to amortise the capitalised quarry costs based on the volume of rock quarried.
<b>Vector Control Services Business Unit</b>	
The Vector Control Services Business Unit receives revenue primarily from pest control contracts from the Animal Health Board. The business unit makes significant revenue contributions to the Council as well as overhead costs.	We reviewed the Vector Control Services business unit's revenue and expenditure and gained assurance these were fairly stated in the financial statements.
<b>Investment portfolio</b>	
The Regional 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 reviewed investment income and gained confirmed that the investments were fairly reflected in the financial statements.
<b>Elected members – remuneration and allowances</b>	
The Local Government Act gives the Remuneration Authority responsibility for setting the remuneration of local government elected members. The Authority also has the role of approving a Local Authority's policy on allowances and expenses.	We reviewed the disclosure of elected members' remuneration and are satisfied this is in line with the Local Government Elected Members Determination.
<b>Schedule 10 disclosures</b>	
This is the second year that Council is required to report against the additional disclosures relating to Schedule 10 of the Local Government Act. This includes the funding impact statements, statement of significant acquisitions, and banded remuneration disclosures.	We confirmed that the annual report complies with the requirements of the Local Government Act 2002. We reviewed the Funding Impact Statements (FIS) required under the Local Government (Financial Reporting and Prudence) Regulations 2014. The original whole of council FIS did not reconcile to the total of all group of activity FIS as corporate interest, increase in debt, sale of assets and corporate capital expenditure had not been allocated into group of activities. The FIS were subsequently amended to allocate corporate expenditure to the various group of activities. We are satisfied that the FIS have been produced in accordance with the Regulations.

Your business/issue	Our audit response
<b>Conflicts of interest</b>	
<p>We reviewed the Conflicts of Interest Policy adopted in October 2012 to the Office of the Auditor-General's (OAG's) good practice guide, 'Managing conflicts of interest: Guidance for public entities'. We noted that the policy does not provide a mechanism for handling complaints or breaches of the Policy and does not specify the potential consequences of non-compliance, and recommended that the policy be updated to include these.</p>	<p>We followed up on our recommendations that the policy be updated to include a mechanism for handling complaints or breaches. Through our review of agenda papers, we noted that the updated conflicts of interest policy was brought to the Council for review in October 2014. We will review the policy in 2015.</p>
<b>Valuation of property, plant and equipment</b>	
<p>The Council periodically revalues its operational land and river, drainage and coastal protection assets. NZ IAS 16, Property, Plant and Equipment, requires that valuations are carried out with enough regularity to ensure that the carrying amount does not differ materially from fair value. The Council needs to formally review whether a revaluation is needed this year. It is important that you make this assessment at an early stage, to avoid the risk of this becoming a significant issue at a late stage of the audit.</p>	<p>We reviewed the Council's assessment of whether there is any significant difference between the carrying amount and fair value of operational land and river, drainage and coastal protection assets. We were satisfied that there was no significant difference and that infrastructure assets are fairly stated in the financial statements.</p>
<b>Severance payments</b>	
<p>Severance payments remain an area of financial and political risk for public entities.</p>	<p>We reviewed all severance payments made during the year and confirmed that a principled approach has been followed in reaching settlement.</p>

**5 Changes to the accounting standards framework for public benefit entities (PBEs)**

As highlighted in the audit arrangements letter, the Council is required to move to the new PBE accounting standards framework in preparing its 30 June 2015 financial statements.

Council is responsible for being ready to apply the new accounting standards and prepare compliant financial statements.

We expect entities to be prepared for us to audit the transition as part of next year's audit to ensure that we can efficiently carry out our audit of financial statements prepared using the new accounting standards. Being prepared includes:



- 
- having decided the reporting tier of the Council – given its size we anticipate Council deciding to be tier 2;
  - being familiar with the new standards and assessing and recording the differences that have a recognition, measurement, presentation or disclosure effect on the Council's financial statements – if the Council lacks the resources or capability to do this, it should seek help;
  - preparing a statement of accounting policies that comply with the new standards;
  - preparing an opening statement of financial position as at 1 July 2013 and restating comparatives for the year ended 30 June 2014, including disclosures, which comply with the new standards – supporting documents for adjustments arising on transition should be retained; and
  - assessing whether any changes to systems will be needed to comply with the new standards.

Appendix 5 includes further information about the new accounting standards. SOLGM also have information available on their website.

We will audit the updated statement of accounting policies, opening statement of financial position, and restated comparatives under the new standards as an integral part of auditing the first financial statements prepared under the new standards. We will discuss further with the Council the timing of this transition audit and our expectations.

We also note that the 2015-25 LTP will need to be prepared under IPSAS. We will be taking a light-handed view of this for the LTP.

## **6 Status of previous recommendations**

The status of each matter that was outstanding in last year's report to the Council is summarised in Appendix 2. We will follow up this matter and the matters raised in our interim management report in 2015.

## Appendix 1: Uncorrected misstatements

Current year misstatements	Assets	Liabilities	Equity	Financial Performance
	Dr (Cr)	Dr (Cr)	Dr (Cr)	Dr (Cr)
Dr Equity – Derivatives hedge reserve			98,130	
Cr Equity – retained earnings			(98,130)	
<p>When the Council ceased hedge accounting it transferred the balance in the hedge reserve to retained earnings. The balance should have been left in the reserve and amortised to profit and loss over the remaining period of the hedged item.</p>				

## Appendix 2: Status of recommendations from 2013

### Outstanding matters

Recommendation	Current status	Priority	Management's proposed action
<p><b>Rates Debtor Ageing</b> We recommended the Council seeks a solution to analyse rates debtors over six years from the vendor as soon as possible. This would reduce the risk where Council is unable to prove the dates on which rates payments or the last payment becomes due in accordance with section 65 (1) of the Local Government (Rating) Act 2002. We also recommended the Council performs a review of the existing rates debtors to determine the initial due date for input into the rates module once the solution becomes available.</p>	<p>Council is able to produce a report showing rates debtors over six years. However, the total yearly aged rates debtors report at 30 June 2014 does not reconcile to the financial management information system, Authority (\$3k difference). Management are sceptical over the accuracy of the report and are working on a solution.</p>	<p>Necessary</p>	<p><i>Our intention is to have an accurate report as at 30 June 2015.</i></p> <p><i>We had hoped to be able to do this as at 30 June 2014 but that didn't prove to be possible.</i></p>

## Appendix 3: Explanation of priority ranking system

We have developed rankings for our recommended improvements:

<b>Urgent</b> Major improvements required	<b>Needs to be addressed urgently</b> These recommendations relate to a significant deficiency that exposes the Regional Council to significant risk. Risks could include a material error in the financial statements (and the non-financial information); a breach of significant legislation; or the risk of reputational harm.
<b>Necessary</b> Improvements are necessary	<b>Address at the earliest reasonable opportunity, generally within 6 months</b> These recommendations relate to deficiencies that need to be addressed to meet expected standards of good practice. These include any control weakness that could undermine the system of internal control or create operational inefficiency.
<b>Beneficial</b> Some improvement required	<b>Address, generally within 6 to 12 months</b> These recommendations relate to deficiencies that result in the Regional Council falling short of best practice. These include weaknesses that do not result in internal controls being undermined or create a risk to operational effectiveness. However, in our view it is beneficial for management to address these.

## Appendix 4: 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.</p> <p>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 2014, 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 the audit, we have not provided any engagements for the West Coast Regional Council during the year ended 30 June 2014. 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>

## Appendix 5: New public benefit entity accounting standards

### The public benefit entity tier structure for the new accounting standards

Tier	Public Sector PBE Tier Criteria	Standards
1	Expenditure >\$30 million or public accountability (as defined).	PBE Accounting Standards
2	Expenditure <\$30 million.	Tier 1 standards with the Reduced Disclosure Regime (RDR)
3	Expenditure <\$2 million.	Simple Format Reporting – accrual
4	Entities allowed by law to use cash accounting.	Simple Format Reporting - cash

All entities start at Tier 1, but can choose to be in another tier if they satisfy the criteria of that tier.

### PBE transition timeframe for the public sector [amend dates as appropriate]



### Adopting the Tier 1 and 2 PBE standards for the first time

Some of the main points to be aware of are:

- The process is similar to converting to the New Zealand International Financial Reporting Standards (NZ IFRS) but we expect it to be less difficult.
- 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 statement of financial position as at transition date. You do not have to publish this.
  - Restate comparatives where required.
  - Use standards that are effective at the end of the first reporting period.
- The opening statement of financial position and the restated comparative will need to be audited.

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### **The public benefit entity Reduced Disclosure Regime**

Eligible public entities have opportunities to reduce their disclosures. We encourage public entities to consider adopting the RDR.

- **Examples of aspects where the RDR will apply in all circumstances are:**
  - financial instruments;
  - capital management;
  - reconciliation of surplus/deficit to net operating cash flows; and
  - standards issued but not yet effective, previous year opening to closing reconciliations.
  
- **Example of aspects where the RDR will apply in certain circumstances are:**
  - asset and goodwill impairment;
  - associate investments;
  - income tax;
  - agricultural activities; and
  - where business combinations take place.

**THE WEST COAST REGIONAL COUNCIL**

Prepared for: Council Meeting – 9 December 2014  
Prepared by: Chris Ingle  
Date: 2 December 2014

**Subject: Four Month Review - 1 July 2014 – 31 October 2014**

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Attached is the Four Month Review showing progress for the first four months of financial year. This report shows achievements as measured against the levels of service and performance targets in the Annual Plan 2014 - 2015.

The majority of targets are currently in progress because the financial year is not yet half way through. Staff are very busy working on a number of tasks including in the planning area, consents and compliance, civil defence readiness and response, flood warning and resource science.

The State of the Environment Report for water quality in our rivers is nearing completion and, once finalised, will inform the achievement or otherwise of some of our outcome-based water quality targets.

The river engineering staff have been busy attending rating district meetings, which have now concluded for the year and several of these have resulted in further work areas to be commenced. This work will be built into the programme for the remainder of the year. This team has also completed a review of the asset management plans and has a bylaw out for consultation.

2015 is shaping up to be a very busy year with a lot of work to get through.

**RECOMMENDATION**

*That this report be received.*

Chris Ingle  
Chief Executive



## Governance Levels of Service and Performance Targets

Levels of Service	Measure	Performance Target	Progress/Achievement																								
Maintain a Council of elected representatives in accordance with statutory requirements and in a manner that promotes effective decision-making, transparency, and accountability to the West Coast regional community	Number of public meetings held and individual Councillor attendance	Conduct eleven monthly meetings of Council and the Resource Management Committee, plus other scheduled meetings and scheduled workshops during the year with at least 80% attendance by all Councillors.	<table border="1"> <thead> <tr> <th>Councillor</th> <th>attendance</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Robb</td> <td>4 out of 4</td> <td>100%</td> </tr> <tr> <td>Birchfield</td> <td>4 out of 4</td> <td>100%</td> </tr> <tr> <td>Ewen</td> <td>4 out of 4</td> <td>100%</td> </tr> <tr> <td>Challenger</td> <td>4 out of 4</td> <td>100%</td> </tr> <tr> <td>McDonnell</td> <td>3 out of 4</td> <td>75%</td> </tr> <tr> <td>Clementson</td> <td>3 out of 4</td> <td>75%</td> </tr> <tr> <td>Archer</td> <td>4 out of 4</td> <td>100%</td> </tr> </tbody> </table> <p>The audited Annual Report for the year to 30 June 2014 was adopted by Council at the Council meeting on 14 October 2014.</p> <p>The Long Term Plan 2015/16 process has a project plan target of 31 March 15 for notification.</p>	Councillor	attendance	%	Robb	4 out of 4	100%	Birchfield	4 out of 4	100%	Ewen	4 out of 4	100%	Challenger	4 out of 4	100%	McDonnell	3 out of 4	75%	Clementson	3 out of 4	75%	Archer	4 out of 4	100%
Councillor	attendance	%																									
Robb	4 out of 4	100%																									
Birchfield	4 out of 4	100%																									
Ewen	4 out of 4	100%																									
Challenger	4 out of 4	100%																									
McDonnell	3 out of 4	75%																									
Clementson	3 out of 4	75%																									
Archer	4 out of 4	100%																									
	Compliance with statutory timeframes	Prepare and notify the Council's Annual Plan Statement of Proposal by 31 May each year, and the Annual Report by 31 October, in accordance with the procedures outlined in the Local Government Act 2002.																									
	Timing and number of newsletters, and internet website based information related to public consultation processes.	Publish an informative Council newsletter twice a year to be circulated to all ratepayers, with their rate demand, in March and September and ensure required information is posted on the Council website when Council invites submissions on a new or revised policy document.	<p>The first rates instalment which was sent out in October 2014 contained the usual newsletter.</p> <p>Council website continues to be updated whenever submissions are invited on a new or revised policy document.</p>																								
Continue to support the contribution our two West Coast Runanga make to Council's decision-making processes; and continue to seek contributions from other Maori	Attendance of Iwi appointees at Resource Management Committee meetings	Continue to invite attendance of Mākaawhio and Ngati Waewae representatives as appointees to the Council's resource management committee, to enable Maori participation in resource management decision-making.	Council has continued to invite both Mākaawhio and Ngati Waewae representatives to attend all Resource Management Committee meetings.																								

## Resource Management Levels of Service and Performance Targets

Levels of Service	Measure	Performance Target	Progress/Achievement
To maintain or enhance water quality in the West Coast's rivers	Ammoniacal nitrogen, periphyton, clarity, turbidity and faecal coliforms are measured quarterly at 38 river sites. These parameters characterise the water quality of West Coast rivers and have been measured since 1996.	Improvement of these parameters, when compared with a baseline of 1996 data on water quality.	The 2014 State of the Environment report is nearing completion and will be presented at the February meeting. This target will be assessed once that report has been finalised and released.
	The number of compliant or non-compliant point source discharges to water, or discharges likely to enter water; and council's response to any non-compliance.	All significant consented discharges <sup>1</sup> are monitored at least annually, and all dairy sheds at least every second year depending on individual compliance record. All non-compliances publicly reported to the Resource Management Committee and responded to using Council's Enforcement Policy.	To date, 40% of dairy farms with discharges have been inspected. All significant non-compliance has been reported to the Resource Management Committee. 16 infringement notices were issued for the period.
To maintain or enhance the water quality in Lake Brunner	The trophic state of Lake Brunner is measured by the Trophic Level Index (TLI) which combines clarity, nutrient and algal measures. The rolling 5-year mean is compared with a 2002-2006 baseline mean.	The annual (rolling 5-year mean) TLI of Lake Brunner is less than the 2002-2006 TLI baseline mean of 2.79.	As of Sept 2014 the rolling 5-year mean TLI of Lake Brunner was 2.81, slightly higher than the 2002-2006 TLI baseline mean of 2.79.
Complete current regional plans to operative stage, and review them to maintain their community acceptability.	Statutory requirements for review	Compliance with statutory requirements for the review of Council's plans and strategies.	All RMA Plans are currently operative. Reviews are underway with RPS, Coastal Plan and Air Plan.
Advocate for the West Coast interests when external environmental policymaking may affect the West Coast.	Number of submissions made and number of successful advocacy outcomes.	Submit on all central or local government discussion documents, draft strategies, policies or Bills that may impact on West Coast interests, within required timeframes.	Council has been involved with providing feedback on guidance material from the Ministry for the Environment regarding the Freshwater National Policy Statement.

<sup>1</sup> Significant Consented Discharge includes: any consented discharge from a municipal sewage scheme or landfill, any consented discharge from a working mine site, any consented discharge of dairy effluent to water, and any large scale industrial discharge (WMP, Kokin).

Levels of Service	Measure	Performance Target	Progress/Achievement
To maintain or enhance the life supporting capacity and amenity value of the West Coast's rivers	<p>Instream macroinvertebrate community health (SQMCI) scores are measured at 29 river sites. The values for each site are calculated using five year rolling means and comparing them to baseline means calculated from data from 05-09.</p> <p>16 swimming sites are sampled, ten times per summer season (fortnightly) for E coli (moderate-high risk &gt; 550) or Enterococci (moderate-high risk &gt; 280).</p>	<p>Macroinvertebrate health index<sup>2</sup> (SQMCI) mean is higher, or no more than 20% lower, than the baseline mean.</p> <p>Scheduled swimming sites do not exceed the moderate-high risk threshold more than once during the summer sampling season.</p>	<p>28 of the 29 river sites met this standard (to be reported more fully in the State of the Environment Report, at the February meeting).</p> <p>All bathing beach sites so far have met this standard.</p>
To protect human health from adverse impacts of poor groundwater quality.	<p>28 Wells are monitored at least twice annually, 24 of which are used for human consumption.</p> <p>The guideline of 11.3mg/L of nitrate is used to protect human health, particularly for babies. The data from the year is averaged before comparing against the 11.3mg guideline.</p>	<p>In wells used for human consumption, nitrate levels remain below the health guideline of 11.3 mg/L.</p>	<p>All wells sampled have met this standard.</p>
To protect human health from any adverse impacts of poor air quality in Reefton.	<p>Reefton's air is monitored in accordance with the National Environmental Standard (NES) for air quality by measuring PM<sub>10</sub> (airborne particles smaller than ten micrometers, which affect human respiration).</p> <p>The threshold is a 24hr mean PM<sub>10</sub> of 50 micrograms/m<sup>3</sup>.</p>	<p>NES Requirement: 24hr PM<sub>10</sub> values do not exceed the NES threshold more than three times in one year, between 2016 &amp; 2020; whereas after 2020 only 1 exceedance per year is allowed.</p>	<p>The NES threshold of 50 micrograms/m<sup>3</sup> of PM<sub>10</sub> in 24 hours was exceeded on 17 occasions in winter 2014.</p>
Respond to all genuine incident complaints received by Council. Take enforcement action where needed.	<p>Number of complaints received and number of enforcement actions resulting from these.</p>	<p>Operate a 24-hour complaints service, assess and respond to all genuine complaints within 24 hours if necessary.</p>	<p>50 complaints have been responded to during the period, resulting in 12 abatement notices, 16 infringement notices and 3 formal warnings.</p>

<sup>2</sup> This macroinvertebrate index uses comparative samples of aquatic invertebrates to evaluate water quality, based on the type and tolerances of invertebrates (bugs) found at that site and how those communities of invertebrates may change over time. Some bug species are pollution tolerant while others are pollution sensitive, so the mix of species tells us a lot about the water quality at the site.

Levels of Service	Measure	Performance Target	Progress/Achievement
<p>Compliance with the consent processing timeframes in the RMA and mining legislation.</p>	<p>Compliance with discounting regulations and mining timeframes</p>	<p>Process all resource consent applications without incurring any cost to Council due to the RMA discounting regulations; and process at least 95% of mining work programmes<sup>3</sup> within 20 working days of receipt.</p>	<p>Council has not incurred costs for any consent applications during this period. 15 work programs have been received during the period and have been processed within the twenty day time frame.</p>
<p>Respond to marine oil spills in coastal waters in accordance with the Tier 2 Oil Spill Response Plan and maintain readiness for spill response.</p>	<p>Timing of responses &amp; number of trained staff</p>	<p>Respond within 4 hours to all spills, using Council or MNZ spill equipment to contain spills; plus ensure at least 25 staff are trained responders.</p>	<p>No spill responses during the period. There are currently sufficient MNZ-trained staff members.</p>

<sup>3</sup> This target assumes the work programme is submitted with all necessary information provided.

### Hydrology and Flood Warning Services Levels of Service and Performance Targets

Level of Service	Measure	Performance Targets	Progress/Achievement
<p>Continue to provide flood warning to assist communities to assess risk of impending floods, for the five rivers (Karamea, Buller, Grey, Hokitika, and Waiho) plus establish the new site at Mokihinui River.</p>	<p>Availability of information about high flow events and the staff response to those.</p> <p>Installation and operation of new site.</p>	<p>Provide a continuous flood monitoring service for the rivers monitored and respond in accordance with the flood-warning manual, ensuring real time data on river levels is available on the Council website (updated 12 hourly; or 3 hourly during floods).</p> <p>Install a new flood warning system on the Mokihinui River, to warn those that live in Seddonville of impending river floods.</p>	<p>River level and rainfall data on the council website was kept up to date and council staff provided a flood warning service in accordance with the flood warning manual.</p> <p>The Mokihinui River site has been installed and is operational.</p>

### Regional Transport Planning Levels of Service and Performance Targets

Levels of Service	Measure	Performance Target	Progress/Achievement
Maintain a Regional Land Transport Strategy that delivers Council's transport functions in compliance with relevant legislation and is acceptable to our West Coast community.	An Operative Regional Land Transport Strategy	Compliance with statutory requirements for the preparation, review and implementation of the Regional Transport Strategy and Programme.	The current Regional Land Transport Strategy expires on 30 June 2015. It is to be replaced by the new Regional Land Transport Plan which combines both the Strategy and the Regional Land Transport Programme. The Regional Land Transport Plan was notified for consultation on 3 December 2014.
Continue to fund the Total Mobility Programme according to New Zealand Transport Agency (NZTA) requirements	User satisfaction, by 2 yearly survey	Implement the total mobility programme where taxi services exist, ensuring at least 90% of users rate the overall service and value for money as good, very good or excellent.	Funding of this service continues. User satisfaction surveys are undertaken in conjunction with information requirements determined by the NZ Transport Agency. These have been put on hold pending a review of the Total Mobility scheme and its reporting requirements.

### Civil Defence Emergency Management Levels of Service and Performance Targets

Level of Service	Measure	Performance Targets	Progress/Achievement
Maintain a Civil Defence Plan that delivers efficient and effective management of the region's civil defence functions in compliance with the legislation and is acceptable to West Coast community desires.	Civil Defence Plan always operative.  Number of trained staff	Compliance with statutory requirements for the preparation, review and implementation of the Group CDEM Plan.  Ensure at least 30 Council staff are trained as Emergency Operations Centre (EOC) personnel so that we have three shifts of EOC staff trained and exercised in case of a regional emergency.	The Civil Defence Plan is currently operative  Sufficient staff are EOC trained. The new CDEM structure has increased resources available to deliver this function.

### Quarry Levels of Service and Performance Targets

Level of Service	Measure	Performance Targets	Progress/Achievement
Ensure efficient and effective management and safe operation of Council's quarries, delivering rock to any customers within ten working days with priority given to Council rating district customers.	Timing of delivering on rock requests.	Deliver on requests for rock within two weeks, and ensure sufficient stockpiled rock is available where practical.	Achieved. Stockpiles are sufficient.
	Number of site inspections to monitor contractor health and safety and performance	Visit each active quarry site at least twice a year, when contractors are working the quarry (where possible), to ensure Health and Safety standards and other permit requirements are being adhered to.	Quarries are visited regularly as rock is won. Council has commenced a health and safety review of its approved contractors.

### Rating District Levels of Service and Performance Targets

Level of Service	Measure	Performance Targets	Progress/Achievement
Meet or exceed the flood protection, drainage or erosion protection levels as described in the 'levels of service – background' section of the Long Term Plan.	Completion of rating district works and annual consultation.	Complete all rating district consultation, and perform all repair and maintenance works required.	Meetings have been held with 11 Rating Districts and letters, works reports and financial reports sent to the remaining 14.
	Proportion of schemes performing to their agreed service level.	Monitor all rating district infrastructural assets to ensure they perform to the service level consistent with the Asset Management Plan of each Rating District, or whatever level the community has decided is an acceptable risk.	Annual inspections are occurring.
	Meet timeframes for plan review	Review Rating District Asset Management Plans and update asset registers that were not reviewed or updated within the last 3 years.	Asset Management Plans have been reviewed with the addition of up to date aerial maps. These were completed in time for the November 2014 annual meetings.

**Vector Control Service Business Unit Levels of Service and Performance Targets**

Levels of Service	Measure	Performance Targets	Progress/Achievement
To produce a financial surplus (to offset general rate rises) by tendering for & delivering on vector control contracts, and develop an RMA contracting service to assist mining and dairy sector clients.	Achieve or exceed budgeted financial return	Tender for, and win, sufficient contracts to provide or exceed the annual budgeted return to Council.	On target to meet or exceed budgeted return.
To provide marine oil spill and terrestrial hazardous substance spill support, and biosecurity response services for the MNZ, MAF and the Regional Council.	Availability of trained staff	Have staff available as a response unit for marine and terrestrial pollution spill events as per the MOU dated 11 November 2005.	Seven staff trained. Four staff on National Response team (NRT)
	Availability of trained staff	Have 4 staff plus a vehicle available for biosecurity emergencies, as per the National Biosecurity Capability Network agreement 2011.	Achieved.



**THE WEST COAST REGIONAL COUNCIL**

Prepared for: Council Meeting – 9 December 2014  
Prepared by: Robert Mallinson – Corporate Services Manager  
Date: 24 November 2014

Subject: **SCHEDULE OF MEETING DATES FOR 2015**

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Attached is a proposed meeting date schedule for 2015.

All dates are the second Tuesday of the month with the exception of the November meeting which will be held on Monday 9 November 2015

**RECOMMENDATION**

*That Council adopts the 2015 Schedule of Meeting Dates.*

Robert Mallinson  
Corporate Services Manager

**THE WEST COAST REGIONAL COUNCIL**

**SCHEDULE OF MEETING DATES FOR 2015**

**ORDINARY MEETING AND RESOURCE MANAGEMENT MEETINGS  
(Held 2<sup>nd</sup> Tuesday of the Month – Commencing at 10.30 a.m.)**

<b>MEETING MONTH</b>	<b>DATE</b>
<b>2015</b>	
January	No Meeting
February	10 <sup>th</sup> February
<b>March</b>	10 <sup>th</sup> March
April	14 <sup>th</sup> April
May	12 <sup>th</sup> May
June	9 <sup>th</sup> June
July	14 <sup>th</sup> July
August	11 <sup>th</sup> August
September	8 <sup>th</sup> September
October	13 <sup>th</sup> October
November	<b>Monday</b> 9 <sup>th</sup> November
December	8 <sup>th</sup> December

**THE WEST COAST REGIONAL COUNCIL**

Prepared for: Council Meeting 9 December 2014  
Prepared by: Andrew Robb – Chairman  
Date: 26 November 2014  
Subject: **CHAIRMAN'S REPORT**

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**Meetings Attended**

- I attended the Hokitika Seawall rating district meeting on the 17<sup>th</sup> of November.
- I attended the Regional Transport Committee meeting on the 19<sup>th</sup> of November.
- I attended the opening of the Arahura Whare Tupuna on the 21<sup>st</sup> of November.
- I will be attending the Regional Sector Group meeting in Wellington on the 28<sup>th</sup> of November.
- I am attending the Taramakau, Red Jacks and Coal Creek rating district meetings.

**RECOMMENDATION**

*That this report be received.*

Andrew Robb  
Chairman

**THE WEST COAST REGIONAL COUNCIL**

Prepared for: Council Meeting 9 December 2014  
Prepared by: Chris Ingle – Chief Executive  
Date: 28 November 2014  
Subject: **CHIEF EXECUTIVE'S REPORT**

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**Meetings Attended**

- I attended the Hokitika Seawall rating district meeting on the 17<sup>th</sup> of November.
- I attended the Regional Transport Committee meeting on the 19<sup>th</sup> of November.
- I attended the Kongahu and Karamea rating district meetings on the 20<sup>th</sup> of November.
- I met with Mark Pizey and Ruth Bartlett from Solid Energy Ltd on the 21<sup>st</sup> of November.
- I attended the opening of the new Arahura Marae on the 21<sup>st</sup> of November.
- I am attending the Civil Defence Coordinating Executive Group (CEG) chairs meeting in Wellington on November 28.
- I will chair the Civil Defence West Coast CEG meeting on December 2.

**Next Year's Long Term Plan process**

My view on the Long Term Plan is that we are likely to have two major (high level) issues:

1. Completing the Regional Policy Statement review, while ensuring the community's goals and aspirations are properly reflected in the objectives and policies within the document; and
2. Helping to drive the implementation of the Regional Economic Development Plan, whilst looking for further collaboration opportunities with the District Councils that result in savings for our ratepayers, or enhanced levels of service.

Other matters that may create some interest include changes to two of our rating district schemes: Franz Josef and Hokitika seawall. The changes have been recommended at the recent rating district meetings but are yet to be ratified by Council. If Council agrees, these changes will need to be progressed via the Long Term Plan process, with proper consultation with the affected communities.

**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.

42 – 45

- 8.1 Confirmation of Confidential Minutes 10 November 2014
- 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

<b>Item No.</b>	<b>General Subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under section 48(1) for the passing of this resolution.</b>
8.			
8.1	Confirmation of Confidential Minutes 10 November 2014		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.