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AGENDA AND SUPPORTING PAPERS FOR SPECIAL MEETING

- DATE:** Thursday 23 April 2015; 10.30 am.
- VENUE:** Council Chambers
West Coast Regional Council
388 Main South Road
Paroa.
- AGENDA:**
1. Reports on new user fees and charges
 2. Adoption of Long Term Plan for 2015-2025 and Consultation Document.
- Following Council meeting:** Civil Defence Manager Presentation and Discussion:
- “Regional Councillor’s role in an emergency event.”

The West Coast Regional Council

Prepared for: Council Meeting 23 April 2015
Prepared by: Jackie Adams – Compliance and Consents manager
Date: 20 April 2015
Subject: **Whitebait Compliance Annual Fee**

Background

The West Coast Regional Council is presently responsible for ensuring compliance for 675 whitebait stands on the West Coast.

1. Compliance inspection fee (annual charge)

The present charge for Whitebait compliance is \$100 per year for each stand.

This charge is to cover the costs of compliance inspections carried out on the stands once constructed, measuring and marking the stand locations at the start of each season, travel to the various locations and ensuring the stands are removed at the end of the season.

Under the Long Term Plan the stands on the Wanganui, Taramakau, Hokitika, Little Wanganui, Paringa and Waiatoto are to be inspected annually. This is a total 287 stands that must be inspected each year. All other stands have to be inspected at least once every three years, although they all still need to be visited at the start of the season for marking out stand locations, and at the end of the season to ensure stands have been removed.

If staff are called to a river to carry out an inspection due to a complaint, then while they are on that river they will carry out an inspection of all stands on that river, to make the best use of their time.

The breakdown of visits is as below:

- First visit is to measure up and mark the location of each stand.
- Second visit to carry out a compliance inspection on the constructed stands.
- Third visit to ensure all stands have been removed at the end of the season.

The third visit is carried out by Helicopter as we can visit all the rivers over two days in this fashion, to use standard inspection methods would take 3 weeks and cost a lot more.

2. Break down of costs, averaged over past three years

The cost of delivering the compliance inspections was calculated from the total actual costs of the past three seasons, then averaged to give an average annual amount:

Manager time 50 hours at \$200 per hour	\$10,000
Whitebait officer 450 hours at \$110 per hour	\$49,500
Whitebait support officer 75 hours at \$110 per hour	\$8,250
Council vehicle use, mileage, insurance and fuel	\$3,000
Jet boat hire 20 hours at \$250 per hour	\$5,000
Helicopter Hire 6 hours at \$1,100 per hour (final inspection)	\$6,600
Whitebait complaints 50 hours at \$120 per hour	\$6,000
Total	\$88,350

Current (2014/15) charges of \$100 per stand yields only \$65,700 annually, meaning Council would be in deficit of \$22,650 if this charge was unchanged.

Charging \$150 for 657 stands yields \$98,550. This would result in a small surplus of \$10,200 which will assist in meeting additional costs such as enforcement costs (often unrecoverable) and any additional management time (which has not been included in the table above). It will also allow for inflation of the above costs over the next three years, given Annual Plans are not necessarily needed anymore, so more frequent amendments to fees and charges are not necessarily as easy as when annual plans were compulsory.

Recommendation

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

THE WEST COAST REGIONAL COUNCIL

Prepared for: Special Council Meeting – 23 April 2015
Prepared by: Jackie Adams and Chris Ingle
Date: 20 April 2015
Subject: **Whitebait Consents Administration Fixed Fees**

Background

The West Coast Regional Council presently carries out resource consent renewals and consents administration for 657 whitebait stands on the West Coast.

1. Whitebait Consent renewal fee (once every ten years)

There is currently a fixed fee of \$200 per consent as the consent processing charge for renewing a whitebait stand consent. The term of consent is normally ten years (it used to be five years). This fixed fee was set in the 2006 LTCCP. All whitebait stands come up for renewal in 2016/17 so a fee review is needed either this year, or in the annual plan next year (if an Annual Plan is needed).

In 2006 the charge out rate for the administration officer was \$40 per hour, and \$65 per hour for a consents processing officer. These are now charged at \$90 and \$110 respectively, however the consent renewal fee has not increased correspondingly. This \$200 fixed fee **will** not cover the processing of each consent in 2016/17.

Recommendation 1:

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

2. Proposed Consents Administration charge (proposed to apply to all consents)

The proposed Consent Administration charge is an annual fixed fee of \$55 that applies to each consent file, each year. In terms of the whitebait stand consent holders, it will cover the cost of ½ hour per year of staff time maintaining the database, printing of aerial photographs for the stands and posting these out, as the majority of the consent holders require a hard copy and will not accept an electronic version.

Our actual time costs for the past three seasons on the whitebait consenting administration tasks averages 300 hours per year. Using an average rate of \$100 per hour (a mix of consents officer time at \$110 per hour and administration officer time at \$90 per hour) gives a dollar cost of \$30,000.

With 657 whitebait stands at \$55 each, the annual revenue raised would be \$36,135, which covers the \$30,000 staff time plus allows a small budget for postage and printing and other incidentals.

Recommendation 2:

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

Background information to support the two reports on Council Fees & Charges

At the March 2015 Budget Workshop Council considered the following new charges:

1. Annual Administration fee for Consent holders

Once a resource consent has been issued by Council there is an ongoing cost incurred by the Council for the compiling and monitoring of accounts, dealing with general enquiries, maintaining consents and compliance databases and general administration. We have a full time admin officer (Karen) who has been doing this work for many years. Official information requests, media requests and local government requests are increasing and we are obliged to provide the vast majority of this information for free. These requests can be time consuming.

We are also required to provide more information to central government and keep more data bases with that information. At present these cost that are not chargeable and is funded from the general rate.

We looked at how other Regional Councils around New Zealand deal with this cost.

The general rule is that they have an annual administration charge for all consents files, this varies from Council to Council the lowest being Greater Wellington with a charge of \$46 and the highest being Bay of Plenty with a charge of \$93 per year. Auckland set their rate in 1995 and it is still at \$55 but they have indicated they will be changing this year to \$95, as they have found that the present charge does not cover their costs.

An annual charge of \$55 per consent file would cover these costs without being onerous on the consent holders. In effect it allows for a half hour of staff time, per consent per year, for administration time. This is considered to be reasonable and is based on the actual time spent on administration tasks as outlined above.

At present we hold just over 2000 consent files. At \$55 per file this would generate revenue of \$110,000 which would cover the work required in the upkeep of this information.

2. Compliance Monitoring charge for Permitted Activity Dairy farms and Whitebait Stand annual inspections

It is recommended that we make an adjustment to 2 existing charges.

The "Monitoring of whitebait stands" charge is proposed to rise from \$100 per year to \$150 per year which applies to all consent holders irrespective of whether their stand needs to be visited or not. This charge has not been adjusted for many years.

The permitted activity dairy farm inspection fee is recommended to rise from \$250 per visit to \$300. This keeps it relative to the cost of the consented dairy farm inspections which generally cost over \$500 per visit depending on the time spent at each farm and on follow up tasks.

THE WEST COAST REGIONAL COUNCIL

Prepared for: Special Council Meeting – 23 April 2015
Prepared by: Robert Mallinson and Chris Ingle
Date: 20 April 2015
Subject: **Adopting the Long Term Plan Consultation Document and Supporting Documents**

Background

Councillors were acquainted with the Draft Long Term Plan at the Council meeting on 14 April 2015. Council also received a draft copy of the Consultation Document. Both these documents are attached to this report, amended following the Audit NZ review.

Audit review

Audit New Zealand have been scrutinising all of the documentation and has issued an unqualified opinion based on the changes below being made.

Following the conclusion of the work by Audit NZ, the following changes were made to the Larger Long Term Plan document, compared to the version circulated for the 14 April meeting:

Page no.	Section of Long Term Plan and Amendment Made
8	Financial Strategy: New overview section for the Financial Strategy
9	Financial Strategy: New statement at bottom of page regarding Council ability to maintain existing levels of service and new demands for service within quantified limits on rates and borrowing.
10	Financial Strategy: New Cap on targeted rates = 15/16 baseline +100%
14	Infrastructure Strategy: Added graph to the Infrastructure Strategy showing expected maintenance cost changes over the ten years.
15	Infrastructure Strategy: Changed name of final subtitle and added text explaining Westport and Franz Josef issues and uncertainty.
26-44	Groups of Activities: Included baseline information (in italics) in each of the performance targets for each group of activities.
56	Significant Forecasting Assumptions: Clarification of various investment return rates used in the LTP.
58	Significant Forecasting Assumptions: Insertion of actual cost indexes that were used to adjust costs over 10year LTP period.
69	Statement of Comprehensive Income and Expenses: Included estimated revaluations of Investment Property (rather than taking direct to revaluation reserve). This is to meet the requirements of the new International Public Sector Accounting Standards (IPSAS) which local government now has to comply with (compared to previous International Financial Reporting Standards (NZ IFRS)
71-72	Statement of Changes in Net Assets and Equity: Expanded to comply with IPSAS.

Page no.	Section of Long Term Plan and Amendment Made
73-74	Statement of Financial Position: Change to the following figures. <ul style="list-style-type: none"> • Infrastructure Values reduced after applying the BERL “earthmoving” index (instead of LGCI opex) to approximate future revaluations. No bottom line impact. • Changes to estimated Inventories, Receivables. No impact on net Council assets. • Adjustments to revaluation reserve in equity (relates to first bullet point).
79	New graph showing cap on targeted rates, bottom of page 79.
85-91	Funding Impact Statements: Actual rates calculations for all Council rates for 15/16
93-101	Funding Impact Statements for Whole of Council and Groups of Activities: In last year’s Annual Report we were required by Audit NZ to exclude Investment Income as “non cash income”. This time our Audit Director asked that Investment income be included in them. Also, I had previously prepared FIS Reports for Economic Development, Warm West Coast and Investments. Audit NZ requested that we roll them into Governance, so there are three less pages in this section.
102	Policies: New box added to this page explaining in some detail the changes to the Revenue and Financing Policy.
107	Council Organisations and Council Controlled Organisations: Included text about PCR LP as a Council Organisation, under the text about DWC.
121	Fees and Charges: Re-ordered ‘consent holder administration fee’ text so that it is numbered “B” above the whitebait stand fee.

Pursuant to Section 93G of the Local Government Act 2002 Council now needs to formally adopt the information that:

- Is relied on by the content of the consultation document.
- Is necessary to enable the Auditor General to issue his report on the consultative document.
- Provides the basis for the preparation of the Long Term Plan.

Consultation Document

As advised by email on Friday, there have also been some changes to the Consultation Document.

- There is a new reference (in brackets) to the council website on page 3, paragraph 6.
- There is some new text in the paragraph at bottom of page 9 and new question top of p10 also highlights the changes to the revenue and financing policy.
- Consultation Document also now has the example rates – bullet points on page 11.

Recommendations

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

Once this has been done, it is recommended:

- That Council formally adopts all the remaining information that is contained in the Long Term Plan 2015-2025, including;
 - The Financial Strategy (page 7-11).
 - The 30 year Infrastructure Strategy (page 12-15).
 - The summaries of Groups of Council Activities (pages 26-44).
 - Significant forecasting assumptions (pages 56-58).

- Accounting Policies (page 59).
 - Funding Impact Statements (page 82).
3. That Council adopt the Consultation Document including Attachment 1, and release that for consultation for the period of at least one month.
4. That Council note the dates for consultation and decision-making are:
- Submissions open Friday 24 April;
 - Submissions close 1pm Monday 25 May;
 - Hearing of submissions on Monday 8 June;
 - Deliberations Tuesday 9 June, following ordinary Council meeting;
 - Special Council Meeting Tuesday 23 June to adopt final Long Term Plan.

Robert Mallinson
Corporate Services Manager

Chris Ingle
Chief Executive Officer

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
1 Overdue Debtors Report

Item No.	General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution.
1	Overdue Debtors Report		Section 48(1)(a) and in particular Section 9 of 2nd Schedule Local Government Official Information and Meetings Act 1987.

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.