

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

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

TUESDAY, 4 OCTOBER 2016

The programme for the day is:

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

On completion of RMC Meeting: **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, 4 October 2016**

P. EWEN
CHAIRPERSON

M. MEEHAN
Chief Executive Officer

<u>AGENDA NUMBERS</u>	<u>PAGE NUMBERS</u>	<u>BUSINESS</u>
1.		APOLOGIES
2.	1 – 4	MINUTES 2.1 Confirmation of Minutes of Resource Management Committee Meeting – 13 September 2016
3.		PRESENTATION
4.		CHAIRMAN’S REPORT
5.		REPORTS
		5.1 Planning and Operations Group
	5	5.1.1 Planning Report
	6	5.1.2 Hydrology and Flood Warning Update
		5.2 Consents and Compliance Group
	7 – 9	5.2.1 Consents Monthly Report
	10 – 11	5.2.2 Compliance & Enforcement Monthly Report
		6.0 GENERAL BUSINESS

THE WEST COAST REGIONAL COUNCIL**MINUTES OF THE MEETING OF THE RESOURCE MANAGEMENT COMMITTEE
HELD ON 13 SEPTEMBER 2016, AT THE OFFICES OF THE WEST COAST REGIONAL COUNCIL,
388 MAIN SOUTH ROAD, GREYMOUTH, COMMENCING AT 10.35 A.M.****PRESENT:**

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

IN ATTENDANCE:

M. Meehan (Chief Executive Officer), G. McCormack (Consents & Compliance Manager), R. Mallinson (Corporate Services Manager), R. Beal (Operations Manager), N. Costley (Communications Manager), S. Jones (Planning Team Leader), C. Doake (Biosecurity Officer), T. Jellyman (Minutes Clerk), The Media.

1. APOLOGIES

There were no apologies.

2. PUBLIC FORUM

There was no public forum.

3. MINUTES

Moved (McDonnell / Challenger) *that the minutes of the previous Resource Management Committee meeting dated 9 August 2016, be confirmed as correct.*

*Against Cr Birchfield
Carried*

Cr Birchfield requested that his vote be recorded against the adoption of the minutes as he feels that they are incomplete, as some of the comments he made in relation to wetlands were not recorded in the minutes.

Matters Arising

There were no matters arising.

4. CHAIRMAN'S REPORT

Cr Ewen reported that he assisted with the opening of a tender following last month's Council meeting. Cr Ewen stated that he took some inquiries in relation to whitebaiting, but directed the inquiries to DoC.

Moved (Ewen / Archer)

Carried

5. REPORTS**5.1 PLANNING AND OPERATIONS GROUP****5.1.1 PLANNING REPORT**

S. Jones spoke to this report and stated that pre hearing meetings for the RPS are being held with key groups over the next few weeks.

S. Jones reported that submissions on the Land and Water Plan are open until this Friday. She advised that to date approximately six submissions have been received and more are expected.

S. Jones reported that a representative from Buller District Council spoke to our submission at the hearing for the Paparoa National Park Plan Review.

S. Jones reported that Council made a joint submission with the district councils on the Local Government Amendment Act. She stated that Council's submission supported the submissions made by Local Government NZ and the Society of Local Government Managers. S. Jones advised that Council did not ask to be heard at the hearing, as the key points would have been raised by the other participating organisations.

S. Jones reported that the Productivity Commission has released a draft report on Better Urban Planning; she stated this is a huge report and staff are now in the process of going through this and putting together comments, which will be circulated to Councillors shortly for comment.

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

Carried

5.1.2 UPDATE ON PROPOSED PLAN CHANGE WORDING

S. Jones spoke to this report and advised that this is an update on what was presented to last month's meeting as Councillors had questioned a few points that were raised as a result of the Land and Water Plan Change. S. Jones highlighted parts of the report to the meeting and explained the reasoning behind some of these changes.

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

Carried

5.1.3 PROPOSED REGIONAL PEST MANAGEMENT PLAN

C Doake spoke to this report and advised that the current strategy has been in place since 2010 and was due to expire on 14 December 2015. He stated that prior to this date, it was agreed to extend it by 12 months to give full effect to the national policy direction which was released by the Ministry for Primary Industries at the end of 2015. C. Doake advised that the review of the plan has now been completed and is now ready for notification. C. Doake advised that the main changes are to give effect to the National Policy direction and some new additions in the proposed strategy, including Yellow Bristle Grass. C. Doake advised that pre consultation was undertaken with various agencies that have a stake in weed control, this was done via a large forum, with the draft plan circulated prior to bringing it to Council. C. Doake advised that the feedback on the draft plan was largely supportive with some suggestion on species that weren't included, such as Canada Geese, rabbits and wilding conifers, which were the standouts. C. Doake advised that he is expecting DoC to submit on mainly tree species such as rowans, sycamores and willows, and possibly also on the Good Neighbour Rules. C. Doake advised that there has been a query on naming the plan the "Pest Plant Management Plan" versus the Pest Management Plan; he stated that although there are no vertebrate or animal pests addressed in the plan at the moment, it is still possible to include them at a later date, even if the plan is in place. C. Doake gave the example that if wallabies or rooks were to be found in the region, they would possibly warrant regional intervention, and could be included under the Regional Pest Management Plan. C. Doake answered various questions from Councillors. Cr Archer stated that he supports the content of the document, but he feels that the document is a Pest Plant Management Plan. Cr Archer stated that in 2005 and 2010 the document was called the Regional Pest Plant Management Strategy, he agreed that if any animal pests were to emerge that warranted intervention, they could be added. Cr Archer stated that there have not been any animals added since 2005. Cr Archer stated that his preference would be for the document to be called "Proposed West Coast Regional Pest Plant Management Plan" or add after 2016 plants at the end. M. Meehan suggested that the name could be changed to the "Proposed West Coast Regional Pest Plant Management Plan 2016". He advised that if vertebrate animals are added in the future, then the title can then be changed. Cr Archer agreed with M. Meehan and stated that there are different agencies dealing with animals, and it is 10 years on and there has not been any suggestion to include animals. Cr Archer stated that he doubts that this will change in the future and he would feel it would make sense to insert 'plants' into the title of the document. Cr Ewen stated that he has no issue with this change. It was agreed that the change would be made to the title.

Moved (Archer / Birchfield)

1. *That Council receives this report.*
2. *That the Proposed Regional Pest Plant Management Plan 2016 and accompanying Cost Benefit Analysis Report are approved for public notification.*

Carried

5.1.4 REEFTON AIR QUALITY SUMMARY

M. Meehan spoke to this report and advised that there have only been four exceedances of the NES for air quality in Reefton this winter. M. Meehan advised that there has been no intervention in Reefton this winter but there has been quite a bit of education and information circulated on better ways to operate fires. He feels that the lower amount of exceedances is likely to be due to climatic conditions. M. Meehan advised that the results to date are close to meeting the NES for air quality as the requirement is to get down to three exceedances per year by 2016. He noted that MfE are still looking at the NES for air quality and it is likely that draft changes will be received by the end of the year. M. Meehan stated that the draft changes will be put out for consultation, and it is safe to assume that there will be changes to the NES. M. Meehan stated that it is likely that MfE will go with the recommendations in the Parliamentary Commissioner for the Environment's report which is looking at an average across the year and looking at PM_{2.5} as well as PM₁₀. M. Meehan stated that although it has been a good year in Reefton, compliance with the NES was not achieved. Cr Challenger drew attention to the second sentence in the report that states "*this has been the lowest number of exceedances since 2006*". Cr Challenger feels this is a comparison and he would prefer that it read "since records began". M. Meehan advised that there was some testing done by MfE prior to 2006 but it is not the same as the testing that is now being done. M. Meehan clarified that three exceedances of the NES are permissible for this year and it will stay at three until 2020, when it becomes one exceedance per year.

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

Carried

5.2.1 CONSENTS MONTHLY REPORT

G. McCormack spoke to his report and advised that 23 resource consent applications were received during the reporting period, including four variations to conditions. He reported that 47 public enquires were responded to. G. McCormack advised that during September there has been quite an upturn in the number of consents received. He stated that this is very good to see.

Moved (Ewen / Archer) *That the September 2016 reports of the Compliance Group be received.*

Carried

5.2.2 COMPLIANCE & ENFORCEMENT MONTHLY REPORT

G. McCormack spoke to this report. He advised that 45 site visits were carried out during the reporting period with 14 of these non-compliant. G. McCormack reported that 18 incidents / complaints were dealt with. G. McCormack reported that two infringement notices and one abatement notice were issued during the reporting period. He reported that three mining work programmes and three bonds were received.

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

Carried

6.0 GENERAL BUSINESS

There was no general business.

The meeting closed at 11.02 a.m.

.....
Chairman

.....
Date

THE WEST COAST REGIONAL COUNCIL

Prepared for: Resource Management Committee – 4 October 2016
Prepared by: Sarah Jones – Planning Team Leader
Date: 26 September 2016
Subject: **PLANNING REPORT**

Proposed Regional Policy Statement (pRPS)

Staff are in the process of reviewing the submissions and further submissions received in response to the notification of the pRPS, and are compiling the staff recommending report (under s42A of the RMA). Staff have held prehearing meetings with a number of interested parties, and additional meetings are scheduled for the next few weeks. Staff hope to conclude these in time to hold hearings in December. Following the local elections, the hearings panel will be appointed in November.

Land and Water Plan – Plan Change 1

The Plan Change was notified on 22 August, and submissions closed on 16 September. 46 submissions were received. Staff are in the process of reviewing these and a summary of submissions will be published shortly with an invitation for further submissions. The further submissions period will be open for 10 days.

Local Government Act 2002 Amendment Bill no. 2. 2016

A joint submission (on behalf of WCRC, and Grey, Buller and Westland District Councils) was submitted to the Local Government and Environment Select Committee on 28 July. Hearings have now concluded and the Local Government and Environment Select Committee was due to report back to the House by 28 October 2016. However, Minister of Local Government Hon Peseta Sam Lotu-Iiga has asked the Select Committee to extend the report back date for the Bill to 31 March 2017 to allow further discussions with the local government sector and to address the concerns raised in submissions.

Productivity Commission draft report on Better Urban Planning

A draft report on a review of New Zealand's planning system was published for consultation by the Productivity Commission on 19 August. The report seeks to identify the most appropriate system for allocating land use in cities and includes the processes that are currently undertaken through the Resource Management Act, the Local Government Act and the Land Transport Management Act. Whilst the report focuses on urban development and cities, the findings and recommendations are broad in scope and will have implications for the all planning processes. A draft submission has been circulated to Councilors and staff at the District Councils. The submission will be lodged before the closing date on 3 October. A final version of the submission will be appended to the November committee papers.

RECOMMENDATION

That the report is received.

Sarah Jones
Planning Team Leader

5.1.2

THE WEST COAST REGIONAL COUNCIL

Prepared for: Resource Management Committee Meeting – 4th October 2016
Prepared by: Stefan Beaumont – Team Leader Hydrology.
Date: 26 September 2016
Subject: HYDROLOGY & FLOOD WARNING UPDATE

Flood Warning

There were several flood alarms in September.

Site	Time of peak	Peak level	Warning Issued	Alarm threshold
Karamea River at Gorge	05/09/2016 12:30	4081mm	05/09/2016 11:55	4000mm
Mokihinui River at Welcome Bay	16/09/2016 19:30	4517mm	16/09/2016 19:25	4500mm
Grey River at Dobson	16/09/2016 22:35	3410mm	16/09/2016 22:30	3400mm
Hokitika River at Gorge	16/09/2016 20:45	4428mm	16/09/2016 12:45	3750mm

RECOMMENDATION

That the report is received

Stefan Beaumont
Team Leader Hydrology

THE WEST COAST REGIONAL COUNCIL

Prepared for: Resource Management Committee – 4 October 2016
 Prepared by: Karen Glover - Consents & Compliance Administration Officer
 Date: 23 September 2016
 Subject: **CONSENTS MONTHLY REPORT**

CONSENTS**Consents Site Visits 1 – 21 September 2016**

DATE	NAME, ACTIVITY & LOCATION	PURPOSE
01/09/16	RC-2016-0097 – New Zealand Transport Agency, Emergency river protection works, Serpentine Creek	To undertake a site visit to determine the extent of works within the bed and whether earthworks in the riparian margin were permitted.
02/09/16	PA-2016-9011 – PC Holder, Onsite sewage wastewater discharge, Camerons	To assess Permitted Activity Rule 79 against the proposed discharge.
14/09/16	Resource Consent to be lodged – WHG Punakaiki Land Ltd, Sewage discharge from an accommodation facility, Punakaiki	To assist the applicant with the consenting requirements.
20/09/16	RC-2016-0098 – Stevenson Mining Ltd, Opencast coal mining, Te Kuha	To undertake a site visit with District Council staff to assess the large scale coal mining proposal.
20/09/16	RC-2016-0104 – Blacktopp Mining Ltd, Alluvial gold mining, Stafford	To assess the affected parties associated with the application.

Non-Notified Resource Consents Granted 1 – 21 September 2016

CONSENT NO. & HOLDER	PURPOSE OF CONSENT
RC-2016-0065 AS & JM Shaw	To discharge dairy effluent to land where it may enter water (namely Cunningham Creek) from Dairy Shed (DS) 237, Kowhitirangi.
RC-2016-0075 Johnson Bros. Transport (2006) Ltd	To discharge contaminants to water (to a tributary of the Orowaiti Lagoon) from an interceptor treatment tank associated with a truck wash facility in Westport.
RC-2016-0077 KB Hansen	To undertake earthworks associated with alluvial gold mining activities on the dry river bed of the Whataroa River within MP 60121. To take and use water for the purposes of alluvial gold mining activities within MP 60121 at Whataroa. To discharge water containing sediment to land in circumstances where it may enter water, namely the Whataroa River and its tributaries associated with alluvial gold mining within MP 60121.

RC-2016-0086 GM Clements	To discharge treated sewage wastewater from a domestic dwelling to land at Lot 6 DP 365433, 1843A Coast Road.
RC-2016-0088 HC Roundhill & RA Inwood	To undertake earthworks associated with alluvial gold mining activities within MP 55745, at Landing Creek Road. To take and use water for the purposes of alluvial gold mining activities within MP 55745, at Landing Creek Road. To discharge water containing sediment to land within MP 55745 in circumstances where it may enter water, namely Landing and Dunphy Creeks and their tributaries associated with alluvial gold mining at Landing Creek Road.
RC-2016-0093 Department of Conservation	To discharge treated onsite sewage wastewater to land at the Pleasant Flat public toilets, Mount Aspiring National Park.
RC-2016-0095 The Mokihinui-Lyell Backcountry Trust	To discharge contaminants (composting toilet waste) to land at Stern Valley Hut. To discharge contaminants (composting toilet waste) to land at Specimen Point Hut.
RC-2016-0097 New Zealand Transport Agency	To disturb the bed of Serpentine Creek to undertake protection works.
RC-2016-0099 S & LJ Hamilton	To discharge treated sewage wastewater to land from a domestic dwelling at 10 Big Paddock Road, Blue Spur, Hokitika, Lot 17 DP 388864.
RC-2016-0101 Taramakau Trading Ltd	To disturb the dry bed of the Taramakau River upstream of the State Highway 6 Bridge for the purpose of removing gravel.
RC-2016-0105 Fulton Hogan Ltd	To take groundwater for use in a gravel screening and crushing plant, Sids Road, Greymouth.

Changes to and Reviews of Consent Conditions granted 1 – 21 September 2016

CONSENT NO. & HOLDER	PURPOSE OF CHANGE/REVIEW
RC06296-V1 Birchfield Coal Mines Ltd	To change conditions relating to the maximum coal combustion product discharge at Giles Creek Coal Mine.
RC10194-V2 Roa Mining Company Ltd	To increase the area of opencast coal mining, Waterfall Creek, Roa Mine.
RC11095-V1 JB Cowan	To increase the length of rock protection works, Haast River.
RC12109-V1 H & N Mining Partnership	To reduce the disturbed gold mining area and hence the bond amount, Adairs Road, Hokitika.
RC-2015-0134-V1 NZG Ltd	To increase the area of land available to undertake alluvial gold mining at Mikonui.

Notified or Limited Notified Resource Consents granted 1 – 21 September 2016

CONSENT NO. & HOLDER	PURPOSE OF CONSENT
RC-2016-0018 Okuru Enterprises Ltd	<p>To take and use surface water from Tuning Fork Creek for water export purposes.</p> <p>To dam water at Neil's Beach for water export purposes.</p> <p>To take gravel from the dry bed of the Arawhata River for construction of a water export facility, Neil's Beach.</p> <p>To undertake earthworks and vegetation clearance associated with the construction of a pipeline and water storage facility, Neil's Beach.</p> <p>To discharge water and stormwater containing contaminants to the Arawhata River associated with a water export facility, Neil's Beach.</p>

Public Enquiries

54 written public enquiries were responded to during the reporting period. 47 (87%) were answered on the same day, and the remaining 7 (13%) within the next ten days. 2 LGOIMA requests were responded to.

RECOMMENDATION

That the October 2016 report of the Consents Group be received.

Gerard McCormack
Consents & Compliance Manager

THE WEST COAST REGIONAL COUNCIL

Prepared for: Resource Management Committee – 4 October 2016
 Prepared by: Gerard McCormack – Consents and Compliance Manager
 Date: 22 September 2016
 Subject: **COMPLIANCE & ENFORCEMENT MONTHLY REPORT**

Site Visits

A total of 37 site visits were undertaken during the reporting period, which consisted of:

Activity	Number of Visits
Resource consent monitoring	19
Mining compliance & bond release	10
Complaint Related	6
Dairy Farm	2

Out of the 37 total site visits for the reporting period, 29 visits were compliant, 8 visits were non-compliant.

Complaints/Incidents between 2nd September 2016 & 22nd September 2016

The following 8 complaints/incidents were received during the reporting period:

Activity	Description	Location	Action/Outcome	INC/Comp
Dairy effluent discharge	Discharge of effluent to land where it may enter water	Westport	Farmer resolved issue	Incident
Stormwater Complaint	Stormwater Complaint	Hokitika	Asked Truline Civil to reinstate the natural flow of the storm water	Complaint
Riverbed disturbance	WMP diffuser alteration, Digger in River	Hokitika River	Works not compliant with PA rule and just outside consented area. Formal Warning issued and works ceased.	Complaint
Dead cows	Dead cows spotted in waterway	Inangahua River	Council appointed a contractor to remove the cows	Complaint
Riverbed disturbance	Historical gravel extraction changing course of river	Little Totara River	Inquiries ongoing	Complaint
River works	Concerns raised about recent riverworks by neighbour	Crooked River	Inquiries ongoing	Complaint
Diversion	Creek diversion causing flooding	Taylorville	Inquiries ongoing	Complaint

Activity	Description	Location	Action/Outcome	INC/Comp
Whitebaiting	Moving of stand with tides	Hokitika River	Inquiries ongoing	Complaint

Formal Enforcement Action

Three Formal Warnings were issued during the reporting period

Activity	Location
Black sand mining	Barrytown
Riverbed disturbance	Hokitika
Earthworks	Springs Junction

One Infringement Notice was issued during the reporting period

Activity	Location
Dairy Farming	Cape Foulwind

Three Abatement Notices were issued during the reporting period.

Activity	Location
Dairy Farming	Inchbonnie
Dairy Farming	Cape Foulwind
Mining	Kaniere

Mining Work Programmes and Bonds

The Council received the following work program during the last reporting period.

Date	Mining Authorisation	Holder	Location
12/09/2016	RC12240	Kowai Groundhaul Company Ltd	Reefton

No bonds were received during the reporting period

RECOMMENDATION

That the report be received.

Gerard McCormack
Consents and 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, 4 October 2016** commencing on completion of the Resource Management Committee Meeting

A.J. ROBB
CHAIRPERSON

M. MEEHAN
CHIEF EXECUTIVE OFFICER

<u>AGENDA</u> <u>NUMBERS</u>	<u>PAGE</u> <u>NUMBERS</u>	<u>BUSINESS</u>
1.		APOLOGIES
2.		PUBLIC FORUM
3.		MINUTES
	1 – 5	3.1 Minutes of Council Meeting 13 September 2016
4.		REPORTS
	6 – 18	4.1 Engineering Operations Report
	19 - 26	4.2 Corporate Services Manager's Report
5.	27	CHAIRMAN'S REPORT
6.	28	CHIEF EXECUTIVE'S REPORT
7.		GENERAL BUSINESS

THE WEST COAST REGIONAL COUNCIL**MINUTES OF THE MEETING OF THE COUNCIL HELD ON 13 SEPTEMBER 2016,
AT THE OFFICES OF THE WEST COAST REGIONAL COUNCIL, 388 MAIN SOUTH ROAD,
GREYMOUTH, COMMENCING AT 11.03 A.M.****PRESENT:**

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

IN ATTENDANCE:

M. Meehan (Chief Executive Officer) G. McCormack (Consents & Compliance Manager), R. Mallinson (Corporate Services Manager), R. Beal (Operations Manager), N. Costley (Communications Manager), T. Jellyman (Minutes Clerk), The Media

1. APOLOGIES:

There were no apologies.

2. PUBLIC FORUM

There was no public forum.

3.1 CONFIRMATION OF MINUTES

Moved (Archer / Challenger) *that the minutes of the Council Meeting dated 9 August 2016, be confirmed as correct.*

Carried

Matters arising

There were no matters arising.

REPORTS:**4.1 ENGINEERING OPERATIONS REPORT**

R. Beal spoke to his report and took it as read. He answered various questions from Councillors.

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

Carried

4.1.1 PROPOSED NEIL'S BEACH REPLENISHMENT

R. Beal spoke to this report. He tabled an updated report with photographs that were taken last week during an inspection by Council staff. R. Beal stated that the mouth of the Arawhata River is still flowing to the north; this was identified as a contributing factor to the coastal erosion issue in the NIWA report, which was commissioned earlier this year. R. Beal advised that there is no sand dune protecting the properties in front, and there is a downhill run to these houses once the waves come over this area. R. Beal stated that the damage is extending along the south bank towards Jacksons Bay, trees are dying and being stripped as the waves come in. He stated that there is pooling of sea water with debris and driftwood getting close to the houses, septic tanks are also at risk. R. Beal displayed a photograph of the proposed emergency works which includes the construction of a seawall at 1.5 metres high to add some temporary protection to this area. R. Beal stated that the results of the opinion survey that was sent out to the community were inconclusive, therefore further information will

be sent out and a public meeting will be arranged shortly. M. Meehan agreed that the community feedback is quite mixed with a 50/50 response rate of those wanting to proceed with the work proposed. He stated that at times there are 5 – 6 metre swells during king tides which cause considerable damage, and these tides have changed the situation recently. M. Meehan advised that a longer term approach would be to provide some temporary work and to look at facilitating relocation of the properties that are impacted by coastal erosion. M. Meehan advised that this has been discussed with the community and some are receptive to this. He advised that there is land that these homes could potentially be relocated to. M. Meehan stated that this type of problem is not isolated to Neil's Beach, there are issues in Dunedin, Hawke's Bay and Sydney was also recently in the news after suffering damage due to coastal erosion. M. Meehan stated this is a national issue and government advice is needed for long term strategies. R. Beal and M. Meehan answered questions from councillors and clarified matters relating to photographs and maps. Discussion took place on where to from here. R. Beal confirmed that he has received numerous phone calls from affected residents, he stated that opinions are split and there are a lot of questions about how effective the work will be. R. Beal stated that after reading the NIWA report, whatever work is done, will only be temporary in nature and is only buying time until the retreat option is fully investigated. Cr Archer agreed, and stated that a managed withdrawal is mentioned in the report but most communities are reluctant to go down this path. Cr Archer stated that communities need to make some big decisions and there are no guarantees, as in the next five years the coast could accrete. M. Meehan stated that a workshop with councillors will be held in the near future to work through what can be done in these types of situations. He stated that although each is on a case by case basis, and each community is going to want to deal with it slightly differently. M. Meehan stated that some of the houses in this area are on piles and they could be relocated in a staged approach. M. Meehan stated that whatever work is done, is only temporary, including the installation of a seawall. Cr Archer asked if there is land available that the houses could be relocated to. M. Meehan advised that there is DoC land and Maori owned and private land back further from this area. He stated that initial discussions with these landowners have been receptive to this and they have attended recent community meetings. Cr Birchfield stated that the Arawhata River brings a lot of gravel down, and if the gravel could be directed so that it deposits a lot the frontage then this could help the beach rebuild. Cr Birchfield stated that the river is moving north and not depositing on the settlement. He suggested putting a cut through to try to direct the river south then the beach might rebuild. R. Beal advised that the NIWA report does recommend putting in a cut but it also notes that the damage done in the last 4 – 5 years is going to take 30 years to fix which is why the beach nourishment needs to go hand in hand with the cut. R. Beal stated that the NIWA report also advises that these measures are only temporary and buying time. Cr Archer asked what the \$5,000 includes in the first recommendation. R. Beal stated that this figure is an error and should be <\$15,000. M. Meehan advised that Council does have a small budget for these types of works, but the intention is if the rating district is formed then this money would then be recovered from the rating district as part of the beach nourishment work. M. Meehan advised that it will be hard to keep the cut open without a decent flood. Cr Archer asked if the area cross section area of the stopbank in photograph G is to become a sacrificial wall. R. Beal confirmed this and advised that it is uncertain how long this would last. M. Meehan spoke of the sacrificial wall at Mokihinui and advised that the community are aware of how this functions. He stated that Council will be very clear with the Neil's Beach community on how this will work for them. M. Meehan advised that the correct term for this is a sacrificial bund and there are no predictions on how long it might last. R. Beal stated that the immediately affected properties are very keen to see this work go ahead but it is yet to be spread around the wider community. The Chairman asked if based on the survey results, are the property owners closest to the beach keener on progressing work than other property owners. R. Beal confirmed this. The Chairman asked M. Meehan if the only mechanism for retrieving the money spent is to form a rating district. M. Meehan agreed and stated that he and R. Beal are proposing to have further consultation with the community and to provide a report back to the October meeting. The Chairman stated that 57%, over half, want to go ahead with the work. Cr Ewen asked where is the material from the slips near Jacksons Bay being carted to. M. Meehan stated that some of this material was pushed into the coastal area, which is a good thing, and this material has been looked at for Neil's Beach. Cr Archer stated that he supports the establishing of a rating district but community buy in is required on the funding apportionments. Cr Birchfield stated that the settlement is saveable and he is in favour of beach nourishment. Cr Clementson stated that looking at the photographs he feels that the conditions look right to go ahead and it may hold. He is happy to proceed with the works. Cr Challenger stated that he has attended the public meetings and agreed that the majority of the community do want something done but they want to know how much this work is likely to cost. Cr McDonnell agreed, and stated that the more work that is done the more it is going to cost. Cr Archer stated that it needs to be made very clear to the community that even the beach nourishment is a sacrificial thing and it only has a limited lifetime. M. Meehan confirmed that the Arawhata River is included in the permitted activity rule where the mouth can be opened without a resource consent.

Moved (Archer / Birchfield)

1. *That Council undertake small scale (<\$15,000) engineering works to provide temporary protection to properties at immediate risk of inundation.*
2. *Council provide more detail regarding the proposed mitigation works and resurvey the community, including facilitating a public meeting.*
3. *Staff provides a report to the October Council meeting, recommending a way forward.*

Carried

4.1.2 PROPOSED NORTHERN EXTENSION OF PUNAKAIKI RATING DISTRICT SEAWALL

R. Beal spoke to this report and advised that the opinion survey results were not conclusive. R. Beal advised that further information will be sent out to the community, which will address survey comments. He will then bring a recommendation to October Council meeting. The Chairman stated that there has been further damage since the opinion survey was sent out. R. Beal confirmed that emergency works were completed as a temporary measure. M. Meehan advised that NZTA are trucking spoil from the recent slip at Meybille Bay to the Punakaiki Camping Ground. M. Meehan advised that cost of the material to the rating district is minor, only the cost of a digger on site placing material. M. Meehan answered various questions on the financial implications for the rating district. M. Meehan stated that at the public meeting a conversation will be had with the community on the current rate which is \$95,000. M. Meehan gave a history of the rating district's financial situation since it began in 2006. M. Meehan advised that just under 60% of respondents want to proceed with the works, but further information needs to be gathered prior to going ahead with the work. R. Beal and M. Meehan answered questions from Councillors. Cr Archer commented that there are a lot of the same issues as Neil's Beach, and other locations, where money needs to be spent if they are to be retained. Cr Archer stated that all of the consultant reports are saying exactly the same thing, "plan for long term withdrawal". Extensive discussion took place. M. Meehan stated that cost benefits need to be discussed, and good information needs to be provided to the community so that they can make an informed decision. M. Meehan feels that there needs to be good justification in building more seawalls in the future as they are expensive for a community and the ongoing maintenance costs are very high. He stated that once a seawall is built, then there is an obligation that it will be maintained in the future. Cr Archer agreed with M. Meehan. The Chairman stated that Council's role is to keep good factual information in front of communities, and to make the best decisions it can based on the feedback from the community. Cr Birchfield stated he would like Council to get on with the work, he stated that any rock that comes from Meybille Bay is a bonus for the rating district. He feels this work is becoming urgent. The Chairman stated that this is an existing scheme that has been extended and Council needs to be seen to be fair to everyone who contributes and benefits in the rating district. Cr Archer stated that he supports the proposal but he wants the community to have another say. Cr Clementson stated that the community needs to agree to pay for the works. All Councillors agreed that the work needs to go ahead with buy in from the Community. Cr Archer would like to get an early response from the community so that early feedback from the community can be received in time for the October Council meeting. Cr Clementson stated that the price for the work has been lowered as a result of the rock source at Meybille Bay.

MOVED (Archer / Ewen)

1. *That Council staff advise the community that the Council supports the current proposal but wishes to get more community support and that Council provides more detail regarding the proposed mitigation works, costs and feedback on extending the rating district boundary, and re-survey the community, including facilitating a public meeting.*
2. *Staff provides a report to the October 2016 Council meeting, recommending a way forward.*

Carried

4.2 CORPORATE SERVICES MANAGER'S REPORT

R. Mallinson advised that there is no financial report this month, due to the time he has spent getting the Annual Report to an audit ready state. R. Mallinson reported that Audit NZ staff will have audit opinion available by 4 October for Councillors to adopt at the October Council meeting. R. Mallinson reported an interim deficit of \$454,000 to the August meeting. R. Mallinson reported that the Westpac Investment Portfolio rebounded strongly in July but not so strongly in August. R. Mallinson reported that in accordance with Council's Risk Management Policy, all risk covers were renewed on 30 June. R. Mallinson advised that NZ Mutual Liability Riskpool is in the process of exiting from the marketplace as it is not a viable proposition in the long term due to the number of Councils it has lost in the last year, including Auckland City Council. R. Mallinson advised that Council's Public Liability & Professional Indemnity cover is now with NZI. Cr Archer asked R. Mallinson if the cover with NZI is similar to what Council had with Riskpool. R. Mallinson responded that the NZI cover is just as good, and there is no possibility of further calls in later years. He stated that the premiums are cheaper than Riskpool.

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

Carried

5.0 CHAIRMANS REPORT

The Chairman spoke to his report. He stated that the two meetings he has attended for the South Island Regional Transport Committee Chairs Group have been very good. The Chairman advised that N. Costley has taken on the Communications role for this group as our contribution.

The Chairman reported that the report for the West Coast Growth Study will be released on 20 September with Ministers Joyce, Adams, Bridges and Flavell attending the launch. The Chairman advised that the next stage will be keeping the work of the Governance Group going and getting into the Action Plan and getting some real traction behind the report. The Chairman stated that the Growth Study has been a very worthwhile exercise and if the councils and agencies on the West Coast get together and put some impetus behind this, then growth for the West Coast can be achieved, especially in the tourism area.

The Chairman reported that the work around the Visiting Drivers Project Governance Group will assist with putting cases forward for better safety on our roads and putting proposals forward for new projects.

The Chairman reported that there has been a lot of discussion at the Regional Sector Group meetings on how regional councils are perceived throughout New Zealand. The Chairman advised there was good discussion on pest management matters at this meeting.

The Chairman reported that he chaired the recent meeting held in Franz Josef with the Community Working Group. This meeting was also attended by staff from MfE and MBIE who are involved with the Growth Study. He stated that this was a very good meeting and the government staff were able to see for themselves the issues faced in Franz Josef. The Chairman stated that Franz Josef tourism is key for the West Coast, and for New Zealand.

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

Carried

6.0 CHIEF EXECUTIVE'S REPORT

M. Meehan spoke to his report. He reported that K. Stratful, Council's Regional Economic Development Manager, presented at the Mayors and Chairs Forum on 8 August. K. Stratful provided a detailed analysis of the vision and branding for tourism and the goal of taking it from a \$430M a year industry to a billion dollar industry in five years. M. Meehan stated that with the predictions, the work in progress and the alignment with Tourism West Coast, he feels very positive that this is will happen.

M. Meehan spoke of the meeting he attended with the Westport Waste to Energy group. He advised that Mayor Howard is currently in the UK investigating the social side of what has been done in the UK in this area.

M. Meehan reported that he attended a meeting at Grey District Council with the Regional Harbourmaster. He stated that the Buller Harbourmaster also attended. M. Meehan advised that to date this Council has not taken a role in this area as the district councils have managed this. M. Meehan stated that Harbourmaster's are difficult to find and the West Coast is fortunate to have a Harbourmaster based in Westport.

M. Meehan reported that he was Group Controller for Exercise Tangaroa on 31 August. This exercise was based on a tsunami scenario. He stated this was a good exercise and one that tested the group and the districts well.

M. Meehan attended a meeting with New Zealand Petroleum and Minerals in Wellington recently. He spoke of the work being done to align processes in this area. He also met with Hon Nathan Guy on the same day, to discuss the work done by MPI with regard to border security for pest plant and animal work. M. Meehan stated that it was felt that the recent work done with Velvet Leaf could have been better managed and it is hoped this can be improved.

M. Meehan stated that the Franz Josef Working Group meeting was positive, and the government officials in attendance gained a good understanding of the work in this area.

Cr Ewen asked M. Meehan if he felt there would be any movement with the fee increase for mining permits following his visit to New Zealand Petroleum and Minerals. M. Meehan responded that the Minister seemed firm on his viewpoint, and that the fees will be raised and will have impact on the industry and on quarry fees for this council.

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

Carried

GENERAL BUSINESS

Cr Ewen asked if Council has notified WorkSafe of all of its quarries. M. Meehan confirmed this.

The meeting closed at 12.12 p.m.

.....
Chairman

.....
Date

THE WEST COAST REGIONAL COUNCIL

Prepared for: Council Meeting – 4 October 2016
Prepared by: Randal Beal – Operations Manager
Date: 26 September 2016
Subject: **ENGINEERING OPERATIONS REPORT**

WORKS COMPLETED AND WORKS TENDERED FORFranz Josef Rating District

The original tendered works are underway and are approximately 75% complete. The de-armoring of the Waiho river recovered approximately 400 tonne of rock. A contract variation for joining the two walls was also carried out. The cost of this variation is estimated to be \$4,000-5,000 and may be cost neutral overall based on the savings in the recovered rock.

Neil's Beach Emergency Works and Proposed Rating District

The emergency works discussed at the last Council meeting have been completed by JJ Nolan at a cost of \$15,000.

A further survey closing on 30 September has been sent out with the following amendments to the proposal:

- Map showing proposed area of beach nourishment
- Aerial photos September 2016
- Map showing emergency works carried out September 2016
- New proposed rating district classification

Punakaiki Rating District

Results for the May and August survey have been sent out to the rating district. Further financial information into the breakdown of the annual maintenance costs was also provided.

The slip at Meybille Bay provided an estimated 20-30 tonnes of rock and 1500 m³ of waste material. Golder Associates are doing a further inspection on the slip to assess the potential of further risk of rock fall this week. If the inspection identifies the potential for further rock fall then this will be initiated immediately. When this has been completed a revised estimated costing will be provided to the rating district, followed by a community meeting and further survey.

Granity/Ngakawau/Hector erosion

Following the NIWA report and interaction with the community Council have sent out a letter to all residents in Granity, Ngakawau and Hector. The letter highlights the work that has been completed to date and advises residents who wish to proceed with coastal protection works to contact Council.

Buller River Flood consultation

Staff are collating information into a package for public consultation in October.

Carters Beach

Envirolink funding has been applied for to commission a report from NIWA looking at the coastal erosion issue. The report is expected later this week and a public meeting will be arranged to discuss where to from here.

Annual Inspections of Rating District Assets

Staff are undertaking the annual inspections of the Council owned Rating District assets. The inspections for the rating Districts requiring meetings has been completed and the reports are being finalised to be ready to be circulated with the agendas for the Annual meetings.

Quarries

Quarry	Rock Available	Emergency Stockpile
Blackball	1,650	0
Camelback	17,124	0
Inchbonnie	13,981	0
Kiwi	3,470	0
Whataroa	8,838	0
Okuru	0	0

Council quarries are registered with Worksafe NZ as is required under Health and Safety at Work (Mining Operations and Quarrying Operations) Regulations 2016. Council's Quarry Manager has begun inspections with a focus on compliance with new regulations.

Council is seeking professional advice regarding the future management of Kiwi Quarry to ensure that the resource is used efficiently and safely.

RECOMMENDATION

That the report is received

Randal Beal
Operations Manager

15 September 2016

Name
Address 1
Address 2
Address 3

Dear Sir/Madam

Results from August 2016 Opinion Survey on Proposed Neil's Beach Rating District

Council has received feedback on the proposal to form the Neil's Beach Rating District to undertake the erosion mitigation works recommended by the NIWA report. The feedback from the survey focussed on three key themes:

- Details on the proposed physical engineering works.
- Desire from many to proceed ASAP
- There should be no classification C in the proposed rating district, this classification should be merged with classification B.

Survey Results

Of the 53 surveys sent out, 35 were returned by 6 September and presented to the 13 September 2016 Council meeting. Two questions were asked with the results detailed below:

Agree/Disagree in principle to the proposed classifications to fund the works:

Agree	Disagree	No Vote*
14 (40%)	17 (48%)	4 (12%)

Proceed/do not proceed with the beach nourishment and river alignment as outlined:

Proceed	Do not Proceed	No Vote*
20 (57%)	10 (29%)	5 (14%)

**Five surveys received did not select an option, but instead provided written comments.*

Following discussion on the report and results of the survey, Council decided to:

- Provide the community with additional information regarding the survey results and proposed physical works.
- Review the proposed apportionment of costs.
- Conduct an updated survey with the outcome to be presented to the 4 October 2016 Council meeting.

The Council remains in support of the proposal but wishes to gain more community support before committing to forming the Rating District. Council is aware that these proposed works are not a long term solution, but feels it is important to proceed with the proposed works to allow more time to investigate a long term solution, which may be a managed retreat from the area.

Review of apportionment of costs

In response to feedback regarding the apportionment of costs, Council asked its independent rating expert to review their work. They have altered the classifications to merge classification's B and C as they believe this is a fairer system. These changes are reflected in the revised map and apportionment of costs.

Emergency works September 2016

Following a report from a resident concerned at the enhanced threat to private property, Council staff carried out an inspection and took aerial photos. In response to this, Council carried out emergency work in the form of a temporary rock bund immediately adjacent to the worst affected area. It was considered important to get this work undertaken prior to the next spring tides, rather than wait for the 4 October Council meeting to confirm the formation of the rating district. The estimated cost of this work is less than \$15,000 and will be completed in the next fortnight.

Please find attached;

- Appendix One- Map showing proposed area of beach nourishment
- Appendix Two- Aerial photos September 2016
- Appendix Three- Map showing emergency works carried out September 2016
- Appendix Four- New proposed rating district classification

From here, once you have considered the additional information provided in this letter, we need you to provide your opinion on the proposal, including the apportionment of costs. Included with this letter is a survey form with options to select and room to provide comments.

The table below indicates the estimated annual costs for properties within the proposed Rating District. **Please refer to the map indicating what classification your property is in, to work out the proposed implications for your property:**

Proposed special rate (based on current \$5,000 annual maintenance rate, plus \$70,000 loan on 10 year term)

Classification	Cost per \$100,000 of CV
A	\$180.34
B	\$90.17

Return of forms

Please tick one of the options under each of the two questions on the survey form on the next page, and return that page in the postage paid envelope provided or email to rb@wrc.govt.nz by **30 September 2016**.

Yours faithfully



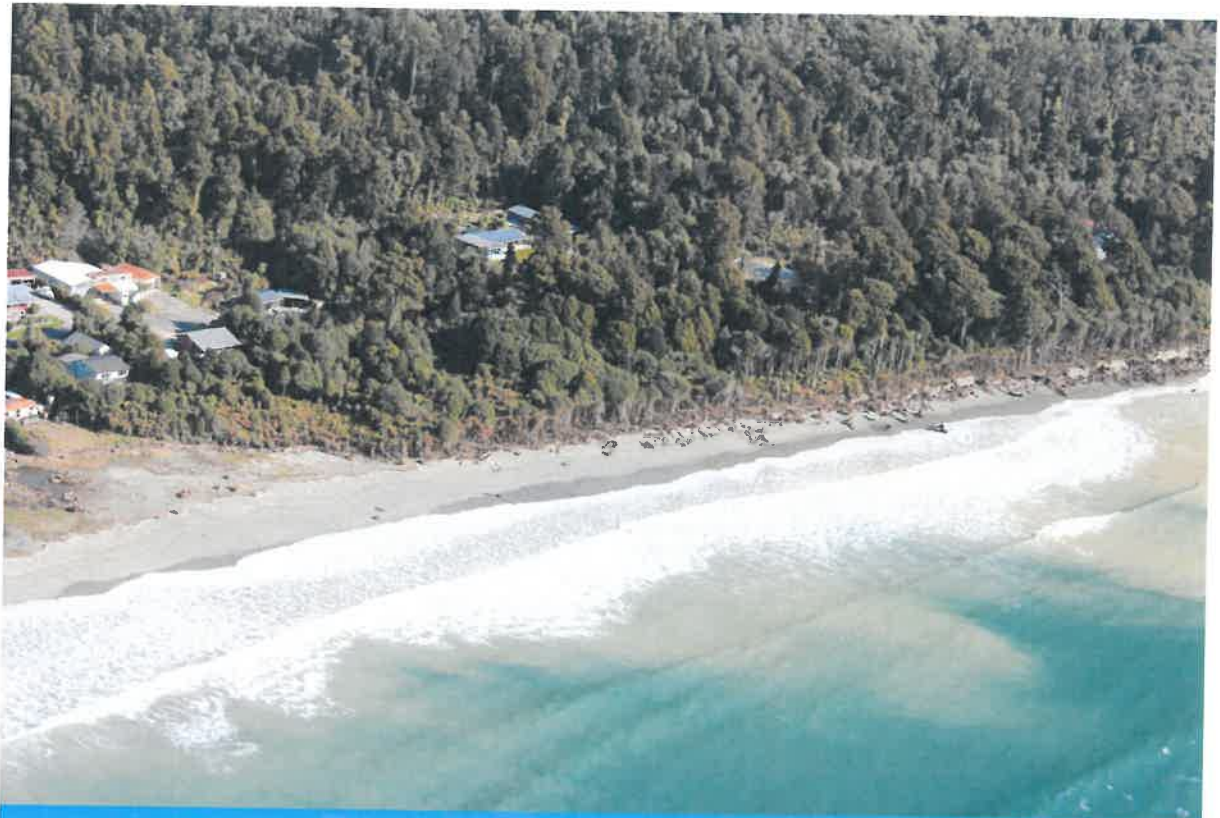
Randal Beal
Operations Manager

Appendix One- Map showing Indicative Area of Beach Nourishment





Appendix two- Aerial photos September 2016





Appendix Four-New rating classification



Key	
A	
B	

Opinion Survey on Proposed Neil’s Beach Rating District – September 2016

Please return this page in the envelope provided

Name _____

RID Class _____

Address _____

Options	Please tick one box only
1. Agree in principle to the proposed classifications to fund the works.	<input type="checkbox"/>
2. Disagree in principle to the proposed classifications to fund the works.	<input type="checkbox"/>

Options	Please tick one box only
1. Proceed with the proposed works as outlined.	<input type="checkbox"/>
2. Do not proceed with the proposed works.	<input type="checkbox"/>

Please feel free to include any additional comments below:

Signature _____

Name _____
(Please Print Clearly)

Note: All replies must be returned to The West Coast Regional Council in the enclosed, postage paid envelope by **30 September 2016**, or email to rb@wcr.govt.nz with subject line “Neil’s Beach Rating District”.

24 September 2016

«Name»

«Address_1»

«Address_2»

«Address_3»

Dear Sir/Madam

Results from May and August 2016 Opinion Survey's on the Proposed Northern Extension of Punakaiki Rating District Seawall

Council has received feedback on the previous two proposals and apportionment of costs to extend the Punakaiki Rating District seawall to the north. The feedback from the August survey focussed on three key themes:

- Disclosure of the results from the May survey.
- Request for another rating district meeting.
- Greater detail on the proposed annual maintenance costs.

Please see attached results from May and August surveys

- Appendix One-May survey results
- Appendix Two- August survey results.
- Appendix Three- Greater detail on the annual maintenance costs.
- Appendix Four-NZTA media release on Meybille Bay rock fall.

To facilitate the extension of the Punakaiki Seawall Council has:

- Undertaken emergency works in August to protect the campground at a cost of \$45,320. These works will form the base of the northern extension; the cost of these works will be apportioned once Council adopts the extension to the rating district.
- Purchased the property north of Fox River which will supply good quality rock at a significantly reduced cost for the rating district.
- Worked closely with NZTA to take advantage of the Meybille Bay slip.

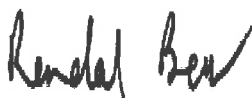
Meybille Bay Rockfall

Rock debris from this slip is being utilised to extend the seawall. The cost of utilising this rock is limited to the unloading and compressing of the rock on the Punakaiki seawall extension. Once this work is completed, Council will reevaluate what work is left to be completed from the original proposal and communicate this with the Rating District with an updated costing and proposal. See attached NZTA media release regarding the slip.

When this is confirmed we will also organise a public meeting to be held prior to releasing a further survey.

If you wish to discuss any aspect of the proposed Rating District, or require further information, please call me.

Yours faithfully



Randal Beal

Operations Manager

Appendix One- May Survey results

Of the 33 surveys sent out, 26 were returned by 25 May 2016. Two questions were asked with the results detailed below:

Agree/Disagree in principle to the proposed classifications to fund the works:

Agree	Disagree
10	14

Proceed/do not proceed with the proposed works as outlined:

Proceed	Do not Proceed
10	14

**Two surveys received did not select an option, but instead provided written comments.*

Appendix Two-August survey results

Of the 31 surveys sent out, 22 were returned by 6 September 2016. Two questions were asked with the results detailed below:

Agree/Disagree in principle to the proposed classifications to fund the works:

Agree	Disagree
10	12

Proceed/do not proceed with the proposed works as outlined:

Proceed	Do not Proceed
13	9

Appendix Three-Detail of annual maintenance

Council has struck a Maintenance rate of \$95,000 for the 2016/17 year, as per the rates resolution adopted by Council through its annual plan process.

If a new maintenance rate is agreed through the current extension proposal, this would apply in the 2017/18 financial year onwards.

Increase in Annual Maintenance 2016/17

The 2016/17 maintenance rate of \$95,000 is being levied on the "existing" classification basis" (i.e. the one that has prevailed since the special rating area was created in 2005 to construct the seawall). The annual maintenance rate was increased to \$95,000 a year once the original loan was paid off in full. This was in response to high maintenance costs and a significant overdraft.

As at 30 June 2016 the Punakaiki maintenance rating area had an overdraft of \$105,000.

It is clear that the \$95,000 maintenance rate is required for the foreseeable future, however there is an opportunity each year to discuss this with Council and make submissions through the annual plan process.

Northern Extension

The campground will pay 75% of the capital cost of the northern extension

The campground has contributed to the existing rating district wall since the beginning.

Appendix Four – NZTA media release**Fresh fall of rock Meybille Bay - road not opening today**

A fresh rock fall on the north side of the Meybille Bay, West Coast slip this morning has slowed down rock removal from the site.

"State Highway 6 will not be reopening today between Punakaiki and Charleston," says NZ Transport Agency Regional Performance Manager Pete Connors. A further update will be provided mid tomorrow morning, 14 September. "Crews and geotechnical staff will be reassessing the site this afternoon to determine what work may be needed to stabilise it and ensure safety for road users," he said. About 200 cubic metres of rock fell on the north side of the slip this morning, suspending removal work there. Around 1,000 cubic metres was removed from the site yesterday by two crews with six trucks each side. "Crews are continuing to remove rock and soil from the south side of the slip and are trucking it to the West Coast Regional Council's seawall extension at Punakaiki."

Meybille Bay rock from the slip now extending the West Coast Regional Council's sea wall project at Punakaiki.



THE WEST COAST REGIONAL COUNCIL

Prepared for: Council Meeting - 4 October 2016
 Prepared by: Robert Mallinson – Corporate Services Manager
 Date: 26 September 2016
 Subject: **Corporate Services Manager’s Monthly Report**

1. Financial Report

Due to time needed to address Audit NZ requirements I have not been able to complete the two monthly report to 31 August as at the date of preparation of this Report. This report will be completed as soon as possible, but is unlikely to be completed in time for the 4 October meeting.

I undertake to circulate to Councillors as soon as it is completed.

2. Annual Report

The Audit site work was completed on 16 September, with the following week mostly involving responding to supplementary questions from the Audit team.

At this stage the original sign off date of 4 October is not now likely to be met.

3. Investment Income

Westpac Portfolios

July / August 2016	Catastrophe Fund	Major Portfolio	TOTAL
Opening balance 1 July 2016	\$ 976,553	\$ 10,856,308	\$ 11,832,861
Income July/August 2016	\$ 20,200	\$ 240,132	\$ 260,332
Deposit			
Withdrawal		\$ -	\$ -
Closing balance 31 August 2016	\$ 996,753	\$ 11,096,440	\$ 12,093,193
Total income year to date to 31 August 2016	\$ 20,200	\$ 240,132	\$ 260,332

4. Audit NZ Interim Management Report

The attached report flows from the work they carry out in evaluating Council internal controls and systems. Where relevant, management comment is included in the report from Audit NZ.

There will be a final Audit Management Report issued (probably some-time in November) regarding their audit work on the Annual Report and Financial Statements.

RECOMMENDATIONS

That Council receives the Audit NZ Interim Management report.

Robert Mallinson
Corporate Services Manager

19 September 2016

PO Box 2, Christchurch 8140

www.auditnz.govt.nz

Fax: 03 961 3059

Andrew Robb
Chairman
West Coast Regional Council
PO Box 66
Greymouth 7840

Dear Andrew

Report on West Coast Regional Council interim audit for the year ended 30 June 2016

1 Introduction

We have completed our interim audit of the West Coast Regional Council (the Council) for the year ended 30 June 2016.

The primary purpose of our audit was to update our understanding of the Council's control environment and gain a better understanding of the issues facing the Council and how these were being addressed. We also reviewed the internal control systems and, where appropriate, tested those systems to confirm that the relevant controls identified, operated effectively throughout the period.

The follow up of matters raised in our 2015 interim management report is included in Appendix 1. Our recommendations have priorities of urgent, necessary or beneficial. Appendix 2 provides more detail of each priority.

2 Assessment of your control environment

We have performed a high-level assessment of the control environment. This assessment was performed for the purpose of planning the most effective and efficient audit approach, in order to enable us to express an audit opinion on the Council's financial statements and the non-financial information. We considered the overall attitude, awareness, and actions of the Council and management in establishing and maintaining effective management procedures and internal controls.

In performing this assessment, we considered both the "design effectiveness"¹ and "operational effectiveness"² of internal control. However, it is not the purpose of our assessment to provide you with assurance on internal control in its own right. As such, we provide no assurance that our assessment will necessarily identify and detect all matters in relation to internal control.

¹ Control is effective to either prevent or detect a material error in either the financial statements and/or non-financial information. The control is "fit for purpose".

² Control has operated effectively throughout the period tested.

In relation to the broader management control environment we noted the following:

2.1 Internal controls

Internal controls are the policies and processes that are designed, implemented and maintained by the Council and management, to provide reasonable assurance as to reliability and accuracy of financial and non-financial reporting, as well as compliance with significant legislative requirements. Both “design effective” and “operationally effective” internal control is important to minimising the risk of either fraud or misstatement occurring. The responsibility for the effective design, implementation and maintenance of internal control rests with the Council.

We reviewed the internal controls in place for the following processes:

- expenditure;
- payroll;
- revenue and cash receipting;
- investments and fixed assets;
- non-financial performance systems; and
- related parties.

From our review we found that the above systems are generally design effective. For the expenditure and payroll systems we were able to conclude they were operating effectively.

2.2 Risk management and reporting

Recommendations

The Council:

- update and review the risk register in line with their intended programme of review; and
- identify the priority risks affecting Council, and implement a review of these risks on a quarterly basis.

Findings

In our 2014 interim management report we recommended to the Council the need for a formal process to manage business risks. In response a risk register was developed and reported to Council in June 2015. In implementing the risk register, the Council noted their intent for the register to be reviewed and updated on an annual basis. The risk register is yet to be updated and reviewed in line with the intended programme. We understand the update and review has been delayed as part of the transition to a new Chief Executive, and workshops are to be scheduled for the identification and review of the risk register.

Good practice in risk management dictates that the likelihood of a risk occurring and the consequence or impact of the risk occurring be assessed. This enables an overall rating for each risk to be determined so priority risks and their mitigations can be identified.

We recommend that the likelihood and consequence of each risk is determined, so the most significant risks are identified. A shortlist of the most significant risks should then be identified and reported on a more regular basis, ideally quarterly.

2.3 Investment system

We have reviewed the Council's investment system and were satisfied that there are adequate reporting to monitor the investment performance and appropriate controls to safeguard investment deposits/withdrawals.

As part of our review we obtained a report from Price Waterhouse Coopers (PWC) prepared for Westpac's investment custodial service provider Aegis Ltd (Aegis). The report outlines the systems and controls in place performed by Aegis over the Council's investment portfolio.

The report concluded that the controls in place operated effectively throughout the period under review. The report covered the eighteen month period to 30 June 2015.

At the final audit we will obtain the report that covers the year ended 30 June 2016. We will also obtain external confirmation from Westpac to verify both the closing value of the portfolio and the returns achieved during the year.

2.4 Segregation of duties and access profiles

Recommendation

The Council review:

- segregation of incompatible duties in key internal control systems, and implement appropriate segregation of duties; and
- access profiles in Civica Authority for consistency with employee roles in each system.

Finding

As part of our review of the expenditure system we identified areas where segregation of duties could be improved.

For the expenditure system the Corporate Services Manager has the ability or access to perform changes to the creditor's masterfile, approve invoices within delegation, review the payment preview report, and approve payments.

In mitigation, we have confirmed that the Corporate Services Manager has not performed changes to the creditor's masterfile for the period. Additionally, authorisation of payments in the expenditure system requires the authorisation of two approvers. On this basis we were able to rely on the expenditure system for the purpose of our audit.

2.5 Gifts register

Recommendation

Implement a formal gifts register to record the receipt of gifts.

Finding

The Office of the Auditor General has published guidelines for good practise around the giving and receiving of gifts. The guidance is included in the report "*Controlling sensitive expenditure: Guidelines for public entities*".

The expectations outlined in the report include the need for a policy that covers the giving and receiving of gifts. It is also expected that public entities record the receipt of gifts in a formal gifts register.

The Council has in place an organisational culture policy, which covers their practises around gifts, however do not have a gifts register in place.

3 **Audit New Zealand has performed 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.

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.

4 **Statement of auditor independence**

We have maintained our independence in accordance with the requirements of the Auditor General, which incorporate the independence requirements of the External Reporting Board.

5 **Conclusion**

Please extend our thanks to the management and staff of the Council who provided assistance to the audit team during our visit.

If there is any further information you require, please do not hesitate to contact me.

Yours sincerely



Scott Tobin
Director

Appendix 1: Status of recommendations

Matters in progress

Recommendation	Priority	Management's proposed action
Authority Post-implementation Review		
<p>There remain some key outstanding issues from the post-implementation review undertaken in December 2013. Solutions need to be developed between Civica and the Council. For example the work order billing, improving online timesheets and QV data imports.</p> <p>We recommended the Council to resolve these issues.</p>	Necessary	<p>Works Order Billing <i>This is scheduled to go live as soon as possible.</i></p> <p>On-Line timesheets <i>These are now available for beta testing from Civica.</i></p> <p>QV data imports <i>The Civica enhancement still doesn't meet our SRA requirements. We are continuing discussions with Civica about this.</i></p>
Credit notes monitoring		
<p>Council produce and monitor a credit note listing report that shows all credit notes issued within a specified period. This process will better aid the Council to identify any incorrect credit notes issued.</p> <p>Our understanding is that the Council is willing to implement this control and currently investigating the technical feasibility to produce this report.</p>	Beneficial	

Matters that have been resolved

Recommendation	Outcome
Policies regular review	
Council establish a programme of policy review and an individual be assigned the responsibility to oversee this review.	This matter has been addressed, a review of all significant policies was undertaken in 2016.
Member's Interest Act implications	
We recommend the Council to review the Local Authorities (Members Interest) Act 1968 and determine if the contract between Vector Control Services business unit and Birchfield Mining Limited presented a breach of section 3 of the Act.	Retrospective approval request was sent to the OAG, and the OAG concluded that section 3 of the Act does not apply to this contract and therefore retrospective approval was not required.
Rates Debtor Aging	
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	A rates debtor aging report was developed in 2015 which meets the requirements of 65 (1) of the Local Government (Rating) Act 2002.

Recommendation	Outcome
<p>which rates payments or the last payment becomes due in accordance with section 65 (1) of the Local Government (Rating) Act 2002.</p> <p>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>	

Appendix 2: Explanation of priority ranking system

Our recommendations for improvement and their priority are based on our assessment of how far short the Council is from a standard that is appropriate for the size, nature, and complexity of its business. We have developed rankings for our recommendations:

Urgent

Major improvements required

Needs to be addressed *urgently*

These recommendations relate to a serious deficiency that exposes the 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.

Necessary

Improvements are necessary

Address at the earliest reasonable opportunity, generally *within 6 months*

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.

Beneficial

Some improvement required

Address, generally *within 6 to 12 months*

These recommendations relate to deficiencies that result in the Council falling short of best practice. These include weakness 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.

THE WEST COAST REGIONAL COUNCIL

Prepared for: Council Meeting- 4 October 2016
Prepared by: Andrew Robb – Chairman
Date: 23 September 2016
Subject: **CHAIRMAN'S REPORT**

Meetings Attended

- I met with Scott Tobin & Chris Genet of Audit NZ on 15 September.
- I attended the launch of the West Coast Growth Study on 20 September at the Arahura Marae.

RECOMMENDATION

That this report be received.

Andrew Robb
Chairman

Prepared for: Council Meeting 4 October 2016
Prepared by: Michael Meehan – Chief Executive
Date: 23 September 2016
Subject: **CHIEF EXECUTIVE'S REPORT**

Meetings Attended

- I attended a Franz Josef Community Working Group meeting on 8 September.
- I met with Scott Tobin & Chris Genet of Audit NZ on 15 September.
- I attended the Tai Poutini Conservation Board meeting in Hokitika on 16 September.
- I attended the launch of the West Coast Growth Study at the Arahura Marae on 20 September. This was followed by a "Next Step" meeting in the afternoon of 20 September.
- I will be meeting with Andy Gowland-Douglas, Buller District Council's Chief Executive on 28 September.

RECOMMENDATION

That this report be received.

Michael Meehan
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.

- 29 – 32 8.1 Confirmation of Confidential Minutes 13 September 2016
 8.2 Overdue Debtors Report (to be tabled)
 8.3 Potential Liability Notification
 8.4 Response to Presentation (if any)
 8.5 In Committee Items to be Released to Media

Item No.	General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution.
8.			
8.1	Confirmation of Confidential Minutes 13 September 2016		Item 1 & 2 protecting privacy of natural persons Section 7 (3) (a) of the Local Government Official Information and Meetings Act 1987.
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		

I also move that:

- Michael Meehan
- Robert Mallinson
- Gerard McCormack
- Randal Beal
- Nichola Costley

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.